

20 August 2019

Ministry of Transport
By email

To whom it may concern

Re: Auckland Council's submission on the proposed Clean Car Standard and the Clean Car Discount

Please find attached Auckland Council's submission on the Government's proposed Clean Car Standard and the Clean Car Discount (the proposals).

The views of the Great Barrier, Waiheke and Waitematā Local Boards are also attached. Please give independent consideration to each of them.

The council strongly supports the introduction of the proposals to improve average vehicle fuel efficiency and encourage the purchase of zero and low emission vehicles.

Auckland Council is committed to playing its part in limiting temperature rise to no more than 1.5° Celsius. In June the council declared a climate emergency, formally and publicly recognising the urgency for action on climate change. Our comments in this submission reflect that.

The key messages of this submission are twofold:

- 1) The proposals do not go far enough. To achieve both Auckland Council and the Government's climate commitments requires near immediate, substantial change. These proposals will not deliver that. They must go further.
- 2) The approach we must all take must be one that meets emission targets and addresses the impacts on the most vulnerable. The council strongly encourages the government to complete sub-regional social impact assessments as soon as possible to understand potential impacts on Māori, rural households and lower income households and allow time to design and introduce any necessary mitigation measures.

The council would welcome the opportunity to discuss the matters raised in this submission.

Yours sincerely



Councillor Penny Hulse
Chair
Auckland Council Environment and Community Committee

Submission to the Ministry of Transport

In the matter of the Clean Car Standard and the Clean Car Discount

Auckland Council, August 2019



**Auckland
Council**
Te Kaunihera o Tāmaki Makaurau



Mihimihi

| | |
|---|--|
| <p>Ka mihi ake ai ki ngā maunga here kōrero, ki ngā pari whakarongo tai, ki ngā awa tuku kiri o ōna manawhenua, ōna mana ā-iwi taketake mai, tauiwi atu. Tāmaki – makau a te rau, murau a te tini, wenerau a te mano. Kāhore tō rite i te ao.</p> | <p><i>I greet the mountains, repository of all that has been said of this place, there I greet the cliffs that have heard the ebb and flow of the tides of time, and the rivers that cleansed the forebears of all who came those born of this land and the newcomers among us all. Auckland – beloved of hundreds, famed among the multitude, envy of thousands. You are unique in the world.</i></p> |
|---|--|

Title: Auckland Council Submission on the discussion paper on the introduction of a Clean Car Standard and Clean Car Discount

Submission to the Ministry of Transport

Key Points

1. Auckland Council strongly supports the intent of the proposed Clean Car Standard and Clean Car Discount set out in the discussion paper. Proposals such as these are integral for Auckland Council to achieve the emission reductions required for a 1.5 degrees Celsius warming limit.
2. Achieving this target will not be easy and will require fundamental changes to how we move around and how we live our day-to-day lives. This must also happen soon. To meet our goals our emissions must decrease rapidly in the next decade. Auckland Council is concerned that the proposals do not go far enough to meet Auckland and New Zealand's 2030 emissions reduction targets. The council seeks that:
 - a. the proposals be amended to the extent required to meet these emission reduction targets; and/or
 - b. the Government urgently introduce other initiatives to reduce vehicle emissions to the extent required to meet these emission reduction targets.
3. Auckland Council acknowledges that the significant changes required to meet our emissions targets, including to transport and mobility, may disproportionately affect certain groups, including our poorest and most vulnerable people and communities, who have the least ability to respond and adapt. The council recommends that the Government not automatically discount these changes, if they are required to meet our climate goals, but consider support mechanisms, such as increased welfare support or protections, as part of a holistic package of interventions.
4. The extent of change we are required to make before climate change takes hold with catastrophic consequences will affect many; however, this cannot be a reason to not do

what is needed. The approach we must all take must be one that meets emission targets and addresses the impacts on the most vulnerable.

5. To ensure the extent of impacts on those most affected is understood the council considers it imperative to complete more detailed social impact assessments. The council strongly encourages the government to complete sub-regional social impact assessments as soon as possible to understand potential impacts on Māori, rural households and lower income households and allow time to design and introduce any necessary mitigation measures. We must protect our most vulnerable communities.
6. Auckland Council also recommends:
 - additional initiatives that directly incentivise the purchase of zero emission vehicles.
 - an expansion of the approach to other zero emission modes of transport, in particular electric buses and bicycles.
 - continued investigation of the complementary initiatives.

