# Proactive Release

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Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

Listed below are the most commonly used grounds from the OIA.

| Section | Description of ground |
|---|---|
| 6(a) | as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government |
| 6(b) | as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by<br>(i) the Government of any other country or any agency of such a Government; or<br>(ii) any international organisation |
| 6(c) | prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial |
| 9(2)(a) | to protect the privacy of natural persons |
| 9(2)(b)(ii) | to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information |
| 9(2)(ba)(i) | to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public |
| 9(2)(ba)(ii) | to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest |
| 9(2)(f)(ii) | to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility |
| 9(2)(f)(iv) | to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials |
| 9(2)(g)(i) | to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty |
| 9(2)(h) | to maintain legal professional privilege |
| 9(2)(i) | to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities |
| 9(2)(j) | to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |

**In Confidence**

Minister of Transport

Cabinet Economic Development Committee

## Clean Vehicle Bill Targets and Other Matters

### Proposal

1 This paper seeks agreement to amend Clean Vehicle Standard (the Standard) carbon dioxide ($CO_2$) targets following submissions on the Land Transport (Clean Vehicles) Amendment Bill (The Bill) and revise exclusions on some vehicle types.

### Relation to Government priorities

2 In December 2020 this Government declared a climate emergency and the Clean Car Programme, including the Standard and the Clean Car Discount scheme (the Discount), is one of a number of actions the Government has taken in response. The Clean Car Programme also gives effect to the commitment in the Labour Party's Clean Energy Plan to accelerate the electrification of the transport sector and to our Cooperation Agreement with the Green Party of "increasing the uptake of zero-emission vehicles".

3 The Clean Car Programme will be one of a number of transport policies to be included in the Government's first Emissions Reduction Plan (ERP), which will be published by 31 May 2022. The ERP, led by the Minister of Climate Change, will outline the strategies and policies that will be used to achieve the first emissions budget for 2022–2025, and will be built on to deliver the second and third budgets (over the 2025-2030 and 2030-2035 periods).

### Summary

4 The Bill will implement the Standard and the Discount as agreed by Cabinet in February and June 2021[1]. A draft Bill was introduced to Parliament in September 2021 and was referred to the Transport and Infrastructure Select Committee (the Committee). In November 2021, officials reviewed the 135 written submissions made on the Bill and 28 oral submissions made to the Committee[2]. Submitters represented the motor vehicle industry, local government, individuals, and others.

5 Among the key issues raised in submissions were concerns about the ability of vehicle importers to achieve the $CO_2$ reduction targets that the Bill proposed to legislate in years 2025, 2026, and 2027. Concerns were particularly raised for years 2026 and 2027. In response to these concerns, I am seeking Cabinet's decision on whether to relax the 2026 targets and to set the 2027 target by regulation at a later time. These changes would seek to strike a balance between calls from many in the vehicle industry to ease these targets so they can achieve them with less difficulty, against the Government's, and of many other submitters, priority to rapidly decarbonise transport.

6 Adjusting the 2026 target will acknowledge the increased uncertainty, relative to earlier this year, about the availability of supply of low emissions commercial

[1] Refer CAB-21-MIN-004 and CAB-21-MIN-181.1, and CAB-21-MIN-316 to introduce the Bill.
[2] Submissions are published and available at https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_115766/tab/submissionsandadvice.

vehicles, including utes, and ongoing disruption in the supply chain and availability of key vehicle components. Deferring setting the 2027 target will mean industry is less able to plan for that year, but will allow this target to be finalised when there is better information about supply and in the wider context of our Emissions Reduction Plan which will be adopted in mid 2022. The Emissions Reduction Plan is also expected to clarify the Government's intentions with regard to a timeline for phasing out import of internal combustion engine vehicles; this will support industry planning and mitigate deferral of setting the 2027 target.

7 Cabinet has already agreed to review the targets in 2024 (CAB-21-MIN-004 refers). This means that whether we choose to keep the current targets in the Bill, or relax them, their levels will be still be reviewed, and can adjusted up or down if necessary, in 2024.

