

Submission by

Hamilton City Council Staff

LAND TRANSPORT (CLEAN VEHICLES) AMENDMENT BILL

4 November 2021

It should be noted that the following submission is from staff at Hamilton City Council and does not necessarily represent the views of the Council itself.

1.0 EXECUTIVE SUMMARY AND KEY MESSAGES

- 1.1 Hamilton City Council staff support the overall intent of the Land Transport (Clean Vehicles) Amendment Bill.
- 1.2 The cost for EVs needs to meet local government budgets to be able to accelerate rollouts of vehicle fleet into the EV space.
- 1.3 Although local authorities can procure EV and PHEVs through All-of-Government (AOG) contract pricing, this pricing needs to be on par with Hybrids. Local Government need co-funding options with the likes of EECA for infrastructure and financial investment to make the transition into the currently more expensive options of EVs achievable.
- 1.4 We understand that central government departments can get substantial price discounts on the purchase or lease of EVs and PHEVs that make the purchase cost neutral.
- 1.5 Given that Hybrids will deliver fuel economies that are on par with PHEVs and as a result, similar reductions in emissions, a feebate for Hybrids should be introduced as part of the Clean Car Discount Scheme in 2022.
- 1.6 As part of Hamilton City Council's Climate Change Action Plan for the city, various options are being considered to assist in a transition towards full EVs and to assist in reducing carbon emissions in Hamilton's transport sector.
- 1.7 Clear direction for the design and adequate provision (including accessibility, charger types, ownership/maintenance etc.) of charging infrastructure in public spaces would be helpful to ensure that local government can keep ahead of public demand and further encourage the uptake of EVs and PHEVs.
- 1.8 We therefore support the Ministry for the Environment's October 2021 Discussion Document 'Transitioning to a Low-Emissions and Climate-Resilient Future: Emissions Reduction Plan', particularly its intention to produce a National EV Infrastructure Plan.
- 1.9 All EVs (including Hybrids) imported into New Zealand (new and used) should be required to have a minimum safety rating of 4 and 5 stars under the Australasian New Car Assessment Program (ANCAP) or the Used Car Safety Rating (UCSR).

2.0 INTRODUCTION

- 2.1 Staff from Hamilton City Council would like to thank Parliament's Transport and Infrastructure Committee for the opportunity to make a submission to the **Land Transport (Clean Vehicles) Amendment Bill**.
- 2.2 In general, we support the overall intent of the Bill i.e., *To achieve a rapid reduction in carbon dioxide emissions from light vehicles imported into New Zealand by increasing the supply and variety of zero and low-emissions vehicles, increasing the demand for zero and low-emissions vehicles, and informing New Zealanders about vehicle emissions levels and rebates receivable or charges payable in relation to light vehicles.*
- 2.3 The 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 i.e., the feebate.
 - Empowers the Minister of Transport to set a clean vehicle standard through regulation.
- 2.4 The submission made by Taituarā to the Land Transport (Clean Vehicles) Amendment Bill notes that:
- *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.¹ Around 22 percent of the country's 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 Electric Vehicle (EV) used in New Zealand produces around 60 percent fewer emissions than an equivalent petrol vehicle over its whole life.² Measures that increase the demand for EVs, while limiting 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 clearly most of New Zealand's electricity is from renewable sources.*
- 2.5 Hamilton City Council takes a keen interest in the area of reducing carbon dioxide emissions from the transport sector, as reflected in its comprehensive submission to the Ministry of Transport's May 2021 Green Paper **Transport Emissions - Pathways to Net Zero by 2050** - refer [here](#)
- 2.6 Our submission was generally supportive of the Green Paper, with the key messages being:
- *Support the Avoid, Shift, Improve Framework underpinning the approach to the Green Paper and emissions reduction in the transport sector. As well as reducing the need to travel, we see increasing mode shift as being the priority for Hamilton.*
 - *Investment needs to align with the Avoid, Shift, Improve Framework - the current Government Policy Statement on Land Transport 2021/22 - 2030/31 does not provide the necessary signals and investment to achieve the emissions reductions required.*
 - *The Green Paper is a good start in outlining an approach to reducing transport emissions. We are supportive of Pathways One and Four as outlined in Chapter 10 of the Green Paper, as they have the strongest focus on Theme 1: Changing the way we travel.*
- 2.7 Hamilton City Council is also developing a Climate Change Strategy (anticipated to be

¹ Ministry for the Environment (2020), *New Zealand Greenhouse Gas Inventory 1990-2019*, page 9.

² He Pou a Rangi - Independent Climate Change Commission (2021), *Ināia tonu nei: A Low Emissions Future for Aotearoa*, page 265.

completed by February 2022), which has a key focus on reducing transport emissions in Hamilton. The transport sector is estimated to contribute 64 percent of the city's total carbon emissions.