Introduction

7. Auckland Council would like to thank the Ministry of Transport for the opportunity to provide feedback on the Clear Car Standard and Clean Car Discount to address light vehicle emissions. Auckland Council's submission is based on the strategic goals and commitments of the Auckland Plan 2050 and the draft of Te Tāruke-ā-Tāwhiri: Auckland's Climate Action Framework (ACAF), which is currently out for public consultation.
8. In November 2018, Auckland Council recommitted to its membership of C40 and joined 94 international cities taking bold action against climate change. This committed the Auckland region to progress towards limiting the increase in temperature from climate change to within 1.5 degrees Celsius above pre-industrial levels. This commitment, and the council's recent declaration of a Climate Emergency, highlights the urgency required to transition Auckland towards a net zero carbon future. We recognise the importance of the proposal for a Clean Car Standard and Clean Car Discount for achieving Auckland's greenhouse gas emissions reduction targets.
9. ACAF was endorsed for public consultation (ENV/2019/71) in June 2019. This document outlines a pathway to align with the C40 1.5 degrees Celsius warming limit while ensuring Auckland is prepared for future climate challenges.
10. ACAF has been developed with collaboration and partnerships across sectors, including central government. For central government this has included a collaboration agreement,

a seat at the working group table throughout framework development and refinement, agreed workstream alignment, key involvement in major events like the Auckland Climate Symposium and co-resourcing like secondments.

11. The framework has 11 key moves, including one that focuses on the delivery of clean, safe and equitable transport options. This key move emphasises the importance of both a shift towards public transport and active modes, and an increase in the percentage of electric and zero emission vehicles on Auckland's roads.
12. Transport related emissions make up 43.6¹ per cent of Auckland's total emissions. This makes the transport sector the largest contributor to greenhouse gas emissions in the Auckland region. On-road transport accounts for 86.1 per cent of transport emissions (37.6 per cent of total emissions), with private cars and light commercial vehicles responsible for the majority. As a proportion of total emissions, Auckland's transport related emissions are more than double that of New Zealand, where transport accounts for 20 per cent of total emissions.
13. Low and zero emission technologies already exist to reduce emissions in the transport sector. This is not the case for all sectors and some sectors may need to rely on future advancements in technology and innovation to significantly reduce emissions. It is therefore important that the transport sector rapidly adopts low and zero emission technologies to support the delivery of our climate commitments.
14. While large-scale uptake of zero emission vehicles is an important part of a future climate-compatible transport system, ACAF acknowledges that the price of electric cars is currently too high to be affordable for everyone. In the July 2019 submission to the Climate Change Response (Zero Carbon) Amendment Bill, Auckland Council advocated for a stronger emphasis to be placed on a just transition to a net zero future. It is essential that all Aucklanders are supported and able to participate in this transition. To this end we welcome the proposals set out in the discussion document to incentivise the uptake of electric vehicles (EVs) and low emissions vehicles through discounting and other financial mechanisms.
15. Auckland Council strongly supports the intent of the proposals set out in the discussion paper. However, we are concerned that the proposals do not sufficiently support central and local government obligations in respect of emissions reductions and global warming limits. Bold action is required if we are to reverse recent increases in transport related

¹ Xie, S (2019). Auckland's greenhouse gas inventory to 2016. Auckland Council technical report, TR2019/002

emissions² and achieve the kinds of reductions necessary to keep global warming to a 1.5 degrees Celsius limit.

16. Below, we expand on our concerns and outline improvements we believe should be made to ensure the proposals delivery of emission reductions in line with the 2030 target under the Paris Agreement. We also encourage the Government to urgently consider what other initiatives may be required to meet these targets. Our response also addresses the social impacts, impacts on Māori and additional considerations.

Our response to the Clean Car Standard and Clean Car Discount

Auckland Council supports the introduction of a Clean Car Standard and Clean Car Discount

17. Auckland Council supports these and any other proposals which will improve average vehicle fuel efficiency and encourage the purchase of zero and low emission vehicles. These moves are essential to achieving Auckland's and New Zealand's climate change objectives.
18. With our declaration of a climate emergency and our commitment to reducing our emissions to net zero by 2050, Auckland Council has been clear on the urgency for action on climate change and the need to avert significant change now or risk widespread social, cultural, environmental and economic catastrophe.
19. As the transport sector is the largest contributor of emissions in the Auckland region, changes to the level of vehicle emissions are critical to reducing Auckland's overall greenhouse gas emissions.
20. The council and Auckland Transport are working together to provide cleaner modes of transport as an attractive and realistic alternative to the private vehicle and are in the longer-term process of creating a more compact urban form to reduce the need to travel. However, any reduction in emissions as a result of this mode shift will likely constitute a small portion of overall emissions reductions.
21. Most of the reductions in Auckland's vehicle emissions will need to come from a massive increase in the number of electric and zero emissions vehicles combined with an increase in the fuel efficiency of the remainder of the fleet.