8 Some of the other issues raised in submissions on the Bill relate to exclusions, which are not in the scope of the Bill. Instead, the exclusions are in scope of the regulations I will be making separately for the Discount and the Standard in 2022. In this paper I recommend Cabinet agree to changes to policy it has previously agreed [CAB-21-MIN-004; CAB-MIN-21-181.1 refer]. These exclusions would address concerns raised about disability vehicles, motorsport vehicles, and scratch-built and modified vehicles.

s 9(2)(f)(iv)

[redacted]

**We should consider whether to retain the current 2023, 2024, and 2025 targets, but relax the 2026 target**

10 Many submitters on the Bill commented on the $CO_2$ targets proposed as part of the Clean Vehicle Standard. Thirteen submitters wanted the targets to be more ambitious, with some, such as Auckland and Wellington City Councils, seeking the targets phase out the importation of petrol and diesel vehicles altogether. The VIA, representing used vehicle importers, noted the challenge of the targets however broadly supported the ambition of the Bill.

11 Seventeen submitters, mostly comprising distributors of brand new petrol and diesel vehicles, including the Motor Industry Association (MIA), stated that the targets, mostly in years 2026 and 2027, were unachievable.

12 Targets are integral to how the Standard will work. The Standard will require importers to increase the supply and variety of zero and low emissions vehicles available for purchase in New Zealand. Annually strengthening $CO_2$ targets on importers of new and used light vehicles will reduce the emissions from light vehicles entering our fleet over time, to help us meet our 2050 net-zero carbon emissions target.

13 The legislated emissions targets which are set out in this Bill need to strike the right balance. They should not be so strict that importers cannot supply the low emissions vehicles required at an acceptable price, but they must be strong enough that New Zealand is prioritised in global markets for supply of the most efficient models of vehicles. In oral hearings on the Bill, many local vehicle distributors noted that having

regulated targets provided leverage to secure zero and low emission vehicles from their parent companies.

14 New Zealand's average vehicle carbon dioxide emissions are among the highest in the world, and as a consequence, the rate of improvement New Zealand needs to achieve will be much faster than other automotive markets, such as Japan, Europe, and North America, which have regulated for vehicle emission reductions for decades.

15 I am confident about the achievability of our targets over the 2023 to 2025 period. The introduction of rebates on electric vehicles in July 2021 led to a significant and sustained increase in EV uptake, meaning, we are already close to reaching the 2023 $CO_2$ reduction target for new passenger cars. Our $CO_2$ target for 2025 has already been achieved by major global markets including the UK and Europe. Our largest vehicle distributor by volume, Toyota, supports our 2025 target.

