



Taituarā

Local Government Professionals Aotearoa

Submission of Taituarā to the Transport and Infrastructure Select Committee regarding the Land Transport (Clean Vehicles) Amendment Bill

What is Taituarā?

Taituarā thanks the Transport and Infrastructure Select Committee (the Committee) for the opportunity to submit on the Land Transport (Clean Vehicles) Amendment Bill (the Bill).

Taituarā (formerly the NZ Society of Local Government Managers) is an incorporated society of approximately 930 members¹ drawn from local government Chief Executives, senior managers, and council staff with significant policy or operational responsibilities. We are an apolitical organisation. Our contribution lies in our wealth of knowledge of the local government sector and of the technical, practical, and managerial implications of legislation.

Our vision is:

Professional local government management, leading staff and enabling communities to shape their future.

Our primary role is to help local authorities perform their roles and responsibilities as effectively and efficiently as possible. We have an interest in all aspects of the management of local authorities from the provision of advice to elected members, to the planning and delivery of services, to the less glamorous but equally important supporting activities such as election management and the collection of rates.

¹ As of 30 September 2021

Taituarā supports the intent of the Bill

This Bill gives effect to two important policy instruments that contribute to the nationwide mitigation of climate change in that it:

- provides for the better implementation of the clean vehicle discount (aka the feebate) and
- empowers the Minister of Transport to set a clean vehicle standard through regulation.

Transport is one of the key contributors to New Zealand's emissions of greenhouse gases. The 2019 Greenhouse Gas inventory suggests that over the period 1990-2019 the overall level of greenhouse gas emissions from road transport alone almost doubled.² Around 22 percent of our overall emissions come from road transport alone. Steps taken to reduce emissions from road transport would make a genuine difference to the overall level of emissions.

The Independent Climate Change Commission advises that an EV used in New Zealand produces around 60 percent fewer emissions than an equivalent petrol vehicle over its whole life.³ Measures that increase the demand for EVs, while limit the supply of petroleum powered vehicles appear to have significant potential to reduce the emissions out of the light vehicle fleet. A switch to EVs is particularly compelling as most of our electricity is from renewable sources.

The economics of the clean vehicle discount are simple and compelling. The scheme will reduce the upfront costs of purchasing an EV and therefore making an EV a relatively less expensive purchase option to petrol vehicles. Any mainstream economist will tell you that is likely to stimulate demand for EVs, while encouraging the supply of EVs to meet the demand over the medium-term.

Vehicles that enter into the New Zealand vehicle fleet tend to remain in the fleet for a long-term (20 years is far from uncommon). The emissions profile of those vehicles entering the fleet today are effectively 'locked in' for some time to come. The clean vehicle standard would send a clear message, backed by regulation, as to the minimum standards New Zealand expects in its vehicle fleet and is a first step to starting the transition. As the rest of the world moves increasingly to low emissions vehicles, the standard becomes a protection from 'dumping' of higher emissions vehicles into New Zealand.

² Ministry for the Environment (2020), *New Zealand Greenhouse Gas Inventory 1990-2019*, page 9.

³ He Pou a Rangi – Independent Climate Change Commission (2021), *Ināia tonu nei: a low emissions future for Aotearoa*, page 265.

In commending this Bill to the Committee we draw members' attention to the advice successive Governments have had from a diverse range of authorities. In its recent advice to Government, the Climate Change Commission comments that

"Fiscal incentives to lower the upfront costs of EVs should also be introduced as a matter of urgency, to help overcome this cost barrier. Such incentives could include, for example, direct subsidies or a feebate scheme. A feebate scheme has the additional benefit that it disincentivises high-emitting vehicles, while encouraging lower-emissions ones."

And on emissions standards, the Commission notes

"Aotearoa needs clear and urgent guidance on emissions efficiency standards to prevent the country from becoming a dumping ground for inefficient vehicles. A lack of emissions or fuel efficiency regulations, or of restrictions on light vehicles entering the country, has contributed to the inefficiency of the fleet."

And in its 2018 report Towards a Low Emissions Economy the Productivity Commission states that

"The Government should introduce a price feebate scheme for new and used vehicles entering the fleet, subject to identifying the most suitable design features for the New Zealand context (including features to limit the burden on low-income households). The feebate scheme should replace the existing road-user charge exemptions for light EVs."