² Xie, S (2019). Auckland's greenhouse gas inventory to 2016, Figure 2-5. Auckland Council technical report, TR2019/002

22. To this end the council and its Council Controlled Organisations are working to facilitate the uptake of electric vehicles. To date this has included:
- a. Auckland Transport and electric vehicle charging provider, ChargeNet NZ, have formed a strategic partnership to install a network of 60 standard electric vehicle charging stations at council owned car parks around Auckland.
 - b. Auckland Council currently has 14 electric vehicles in its fleet and is in the process of creating a business plan that includes support for the Auckland Council group passenger car fleet being replaced with full electric or plug-in hybrid vehicles. The council is also increasing the number of charging points at its various offices and service centres. Council Controlled Organisations are following a similar approach, for example Auckland Transport has removed older and inefficient vehicles from its fleet and procured twenty electric vehicles.
 - c. Committing to the C40 Fossil-Fuel-Free-Streets declaration. The key actions for Auckland to transition to fossil-fuel-free-streets are procuring only zero-emission buses from 2025, phasing out all non-zero-emission buses by 2040 and ensuring a major area of the city is zero emission by 2030.
23. The council acknowledges though that we must do more. We are currently working on identifying what further actions we can take to deliver the key moves set out in ACAF and are committed to leading on those matters within our control.
24. While Auckland Council has taken a leadership role in the development of ACAF, the goal of net zero is not its sole responsibility and cannot be achieved by it acting alone. This is especially true regarding vehicle emissions, as responsibility for the setting of vehicle emission standards and the ability to offer financial incentives to purchase more efficient or zero emissions vehicles rests with central government.
25. The council therefore supports the introduction of a Clean Car Standard and Clean Car Discount as integral to achieving the emissions reduction required for a 1.5 degrees Celsius warming limit.

Auckland Council seeks that the proposals be amended to the extent required to meet New Zealand's 2030 target level of emissions reduction or, if this is not possible, urgently introduce other initiatives to meet these targets

26. While Auckland Council strongly supports the introduction of methods to reduce light vehicle emissions we are concerned that the proposed policies do not go anywhere near far enough

and will not deliver the emission reductions required to achieve the 2030 target under the Paris Agreement.

27. To achieve Auckland Council's goal of reducing our emissions and limiting temperature rise requires near immediate, substantial change. Despite the benefits of the proposals outlined in the consultation material it is unlikely that the proposals will deliver sufficient change to adequately support limiting temperature rise change to 1.5 or even 2 degrees Celsius.
28. The Government has stated that "Taking decisive action on climate change is a priority for this Government"³ yet, as admitted in the supporting information released as part of the consultation, the proposals will not achieve the 2030 target level of emissions reduction until 2037.⁴ Likewise, the material contained in the Annex 7 to the Cost Benefit Analysis suggests that the proposals combined will not even achieve 20 per cent of the emissions savings required from the light vehicle fleet to meet the 2030 target.
29. This may be of less concern if there was more time to implement further changes following the introduction of the initial schemes. Yet, with these schemes not being planned to be implemented until 2022 at the earliest, there is little ability to make further, later changes in time to achieve Auckland's and New Zealand's 2030 targets.
30. As noted in the consultation material, decisions made now in relation to motor vehicles will have implications for the next 20 years. Failing to generate enough change in the next decade will make the challenge of achieving our 2050 target's much harder, more disruptive and more expensive.
31. The proposals therefore are clearly not at the scale required to deal to the problems at hand. It is imperative that they are strengthened to more adequately deal with transport emissions. Auckland Council therefore request that amendments be made to the proposals to the extent required to meet New Zealand's 2030 target level of emissions reduction.
32. This submission highlights a number of ways in which the council thinks the proposals could be strengthened to achieve greater emissions reductions. However, the council is aware there may be other options and encourages the Ministry to consider these as well. The council's suggestions include:
 - a. Lowering the emissions target in the Clean Car Standard and reducing incentives levels for vehicles above this target in the Clean Car Discount scheme.