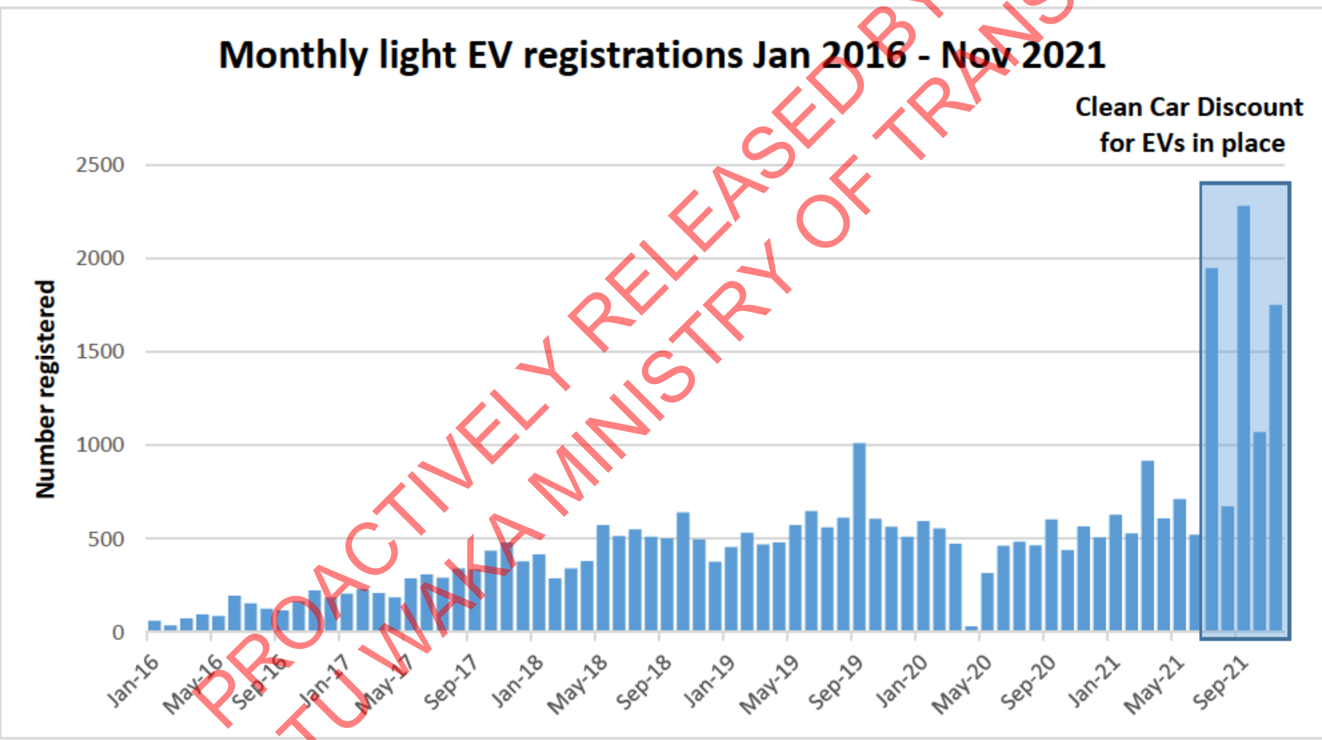



*Figure 1: Monthly light electric vehicle (EV) registrations. Note that COVID-19 has contributed to limiting sales in some months.*

16 The key uncertainty with reaching the 2026 targets is the potential lack of availability of zero and low emitting utes. Utes vehicles make up a significant proportion of vehicle sales today however there is presently no electric (zero emission) or hybrid (low emission) ute for sale in New Zealand, despite earlier industry indications that these would be available locally by now. The MIA, representing distributors of new vehicles, suggests there will be at least 10 models of electric or hybrid utes by 2025, which is promising, but uncertainties over volume and vehicle capability remain.

17 Established brands such as Toyota and Ford are predicted to offer electric utes to New Zealand but are yet to make commitments around dates or volume. Ford has begun selling hybrid and electric utes in the US, and has announced it will do

likewise by 2024 in Europe[3], including that New Zealand's top-selling ute, the Ford Ranger, will eventually be 'electrified'. Toyota has announced by 2030 it will offer 30 electric models globally by 2030, comprising over 3 million sales annually, though has not currently announced the timing of an electic ute within that framework.[4]

18 Over the past decade, utes have doubled from 6 percent of newly imported vehicle sales in 2010 to 13 percent in 2021. The Bill will place pressures on the vehicle market that will likely cause some reversal of this growth trend, and will encourage the substitution of high emission utes with lower-emission vans and 4WD SUVs. However, achieving the Bill's $CO_2$ targets will likely rely on electric utes being supplied to our market, especially from 2026.

19 There are already hybrid and electric cars, SUVs, and vans in both the new and used markets, so target achievability in those segments, in comparison to utes, is less of a concern.

20 Where importers sufficiently overachieve their passenger vehicle target, they can underachieve their commercial target by the same amount, to avoid charges. This offsets the pressure to supply low emissions utes in the short term, to a degree.

21 Through submissions to the Bill, the MIA and a number of vehicle importers proposed that New Zealand lag two years behind the vehicle $CO_2$ targets currently enacted in the EU. This would represent a significant reduction in ambition and would risk New Zealand missing out on low and zero emission vehicles.

22 The EU Parliament is currently in the process of negotiating a new set of much stronger targets that would also phase out petrol and diesel vehicles entirely by 2035[5]. The UK has announced it will also set targets stronger than current EU regulations from 2024, leading to the phase out of petrol and diesel vehicles in 2030, and phase out of hybrids in 2035, leaving only zero emission vehicles from 2035[6].

23 Whilst these foreign targets have not yet been enacted, brands that are significant both to Europe and our local market have announced positive responses. Ford intends to sell only zero emission cars in Europe from 2030[7], and Toyota likewise for all vehicles sales in Western Europe by 2035[8]; noting both intend to continue to sell petrol and diesel vehicles in other markets where $CO_2$ regulations are less strict.

