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Submission on the Ministry of Transport's discussion paper "Moving the light vehicle fleet to low emissions: discussion paper on a Clean Car Standard and a Clean Car Discount"

From:

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My thoughts in general:

I am a married middle aged father of two, with a concern for the future generations in terms of climate change, emissions, New Zealand's role in reducing global emissions, and what role I can play.

I have long grappled with the question of what I can do on an individual level to reduce both my own and my family's greenhouse gas emissions, and what role that may take in reducing global emissions and any resultant warming.

It's an overwhelming question when you look at the scale of the problem and it is easy to become despondent. I have researched the issue and aside from the moral idea of at 'least having done something,' my individual efforts to reduce emissions pale in comparison to those needed at a global scale to make avoid catastrophic climate change.

So I have returned to the idea of the political process being a driver (albeit slow one) of legislative change to reduce emissions, and hopefully pushing population based behaviour change away from a high emission society. I believe this will help motivate private interests to look at alternative sources of energy

Submissions

The first point I want to make is regarding the timeframe for implementing this scheme – particularly when could the Clean Car Discount come into effect?

I would submit that the discount should come into effect before the 2020 election. Or at an even earlier point. This would lessen the amount of aberrant behaviour both by people determined to purchase a new high emission vehicle, and those wishing to purchase a new low emission vehicle. Given the long run in period (late 2021, or after 2021) if someone is contemplating purchasing a high emission vehicle they will be motivated to purchase earlier, and those contemplating purchasing a low emission vehicle will delay purchasing one until 2022. This will lead to the opposite effect as to that desired – albeit on a small scale – but an effect nonetheless.

Is the Clean Car Standard appropriate for New Zealand? If not, why?

Yes. The trend is for increasing transport emissions from light vehicles and the most popular new vehicles sold in New Zealand are currently the Ford Ranger and Toyota Hilux, so some lever needs to be pulled to turn these trends around.

Is an average emissions target of 105 grams CO2 per kilometre by 2025 an appropriate target for New Zealand? If not, why?

Yes. Other similarly placed countries can do it – Japan and the EU were almost there as of 2015. I don't see any good reason why New Zealand can't reach this standard in a practical level for new (to NZ) passenger vehicles.

What effect do you think the Clean Car Standard would have on vehicle supply and prices?

Domestic prices of high emission vehicles (sold within New Zealand) may increase, as the supply of new high emitting vehicles would become limited. The opposite for low emission vehicles should occur.

Do you consider the overall process outlined for the Clean Car Standard is workable? If not, why?

Yes. I think the scheme being implemented at point of first registration in New Zealand makes sense.

The Clean Car Standard will cover new vehicles and used vehicles being brought into New Zealand. Should people who import three vehicles or less be exempted? If not, why?

No. This could lead to aberrant behaviour – whereby workarounds are set up to import large numbers of high emission vehicles but under the names of a number of different parties, so they average three or less. We also don't know if there is a limit on the three vehicle concession – three vehicles per shipment? Three vehicles per year?

Do you support phasing-in the 105 grams CO2 per kilometre emissions target by: adopting multiple targets that progressively lower to 105 grams? OR using the increasing percentage of fleet approach?

I don't have a strong preference here. So long as the target is reached by 2025.

Do you support adopting a weight-adjusted Clean Car Standard? If not, why?

I think to assist public engagement and supplier development it seems reasonable, however I think some pressure needs to be put on lowering the overall weight of the light vehicle fleet. Heavy vehicles consume more energy (i.e emit more carbon) when all else is equal. Some information on average vehicle fleet weight of other countries would be useful here – EU, Australia, Japan and USA must have average passenger vehicle weight data.

Do you support a penalty of \$100 for each gram CO2 per kilometre that a supplier of new vehicles exceeds its fleet target? If not, why?

Yes.

Do you support a penalty of \$50 for each gram CO2 per kilometre that a supplier of used imported vehicles exceeds its fleet target? If not, why?

Yes.

Do you support the banking mechanism to provide flexibility for vehicle suppliers? If not, why?

Yes.

Do you agree that the new vehicle sector should have the added flexibility of borrowing? If not, why?

Yes.

Do you support an arrangement for suppliers to pool their vehicles together to comply as a group? If not, why?

Yes.

Do you agree that new and used vehicle suppliers should not be able to pool their vehicles and comply as a group? If not, why? If you think they should be able to comply as a group, how should the different lifetime emissions of new vehicles and used vehicles be measured and balanced?

No. It would add too much complexity to the situation – the determination of lifetime emissions being one facet of the issue. There would no-doubt be other considerations, one problem could be suppliers importing a combination of new and used cars to capitalise on this formulation.

Do you support having the following penalties for misreporting data for the Clean Car Standard:

- o for an individual, a fine not exceeding \$15,000
- o for a person or an organisation other than an individual, a fine not exceeding \$75,000? If not, why?

Yes.

Do you support the sanction of disqualification from being a registered motor vehicle dealer if a supplier deliberately attempts to evade meeting annual targets? If not, why?

Yes.

Do you support amending the Fuel Consumption Information Rule so that only vehicles tested to the WLTP, NEDC, the JC08, and the American Federal Test Procedure meet requirements for entry certification? If not, why?

Yes. There should be some consistency in how these measures are obtained. Eliminating the use of the Japanese 10/15 test procedure will have the added benefit of ruling out older vehicles (despite their low overall number they would on average have higher emissions per vehicle, be closer to end of life, and be less safe)

Do you agree with the proposed process for setting future emission targets? If not, what would you change and why?

Yes. Decreased use of fossil fuels and increased use of renewable energy (New Zealand has 85% renewable electricity) is essential. Future emission targets ought to aim for zero. This may sound aspirational, or simply excessive, but an acknowledgement of the need to move in this direction, for the industry and the New Zealand public I think is invaluable.

Is the Clean Car Discount appropriate for New Zealand? If not, why?

Yes. There needs to be some policy of legislative pressure put on behaviour change. At a simple level this is just away from a high consumption to a low consumption society.

Is the emissions benchmark of 105 grams CO₂ per kilometre by 2025 an appropriate one to have for the Clean Car Discount? If not, why?

Yes.

Would an initial emissions benchmark of 150 grams CO₂ per kilometre be suitable for the first year of the Clean Car Discount? If not, why?

Yes.

Would the level of the fees and discounts in the example feebate schedules (Appendix 4) increase demand for low-emission vehicles? If not what changes would you make?

Yes I think it would increase demand, but perhaps not as much as it could if the discount was more. I don't understand why it has been set at the numbers it has - new low emission vehicles (excluding Evs) would cost less on average than new high emission vehicles, so

In the example schedules the schedules change every year to lower the emissions benchmark and to keep the scheme self-financing. Do you think annual change is practical or should there be less change?

So long as the scheme is self financing then this is practical.

Should new vehicles include near-new vehicles less than 3 years old?

Yes.

Do you think a zero band is appropriate? If not why?

No. I think there are plenty of options for consumers within each emission band – including those at and below the zero discount emission target for that year. One of the whole reasons for this initiative is to change our consumer behaviour – we need to be thinking about how we can adapt expectations to a low emission vehicle, so offering a range of bands is defeating the purpose.

Do you think the size of the zero band in the example feebate schedules is appropriate? If not why?

No. I think it should be a cross 1 or at most 2 emission levels

Do you support the proposal to apply the fees and discounts directly at the point of vehicle purchase? If not, why?

Yes.