³ Cabinet Paper: Framework for climate change policy and key upcoming decisions

⁴ Cabinet Paper: Moving the Light Vehicle Fleet to Low-Emissions: Agreement to consult on a vehicle fuel efficiency standard and a feebate scheme; and Regulatory Impact Statement: Moving to a low emissions light vehicle fleet

- b. Shortening the implementation timeframe.
 - c. Providing greater incentives for zero and ultra-low emission vehicles (such as plug-in hybrids).
 - d. Accelerating the introduction of complementary initiatives including subsidies for other zero emission modes.
33. Auckland Council also requests that if the Government does not believe they can meet these targets through these proposals alone, they urgently introduce other initiatives to reduce vehicle emissions to the extent required to meet these emission reduction targets. The council is aware that changes to the proposals or the introduction of new initiatives may increase the scale of impacts on certain groups, but believes the Government has the mechanisms available to mitigate these impacts.

Auckland Council seeks that a sub-regional, Auckland-focused social impact assessment is undertaken as soon as possible to inform decision-making.

34. The Ministry undertook national-level social impact assessments for both proposals to understand their impacts on lower income households. The assessments note that there are short-term impacts to low income households in terms of vehicle price and choice, but that these impacts could be mitigated by buying vehicles from the domestic second-hand market or buying low emissions vehicles. The assessments also note that there are plans for finer-grained sub-regional social impact assessments to be undertaken at a later stage, without any specific deadlines.
35. There is a lack of information on the likely behavioural responses of vehicle buyers and importers, and the flow-on impacts onto the domestic used cars market, especially at the regional and sub-regional levels. Better understanding of both proposals' impacts on Auckland communities is required, particularly for lower income households, rural households and Māori. **Auckland Council recommends that a sub-regional, Auckland-focused social impact assessment is undertaken as soon as possible to inform decision-making.** It may be possible for Auckland Council to assist the Ministry with the analysis if required.
36. The council is particularly concerned with the potential impact on larger low-income households who may require a large vehicle and for who there are no low emissions alternatives at present.
37. While more detailed assessments can help identify impacts on particularly vulnerable groups, and ensure any actions taken are designed as much as possible to avoid or mitigate them, the council recognises that it may not be possible to do so completely. To achieve

our climate targets will require substantial changes in the way we live and certain actions may need to be taken which are regressive or have some negative impacts on particular groups. These actions should not be automatically discounted, as to do so may mean we cannot make the changes as a society required to meet our climate goals. In these cases, other support mechanisms, such as increased welfare support or protections need to be considered as part of a wider package of actions to mitigate or remedy the effects of the scheme. This way, pernicious effects on vulnerable communities may be minimised while government fulfils its climate commitments.

38. The Government has stated that achieving a just transition to a low emissions economy – one that is fair, equitable and inclusive – is a government priority.⁵ Application of the above approach is essential to achieving a just transition. We will not be able to avoid catastrophic climate change without taking drastic action but must do so in a way that supports those members of our society who are least able to adapt.
39. **The support mechanisms required to avoid or minimise the impacts on the vulnerable are available to the Government and we encourage them to use them.**
40. The council also recognises the potential impacts on those who require specific vehicles for work, such as utes. For this type of vehicle there may be no affordable low emission model with the required functionality on the market at present. Manufacturers are investing in the development of electric utes, however it is uncertain when these will be available on the New Zealand market. While the proposals must be designed to achieve their objective of emissions reductions in line with New Zealand's commitments, we encourage the Ministry to remain cognisant of this situation and its potential impact.
41. Auckland Council supports the use of complementary initiatives to mitigate against the negative impacts of the proposals on communities, and to enable all Aucklanders to benefit fully from the proposed discounts. This includes second-hand electric vehicle leasing schemes and expanding the discounts to cover other modes, such as e-bikes.