24 Striking a balance between feedback from submitters seeking variously that ambition be increased or decreased, uncertainties regarding future zero and low emission ute supply, and announcements that vehicle emission targets are being strengthened in key overseas jurisdictions, I recommend we give consideration to relaxing the 2026 targets.



[3] https://media.ford.com/content/fordmedia/feu/en/news/2021/02/17/ford-europe-goes-all-in-on-evs-on-road-to-sustainable-profitabil.html
[4] https://global.toyota/en/newsroom/corporate/36428993.html
[5] https://www.euractiv.com/section/electric-cars/news/eu-signals-end-of-internal-combustion-engine-by-2035/
[6] https://www.gov.uk/government/publications/transitioning-to-zero-emission-cars-and-vans-2035-delivery-plan
[7] https://media.ford.com/content/fordmedia/feu/en/news/2021/02/17/ford-europe-goes-all-in-on-evs-on-road-to-sustainable-profitabil.html
[8] https://www.reuters.com/business/autos-transportation/toyota-says-all-europe-sales-will-be-zero-emission-cars-by-2035-2021-12-03/

25 I do not agree with the proposal from the MIA to lag two years behind the enacted European targets as this would not see New Zealand make the progress we need in our light vehicle fleet in the near term, to contribute to our national emissions reductions targets. Instead, I propose the change would be based upon figures in the existing EU targets referenced in the MIA's submission[9]. This change is expected to increase the likelihood of achieving the $CO_2$ targets in the Bill by allowing different ratios of vehicle types. For example:

25.1 The 2026 Type A (cars and SUVs) target could be achieved with a 35% mix of petrol vehicles rather than 30%. It still relies on a significant proportion of electric (20%), plug-in hybrid (15%), and hybrid (30%) car sales. The change in ambition is small.

25.2 The Type B (utes and vans) vehicle target can be achieved with a 60% mix of diesel vehicles instead of 40%. It relies on 20% electric and 10% plug-in hybrid ute/van sales in 2026. This is a reduction in ambition and responds to the uncertainty about the supply of electric and hybrid utes noted earlier.

**It may also be preferable to defer settingthe 2027 targets**

26 I have considered whether it would be appropriate to reduce the level of ambition for the 2027 targets to address the concerns of vehicle importers. However, I do not advise this at this time.

27 I consider that it may be preferrable for the Bill to remain silent on the 2027 target. The EU is actively negotiating stronger long-term targets, as are the UK and US, and there will be a wider range of low and zero emission utes available in a few years' time.

28 The Bill currently provides that initial targets be set in primarily legislation, and that later targets, from 2028 be set by regulation. Therefore, I consider the 2027 target should be set at a later date by regulation. This will be informed by updated information regarding the vehicle market and supply closer to that time (addressing current uncertainties. The 2027 target could be set later in 2022 through Order in Council, in the context of the final Government's Emissions Reduction Plan [redacted]
s 9(2)(f)(iv)
Government could set the 2027 target in 2023 if it wanted. Deferring setting the 2027 target beyond 2023 may compromise manufacturers' ability to plan and order stock.

