



28 October 2021

OC210876

Hon Michael Wood
Minister of Transport

Action required by:
Tuesday, 9 November 2021

INDICATIVE MARKET COMPARISON OF NEW ZEALAND'S VEHICLE CO₂ STANDARD TARGETS

Purpose

Update you on an indicative market comparison of New Zealand's proposed CO₂ standard targets against international proposed and enacted targets for cars, SUVs, vans and utes.

Key points

- The attached PowerPoint is an indicative research analysis of New Zealand and international vehicle emission standard targets. It compares New Zealand's 2025-2027 targets against other countries. It shows that New Zealand would rapidly approach but not overtake the CO₂ targets of leading countries.
- The indicative market comparison has been reviewed by the International Council on Clean Transportation (the ICCT), an independent non-profit organisation that provides technical and scientific analysis to environmental regulators.
- In 2020, New Zealand average light vehicle emissions were among the world's highest. New Zealand's targets for 2026 and 2027 attempt to turn this around. The indicative analysis shows that New Zealand's 2026 and 2027 targets are consistent with a recent international trend of countries enacting, achieving, or proposing significant reductions.
- The analysis uses New European Driving Cycle (NEDC) units as it is based on the research of other jurisdictions compiled by the ICCT. We recommend you avoid quoting NEDC figures from this briefing as it could confuse the market because New Zealand is moving to Worldwide Harmonized Light-Duty Test Procedure (WLTP) scales instead of NEDC. The exact figures are not precise enough to be compared with absolute precision, so it is better to note trends, the relationships between countries, and relative positions.
- In New Zealand, importers of vehicles in 2027 (and any other year) would be able to miss their commercial vehicle target and avoid charges, if they exceed their passenger vehicle target sufficiently. Other flexibility mechanisms, such as using credits from earlier years, or transferring credits from over-achievers, would also allow businesses to avoid charges. New Zealand is unusual in the prevalence of

commercial vehicles in its current vehicle mix, hence why strong commercial vehicle targets are justified.

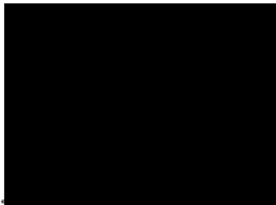
- We propose to publish the indicative research analysis on the Te Manatū Waka – Ministry of Transport website to provide information on how New Zealand’s proposed vehicle emission targets compare to other countries.
- If other countries announce significant vehicle CO₂ emission targets next month at COP26, officials can update this analysis.

Recommendation

We recommend you:

- 1 **Support** the publication of this comparison of New Zealand’s CO₂ standard targets against international jurisdictions on the Te Manatū Waka – Ministry of Transport website.

Yes / No



Personal details

Manager, Environment, Emissions and Adaptation
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Hon Michael Wood
Minister of Transport
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- Minister’s office to complete:
- Approved
 - Declined
 - Seen by Minister
 - Not seen by Minister
 - Overtaken by events

Comments

Contacts

Personal Details

Name	Telephone	First contact
Ewan Delany, Manager, Environment, Emissions and Adaptation	[REDACTED]	✓
Sigurd Magnusson, Senior Policy Advisor, Environment, Emissions and Adaptation	[REDACTED]	
Jocelyn Zeke, Assistant Policy Advisor, Environment Emissions and Adaptation	[REDACTED]	

**ANNEX 1: NZ VEHICLE CO₂ STANDARD TARGETS – INDICATIVE
MARKET COMPARISON OCT 2021**

See attached PowerPoint.

PROACTIVELY RELEASED BY
TE MANATŪ WAKA THE MINISTRY OF TRANSPORT