Clean Car Standard (fuel efficiency standard)

42. **Auckland Council supports the introduction of a light emissions vehicle standard but advocates for a more ambitious response**, as outlined below.
43. **Auckland Council is concerned that the average emissions target of 105 gCO₂/km is not low enough to meet the region's and New Zealand's climate commitments.** We understand that the 105 gCO₂/km limit is aligned to the Australian Government report

⁵ <https://www.beehive.govt.nz/release/just-transition-summit-spark-vital-conversation>

“Improving the efficiency of new light vehicles” findings⁶, however, this is a weaker limit than the European Union, Canada, and Japan⁷. The Australian Government’s report analysed three different limits, 105 gCO₂/km, 119 gCO₂/km and 135 gCO₂/km, indicating that the lowest limit investigated was adopted. There are standards in approximately 80 per cent of the global light vehicle market to incentivise manufacturers to supply low emission vehicles, and it is likely that the global supply of new vehicles will become increasingly compliant with these international targets⁸. New Zealand is currently behind most international countries with an average of 180 gCO₂/km, and bold action is required to rapidly improve this. As the Ministry has identified, even with the successful implementation of this proposal New Zealand will overshoot its 2030 emissions reduction target by 7 years. This is clearly of considerable concern. Auckland Council seeks that the government set lower emissions limits which will achieve its 2030 Paris Agreement target.

44. **Auckland Council is concerned that the exemption of people who import three or less vehicles from the clean car standard can lead to loopholes** that could still allow for high cumulative numbers of higher emission vehicle imports. The total number of vehicles in New Zealand that are sold by suppliers who currently import three or less cars per year is unclear. If this number accounts for a significant share of imports, it is important that all loopholes that could be created by the exemption are removed.
45. **Auckland Council encourages the Government to adopt as short a phase in timeframe as possible and opposes any increase to the phase in period.** As outlined above the council is concerned that the proposals will not achieve New Zealand’s emissions reduction targets. One way to improve emissions reductions from the proposals would be to introduce them as quickly as possible. All possible efforts should be made to bring the introduction date forward and shorten the phase in period.
46. **Auckland Council supports a penalty scheme for non-compliance with the emissions target and for misreporting data.** In order to ensure compliance, we recommend that the rate of penalties should be higher than the potential revenues that suppliers could make by not complying with the emission target.
47. **Auckland Council has concerns about the flexibility given to suppliers in meeting their emission targets.** We understand that a degree of flexibility can be beneficial for the transition stage. However, we believe that too much flexibility is given in the banking

⁶ “Improving the efficiency of new light vehicles”, Ministerial Forum on Vehicle Emissions, December 2016

⁷ “CO₂ Emissions Standards for Passenger Cars and Light-Commercial Vehicles in the European Union”, International Council on Clean Transport, January 2019

⁸ “Improving the efficiency of new light vehicles”, Ministerial Forum on Vehicle Emissions, December 2016

mechanism that allows over-achievement of an annual emission target to be used to cover under-achievement in the three years to follow. Auckland Council is concerned that this timeframe may not drive commercial behaviour in line with the vehicle emission target. We recommend that flexibility of the mechanism should be limited to allow banking of emission savings only possibly within one year following the year of over-achievement, instead of the following three years.

48. Auckland Council is strongly **supportive of the alignment of this proposal with the Climate Change Response (Zero Carbon) Amendment Bill**. We support the inclusion of future light vehicle emissions targets within the Climate Change Commission's role, and for this advice to be implemented by the Ministry of Transport.
49. **We support the sanction of disqualification from being a registered motor vehicle dealer if a supplier deliberately attempts to evade meeting annual targets.** Compliance of suppliers is critical to ensure the success of the proposed emissions standard. Auckland Council believes that the sanction of disqualification from being a registered motor vehicle dealer will be effective in driving behaviours in line with the vehicle emissions standard.
50. **Auckland Council supports the amendment of the Fuel Consumption Information Rule** that limit vehicle import to those vehicles tested to the Worldwide Harmonised Light Vehicles Test Procedure (WLTP), the New European Drive Cycle (NEDC) and the Japanese JC08 standard. We also **support the adoption of the WLTP** as an international unified measure for the assessment of new imported vehicles to ensure valid comparison of vehicles. The adoption of WLTP will also simplify the comparison between vehicles as administration and training for vehicle analyses can be condensed for one single testing method.
51. **We support setting stronger future emissions targets beyond 2025.** While we are aware that the effects of technological changes and market uptake in the future are uncertain, **we strongly recommend that minimum targets are set for each of the periods beyond 2025** in line with the commitments under the Paris agreement. We support the alignment of the 5-yearly emission targets for the clean vehicle standard with the timeframes of the emissions budgets set by the Climate Change Commission.

Clean Car Discount (Feebate scheme)

52. **As outlined above, Auckland Council is concerned that the average 105 gCO₂/km is not in line with limiting climate change to 1.5 degrees Celsius temperature rise.** To deliver this target, the average emissions target for light vehicles needs to be significantly lower, in line with other countries.