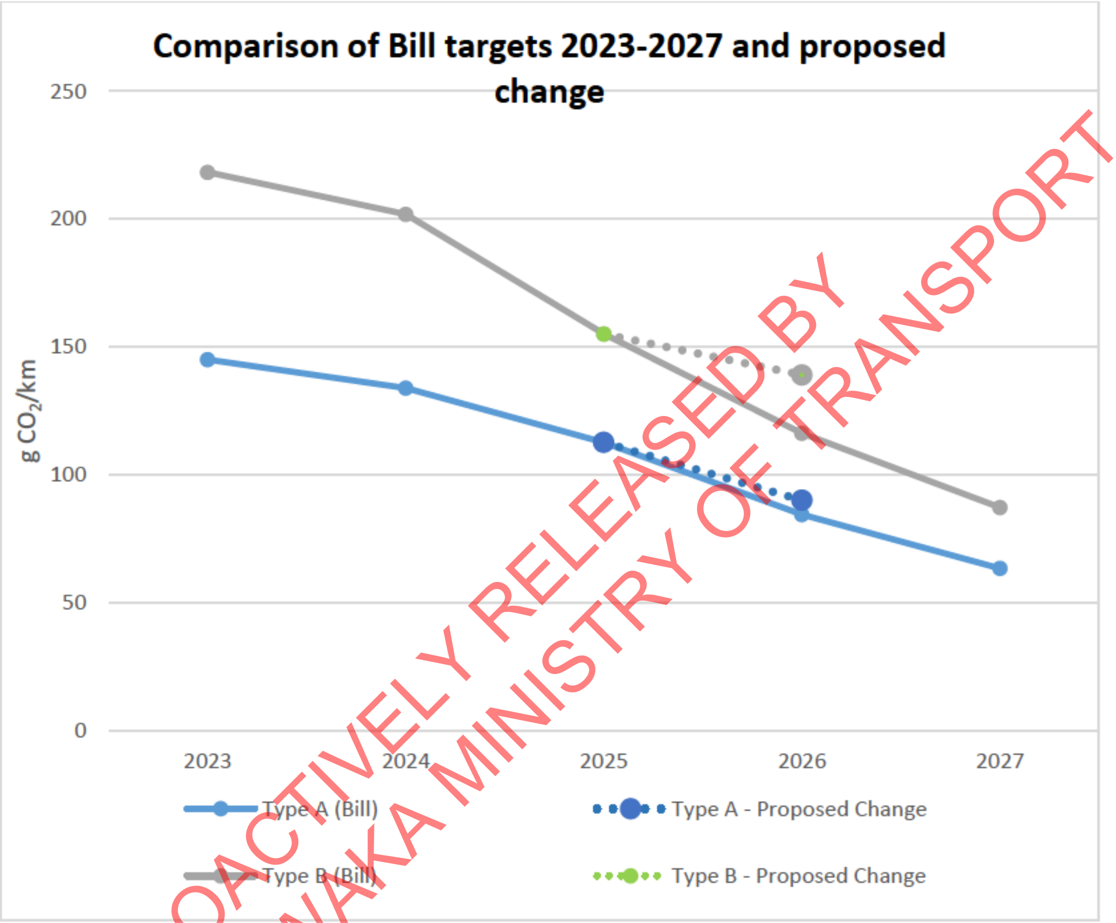
29 A strong 2027 target, when set, will be needed in order for New Zealand to remain on course to decarbonise transport in line with our domestic $CO_2$ targets/budgets and international commitments.

30 If agreed, I propose to introduce these amendments by Supplementary Order Paper at the Committee of the whole House stage of the Bill. The following table and graph detail the changes I am proposing for 2026 and 2027.

| | Type A Vehicle (Cars and SUVs) | | Type B Vehicles (Vans and utes) | |
|---|---|---|---|---|
| Year | Target Proposed by Bill (g $CO_2$/km) | Change proposed (g $CO_2$/km) | Target Proposed by Bill (g $CO_2$/km) | Change proposed (g $CO_2$/km) |
| 2023 | 145 | No change | 218.3 | No change |

[9] Figures supplied by the MIA. As the EU regulations are based on a different emissions test measurement system, they cannot be used verbatim.

| | | | | |
|---|---|---|---|---|
| 2024 | 133.9 | No change | 201.9 | No change |
| 2025 | 112.6 | No change | 155.0 | No change |
| 2026 | 84.5 | **90.0** | 116.3 | **139.0** |
| 2027 | 63.3 | **Set by regulation later** | 87.2 | **Set by regulation later** |




31 Cabinet has already agreed to review the targets in 2024 (CAB-21-MIN-004 refers). This means that whether we choose to keep the current targets in the Bill, or relax 2026 and defer 2027 as I propose, their levels will be still be reviewed, and can adjusted up or down if necessary, in 2024.