3.0 ECONOMICS OF THE CLEAN VEHICLE DISCOUNT

- 3.1 As noted in Taituarā's submission to the Land Transport (Clean Vehicles) Amendment Bill, the economics of the clean vehicle discount are simple and compelling. The scheme will reduce the upfront costs of purchasing an EV and therefore make an EV a relatively less expensive purchase option to petrol vehicles. This is likely to stimulate demand for EVs, while encouraging the supply of EVs to meet the demand over the medium-term.
- 3.2 Vehicles that enter the New Zealand vehicle fleet tend to remain in the fleet for a long-term, with 20 years not being uncommon. The emissions profile of those vehicles entering the fleet today are effectively 'locked in' for some time to come.
- 3.3 We agree with Taituarā's stance that 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.
- 3.4 We also note the Climate Change Commission's recent advice to Government 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."*
- 3.5 In regard to emissions standards, the Climate Change 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."*
- 3.6 Similarly, the Climate Change Commission, in its 2018 report **Towards a Low Emissions Economy**, 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."*

4.0 IMPROVEMENTS REQUIRED FOR EV COSTS AND CHARGING INFRASTRUCTURE

- 4.1 The major challenge currently facing local government is having access to reduced cost rates of EVs and support in EV infrastructure to make the transition to EVs and Hybrid vehicles more feasible.
- 4.2 The cost for EVs needs to meet local government budgets to be able to accelerate rollouts of vehicle fleet into the EV space. Although local authorities can procure EVs and PHEVs through All-of-Government (AOG) contract pricing, this pricing needs to be on par with Hybrids. Local Government need co-funding options with likes of the Energy Efficiency and Conservation Authority (EECA) for infrastructure and financial investment to make the transition into the currently more expensive options of EVs achievable.
- 4.3 We understand that central government departments can get substantial price discounts on the purchase or lease of EVs and PHEVs that make the purchase cost neutral.
- 4.4 As part of Hamilton City Council's Climate Change Action Plan for the city, various options are being considered to assist in a transition towards full EVs and to assist in reducing carbon emissions in Hamilton's transport sector.

- 4.5 The Government's current feebate scheme of up to \$8,650 is for imported new and used light EVs and PHEVs registered between 1 July 2021 and 31 March 2022.
- 4.6 However, Hamilton City Council staff understand this is likely to change early next year for Hybrids i.e. As noted on Toyota New Zealand's website (refer [here](#)), "Currently, hybrids are not eligible, but they may be introduced as part of the scheme in 2022. From 2022, the Clean Car programme will expand to offer a range of rebates for imported new and used low CO₂ emission vehicles. High CO₂ emission vehicles will be charged a fee. The programme is expected to prevent up to 9.2 million tonnes of CO₂ emissions and will help customers with the upfront cost of switching to an electrified or low emission vehicle".
- 4.7 Given that Hybrids will deliver fuel economies that are on par with PHEVs and as a result, similar reductions in emissions, a feebate for Hybrids should be introduced as part of the Clean Car Discount Scheme in 2022.
- 4.8 Clear direction for the design and adequate provision (including accessibility, charger types, ownership/maintenance etc.) of charging infrastructure in public spaces would be helpful to ensure that local government can keep ahead of public demand and further encourage the uptake of EVs and PHEVs.
- 4.9 We therefore support the EV programme of Waka Kotahi NZ Transport Agency and the Ministry of Transport, which includes guidance on EV charging - refer [Planning for electric vehicles | Waka Kotahi NZ Transport Agency \(nzta.govt.nz\)](#)
- 4.10 We also support the Ministry for the Environment's October 2021 Discussion Document **Transitioning to a Low-Emissions and Climate-Resilient Future: Emissions Reduction Plan**, and particularly its intention to produce a National EV Infrastructure Plan.
- 4.11 It is also worth noting that the funding local authorities receive from Waka Kotahi NZ Transport Agency for infrastructure changes in the transport network is sourced from fuel tax. Our understanding is that EVs and Hybrids don't pay this tax. Therefore, another funding source will be needed in the future to build key infrastructure such as cycle lanes etc.

5.0 ONGOING IMPROVEMENTS TO VEHICLE SAFETY

- 5.1 Hamilton City Council staff are of the view that vehicle safety must remain of critical importance for the country's vehicle fleet i.e., we cannot afford to lose the current road safety focus on vehicle policies. We should be able to achieve lower carbon emissions and an ongoing improvement in vehicle safety with the right coordination of policy settings.
- 5.2 All EVs (including Hybrids) imported into New Zealand (new and used) should be required to have a minimum safety rating of 4 and 5 stars under the Australasian New Car Assessment Program (ANCAP) or the Used Car Safety Rating (UCSR).

6.0 FURTHER INFORMATION AND HEARINGS

- 6.1 Should the Transport and Infrastructure Committee require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Mark Brougham** (Strategic Advocacy Programme Manager) on 022 136 1578, email mark.brougham@hcc.govt.nz in the first instance.
- 6.2 Hamilton City Council staff **do wish to speak** at the Transport and Infrastructure Committee hearings in support of this submission.

Yours faithfully



Lance Vervoort
CHIEF EXECUTIVE