53. Auckland Council supports the feebate scheme and its initial inclusion of rebates for relatively efficient and more affordable hybrids. However, we **do not consider the levels of fees and discounts adequately incentivise ultra-low emission and zero emission vehicles**. It is important to acknowledge that cars purchased under this scheme are likely to be on the roads for around 19 years, and we need to reduce our reliance on a high emitting fleet as urgently as possible. Particular comments on the fee and discount rates include:

- a. The council is concerned that there is financial compensation for purchase of vehicles above the 105 gCO₂/km target. We acknowledge the top 10 preferred models from 2017 mainly fall within the zero-band width, and that it is important to incentivise on the lower emission versions of these models. However, **we recommend that the zero-band width be extended out to the 106 to 120 gCO₂/km range and that the money that would have been used for incentivisation of the higher emitting cars be used to further subsidise low and zero emission vehicles**.
- b. Emissions modelling completed to inform the development of ACAF indicates that within a decade 50 to 60 per cent of new car sales in Auckland are likely to need to be zero emission to align with a 1.5 degrees Celsius warming pathway. Auckland Council is committed to doing what it can to support this transition, however the main mechanisms to achieve this action lie outside of local government's mandate. As the Regulatory Impact Statement states:

"An uptake of EVs is rare in jurisdictions that do not have significant fiscal incentives to encourage the purchase of EVs.⁹ An international review of EV uptake shows that financial incentives, and particularly reductions in up-front purchase costs, are the incentives that impact most strongly on EV purchase decisions. Non-financial incentives play a supporting rather than a leading role."¹⁰

Examples of this include Norway and the Netherlands, which had subsidy levels sufficient to give electric vehicles a price advantage over ICEVs and were also the two countries with the highest market shares for electric vehicles internationally.

Given the acknowledgement in the Regulatory Impact Statement of the importance of financial incentives in increasing the numbers of electric vehicles, and the

⁹ Barry Barton and Peter Schütte, Electric Vehicle Policy: New Zealand in a Comparative Context, Research Report, University of Waikato, November 2015

¹⁰ Australian Electric Vehicle Market Study, Australian Government, May 2018

acknowledgement that the impacts of these proposals will last at least 19 years, it is disappointing to see minimal incentivisation of electric and zero emission vehicles over internal combustion engine vehicles. The proposed financial incentives do not give zero emitting vehicles sufficient price advantage over emitting vehicles, especially those in the 90-150 CO₂ emission bands.

Bold leadership is critical for successful implementation of ACAF. **Auckland Council recommends additional initiatives that directly incentivise the purchase of zero emission vehicles to ensure substantial reduction of vehicle emissions.** We note that an upfront subsidy for electric vehicles was put forward for Budget 2019 but 'triaged' out of contention. This decision should be reconsidered and the proposal reintroduced with the necessary monetary incentive.

- c. Over the next few years zero emission vehicles may remain impractical for some people and purposes. In these cases, a plug-in hybrid EV or similar low emission vehicle may be more realistic. **Increased incentives should also be applied to these ultra-low emission vehicles in the 5-49 emission band** (to a lesser degree than zero emission vehicles but significantly greater than other vehicles).

- 54. **We encourage a transparent, long-term forecasting on the price shift of the Clean Car Feebate Scheme.** We understand that it is likely for the Climate Change Commission to include future progress of the feebate scheme in the release of the five-year emissions budget. It is important that there is open communication around the future of the scheme. This would enable several benefits, including early adoption of low emission vehicles to maximise the incentivisation pay-off, while also acting as a deterrent to purchase high-emission vehicles for future increased penalties. Long-term price forecasting will enable people to account for the lifetime of their vehicle (depending on how long they intend to own the car). It also could act as a motivator for people to upgrade to a more sustainable vehicle early, when the incentivisation is higher.
- 55. **We support the discount at car sale, and the mechanisms in place to prevent people from cheating the system.** We support the emphasise on ensuring that the prices and discounts are separated to reduce the hiking of prices and would like to see additional method to ensure that the buyer gets the benefits of the scheme.