**I recommend that disability vehicles and motor sport vehicles be excluded from some charges set by the Clean Car Programme**

32 Submissions to the Bill proposed that various groups be excluded from paying charges that arise from individual vehicles exceeding the thresholds in the Clean Vehicle Discount scheme and/or Clean Car Standard. The request for exclusions included utes, campervans, motorsport vehicles, and disability vehicles. I do not consider it appropriate to provide exclusions to utes or campervans, as, due to their high emissions, and especially in the case of utes, their high sales volumes, reducing emissions from these vehicles is key to decarbonising our fleet. There are however some areas where I propose changes. I am seeking agreement to these matters now in order for decisions to be reflected in regulations that must be drafted early in 2022.

*Motor sport vehicle exclusion*

33 According to a submission made by the Low Volume Vehicle Technical Association (LVVTA) there are between ten to fifteen motor sport vehicles imported into New Zealand annually. These vehicles are captured incidentally by the Discount and Standard schemes, as the vehicles are required to be road-registered to travel on sections of public roads that are legally closed for rally racing. These motor sport vehicles are already exempted from requirements in a number of land transport rules. I recommend they also be excluded from both the Standard and the Discount Scheme. This exclusion would have a very minor effect on emissions.

*Disability vehicles exclusion*

34 Approximately 500 vehicles a year are modified for disability purposes, either in New Zealand or overseas (primarily Japan) and then imported. Modifications are to make the vehicle able to be operated with different controls (such as hand only controls), to support disabled drivers, or enable passengers to be carried while seated in wheelchairs. Most vehicles that are modified in New Zealand for disabled users are vehicles that are already in the fleet, purchased second hand. Only a few hundred vehicles[10] are imported each year either intended for modification or already modified, and so would be subject to the Standard or the Discount. I propose that these imported vehicles would not be subject charges under the Discount.

35 Officials do not have data on the emissions for the imported modified vehicles, but it is likely that larger vehicles, such as vans used for the carriage of wheelchairs, would often incur a charge under the Discount. Those modified for hand controls could, however, be almost any kind of vehicle.

36 Submitters on the Bill, representing the disability community and importers of disability vehicles, noted that in particular, it is difficult to modify electric vans to support wheelchairs given the underfloor position of batteries. They considered it would be unfair to penalise the sector, if there were no viable alternatives.

37 Because they are modified[11], disability vehicles are required to be issued certificates to show that they conform to a modification defined as “LV3A” or “LV3B”. These certificates are issued through the Low Volume Vehicle system that is overseen by the LVVTA[12], which is an independent organisation that is recognised in transport legislation. I recommend that vehicles that are issued with certificates for these codes are excluded from charges under the Discount, though such vehicles could still be eligible for rebates if they were relevant. It is not possible under the scheme to exempt vehicles from fees if they are modified after the vehicle is registered.

38 Although I propose to remove disability vehicles from the Discount, I propose that such vehicles should remain in the Standard. This is because there are low and zero emission options for at least some vehicle types adapted for non-wheelchair related modifications. Importers can also offset any fees for high-emitting vehicles by also importing low-emitting cars and vans. If any concerns arise following the



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[10] A review of data for 2021 year to date shows that 200 of the 449 disability vehicles were modified prior to, or within 60 days of, being first registered.
[11] ‘Modified’ is a legally defined term in the Land Transport Vehicle Standards Compliance Rule 2002.
[12] Code LV3A defines non-structural disability vehicle modifications (388 registrations Jan-Oct 2021) and LV3B defines structural disability vehicle modifications (34 registrations Jan-Oct 2021). Most of these were second-hand vehicles that would not have had charges imposed on them. Refer https://www.lvvta.org.nz/documents/suplementary_information/Limitations_of_LVV_Certifier_categories.pdf

implementation of this policy, it can be reviewed as part of the planned review in 2024.

*Modified vehicles exclusion*

39 I also recommend that an issue relating to excluding modified vehicles from the Standard, which was raised by the LVVTA in its submission on the Bill is addressed. Cabinet agreed that 'scratch-built' vehicles and modified vehicles certified by the Low Volume Vehicle Technical Association Incorporated" are excluded from the Standard (CAB-21-MIN-004 recommendation 48.5). An exclusion for scratch-built vehicles remains acceptable. It relates to only 5 to 10 vehicles a year and there is no facility in New Zealand that can measure the emissions of such vehicles using the WLTP[13] test procedure, required for testing imported vehicles. For the same reason, I would seek that this exclusion be expanded to the Discount.

40 However, I am concerned that the vehicles covered by the term "modified" would include vehicles subject to routine modifications such as those made to taxis or the addition of optional extras such as bull-bars on utes. That could create an opportunity for vehicles to escape the policy that is unintended and unfair. I recommend that the exclusion be narrowed to scratch built vehicles only.

41 The VIA, which represents used vehicle importers, proposed that importers should be able to import petrol cars and convert these to be EVs. They asked that once they were converted, these vehicles should be able to receive the full benefit of selling a used-import electric vehicle under the Standard and Discount.

42 I recommend that Cabinet agree that vehicles that are converted to be EVs before they are certified for entry into service be eligible for any discount under the Discount, and that these vehicles would be treated as having zero emissions for the purposes of calculating their contribution to an importer's targets in the Standard. This would be on the proviso that such vehicles would need to be: modified before they are entry certified (as this is the point at which the Standard applies); operate exclusively as a zero emission vehicle; and the modification would need to certified under the LVV standard for electric vehicle conversion[14].

**I recommend that Waka Kotahi be enabled to refund charges in two specific scenarios**

43 There is currently no explicit provision where charges under the Clean Car Discount Scheme that are paid to Waka Kotahi relating to high emitting vehicles can be refunded. There are two obvious cases where this should be permitted:

43.1 In the case that an error has resulted in excess charges being paid. In this situation, Waka Kotahi should refund the excess or the amount paid in error.

43.2 In the case that the first registration of the vehicle has been reversed. There are limited grounds for reversing the first registration of a vehicle[15], including that the customer does not take possession of the vehicle, and that the reversal occurs within 28 days of registration. In such a situation, Waka Kotahi should refund the charge paid. When the vehicle is subsequently then

[13] Worldwide Harmonised Light Vehicles Test Procedure.
[14] https://www.lvvta.org.nz/documents/standards/LVVTA_STD_Electric_and_Hybrid_Vehicles.pdf
[15] See conditions of the MR2D vehicle registration reversal process at https://www.nzta.govt.nz/vehicles/motor-vehicle-traders/buying-and-selling/

registered by someone else, the applicable charge would then be imposed on the new buyer.

s 9(2)(f)(iv)

[redacted]



**Financial Implications**

52 There are no financial implications from the recommendations in this paper.

**Legislative Implications**

53 I propose to introduce amendments to the 2026 and 2027 targets in the Bill by Supplementary Order Paper at the committee of the whole House stage of the Bill.

54 The excluded vehicles for the Clean Vehicle Discount scheme will be prescribed in the Land Transport (Clean Vehicle Discount Scheme) Charges Regulations, which I will recommend once the Bill is passed. The excluded vehicles for the Clean Vehicle Standard will be prescribed in regulations for the Standard, later in 2022.

55 The Bill is currently being considered by the Transport and Infrastructure Committee and is scheduled to be reported back to the House on 2 February 2022.

## Impact Analysis

*Climate Implications of Policy Assessment*

56 The cumulative $CO_2$ abatement provided by targets and policy proposed by the Bill for the period 2022-2030 is expected to be 1.8 to 7.2 mega tonnes, which is an improvement on the range of 1.5 to 6.3 mega tonnes that had been modelled prior to the factoring of the 2026 and 2027 $CO_2$ targets into the Bill. The more relaxed vehicle targets for 2026 have not been modelled but would shift the abatement to between those two ranges.

## Population Impact

57 There are no significant gender, disability, or other population implications from the policy. The policy is forecast to save households at least $6,800 per vehicle through fuel savings.

58 Over 70 percent of annual vehicle sales are of vehicles already in the New Zealand fleet. These vehicles will not be subject to the Standard. This minimises the likelihood that groups such as lower income households and younger workers and students would be negatively affected by the Standard.

59 The proposal in paragraphs 33-37 to remove disability vehicles from the discount scheme will, if agreed, reduce potential negative cost impacts for the disability community.

60 People and businesses who require vehicles such as utes, where low emissions options are limited, could face an increase in vehicle prices in the early years of this policy.

## Consultation

61 This paper was provided to the following agencies for consultation: Waka Kotahi NZ Transport Agency, Ministry for the Environment, Ministry for Primary Industries, Inland Revenue, Ministry of Business Innovation and Employment, Energy Efficiency and Conservation Authority, Ministry of Foreign Affairs and Trade, and the Treasury The Department of Prime Minister and Cabinet has been informed.

## Proactive Release

62 I intend that this paper be proactively released, subject to any necessary redactions consistent with the Official Information Act 1982, within 30 business days of decisions being confirmed by Cabinet.

## Recommendations

The Minister of Transport recommends the Cabinet Economic Development Committee:

1 **note** vehicle $CO_2$ targets in the Bill should be set so as to maintain affordable supply and ensure New Zealand is prioritised in global markets for supply of low emission vehicles

2 **note** that due to a lack of firm commitments by manufacturers about supplying zero emission utes to New Zealand, there is uncertainty about the achievability of our 2026 and 2027 targets

3 **note** that Cabinet has agreed in 2024 to review Clean Car Standard $CO_2$ targets, allowing targets to be relaxed if they are too challenging, or tightened if that is appropriate (CAB-21-MIN-004 refers).

4 **agree** that for the 2026 target in the Land Transport (Clean Vehicles) Amendment Bill

EITHER

4.1 Retain the 2026 targets currently in the Bill

OR

4.2 Amend the Type A vehicles target from 84.5 grams to 90 grams ($CO_2$ per km, 3-phase WLTP); and

4.3 Amend the Type B vehicles target from 116.3 grams to 139 grams ($CO_2$ per km, 3-phase WLTP)

5 **agree** that for the 2027 target in the Land Transport (Clean Vehicles) Amendment Bill

EITHER

5.1 retain the 2027 targets currently in the Bill

OR

5.2 the 2027 targets be removed from the Bill and instead set by regulation at a later date

6 **agree** that I propose these amendments by Supplementary Order Paper at the Committee of the whole House stage of the Bill

7 **invite** the Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office to draft a Supplementary Order Paper to give effect to recommendation 4.2, 4.3 and 5.2

8 **authorise** the Minister of Transport to make any minor, technical, or consequential changes that arise consistent with the policy intent of recommendation 4.2, 4.3 and 5.2

9 **rescind** CAB-21-MIN-004 recommendation 48.5 which excluded “scratch built vehicles and modified vehicles certified by the Low Volume Vehicle Technical Association Incorporated” from the Clean Vehicle Discount

10 **agree** to the following changes to exclusions in the Clean Vehicle Discount and Clean Vehicle Standard, as specified in each case:

10.1 that motor sport vehicles, as defined in the Land Transport Rule: Frontal Impact 2001, are excluded from the Clean Vehicle Standard and the Clean Vehicle Discount;

10.2 that disability vehicles that have a modification that are issued a "LV3A" or "LV3B" certificate through the Low Volume Vehicle process prior to being registered are excluded from paying charges under the Clean Vehicle Discount, and that they are otherwise included in the Clean Vehicle Standard and Clean Vehicle Discount, including being eligible for rebates;

10.3 that scratch-built vehicles certified through the Low Volume Vehicle Technical Association Incorporated's processes are excluded from Clean Vehicle Discount and the Clean Vehicle Standard;

11 **agree** that any vehicle that is imported and converted to zero emissions before it is entry certified can be treated as though it was manufactured as a zero emission vehicle for the purposes of the Clean Vehicle Standard and Clean Vehicle Discount

12 **note** that the list of excluded vehicles will be prescribed in regulations for the Clean Vehicle Discount and Clean Vehicle Standard

13 **agree** charges paid under the Clean Car Discount Scheme may be refunded

13.1 where Waka Kotahi is satisfied that an error has resulted in excess charges being paid and that any refund will be to the extent of the excess or the amount paid in error, or

13.2 where the first registration of the vehicle has been reversed.

14 **invite** the Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office to give effect to the policy proposals in recommendations 10 and 13 in regulations relating to the Clean Vehicle Discount and Clean Vehicle Standard, as applicable, including any necessary consequential amendments, savings and transitional provisions

15 **authorise** the Minister of Transport to make any minor, technical, or consequential changes that arise consistent with the policy intent of recommendations 10 and 13

s 9(2)(f)(iv)

s 9(2)(f)(iv)