Additional considerations

Complementary initiatives

56. The four complementary initiatives being progressed by the Ministry of Transport, and referred to in the cabinet paper, are necessary to support the implementation of these proposals. These are:
- expanding public charging infrastructure for electric vehicles
 - a voluntary vehicle scrappage scheme in Auckland
 - a second-hand electric vehicle leasing scheme aimed at reducing transport costs for low income households and supporting electric vehicle uptake
 - introducing Euro 6 exhaust emissions standards for imported vehicles to mitigate the risk of an increase in diesel vehicles and a resultant deterioration in air quality.
57. To ensure that the proposals are successfully implemented, **Auckland Council recommends that progress of the complementary initiatives is prioritised.**

Additional complementary initiatives

58. In addition to the complementary initiatives referred to above the council believes further support may be required to ensure the success of the proposals. **The council encourages the Government to consider financial support for low income households in relation to:**

- a. **The installation of private electric vehicle charging infrastructure for existing houses.** The council has recognised this issue and has recently included (ENV/2019/134) type 2 electric vehicle chargers as an intervention eligible for financing through the council's Retrofit Your Home programme to support the uptake of electric vehicles and a reduction in transport emissions.¹¹ This programme allows Auckland ratepayers to apply for up to \$5000 (including GST) for energy saving home improvement options which are then repaid through their rates bill over a nine-year term.

While this programme has provided finance to over 23,700 Auckland homes since 2010, given it is a loan and relies on the household to be a ratepayer and have a good payment history it is likely to still be out of reach some households. Therefore, while the proposals and complementary initiatives are likely to make it easier for

¹¹ <https://www.aucklandcouncil.govt.nz/property-rates-valuations/apply-assistance-heat-insulate-home/Pages/default.aspx>

some low-income households to purchase electric vehicles the cost of installing the necessary infrastructure may remain a barrier.

We also note the lack of incentive for landlords to pay to install charging infrastructure until electric vehicles are more widely adopted. A lack of charging infrastructure in rental properties will prevent a significant proportion of the population purchasing an electric vehicle, substantially reducing the potential uptake of electric vehicles. The government should consider methods to address this issue.

- b. **The purchasing of replacement batteries for electric vehicles.** While electric vehicles have substantially lower day-to-day running costs, the lifetime of batteries, and the one-off cost of replacing them, can be an issue. This could prove a barrier to lower income households.
59. Linked to the issue raised in paragraph 57a above, **the Government should consider more generally the rate of provision of private charging infrastructure and whether some form of intervention is required to ensure adequate infrastructure is being built.** This could include a requirement under the Building Act for new residential developments, with parking spaces, or substantial rebuilds to include (or at least be future proofed) for charging infrastructure.
60. The council also recommends that central government monitor vehicle emissions levels and **consider the introduction of vehicle emissions limits on the existing New Zealand fleet if emissions targets are not being met.** Given the average 19-year lifespan of vehicles in New Zealand, further initiatives may be required to help accelerate the turnover and replacement of higher emitting vehicles.

Other zero emission vehicles

61. Auckland Council would like to emphasise that low emission light vehicles are only part of the solution to a net zero future and **recommend development of a scheme or schemes that includes incentivisation for zero emission buses, bikes, e-bikes and other zero emissions alternatives.**
62. The proposals are limited to changing the composition of the light vehicle fleet, however additional legislation could provide a focus on electrifying public transport and increasing active alternatives. The proposal was limited to light vehicles due to lack of technology advancement in the heavy vehicle space, however there has been considerable progress in the development and use of electric buses in recent years and it is the view of Auckland Council that this constraint does not apply to buses. Similar to the light vehicle scheme, **we**

recommend the introduction of a subsidy for zero emission buses, which would enable a closer price parity.

63. Another important area of focus is on active modes, which could remove vehicles from the roads for short trips. In New Zealand, 40 per cent of trips are less than 2 km and 68 per cent are less than 5 km, highlighting that many trips could be replaced with clean, active modes. These modes have additional benefits for Aucklanders, such as improving health levels and reducing traffic congestion, and should be considered in parallel to low emission light vehicle incentivisation.
64. One of the key themes adopted by the Ministry in the preparation of the Government Policy Statement on Land Transport was ‘mode neutrality’, which suggests that all transport options are considered when identifying the best value-for money transport solution to deliver transport outcomes. The Ministry should apply this ‘mode neutral’ approach to achieving the desired climate outcomes and should not limit these financial incentives to motor vehicles. Recent research released in the United Kingdom showed that the cost of saving a kilogram of CO₂ via schemes to boost e-bikes was less than half than the cost of existing UK grants for electric cars¹². For these reasons, as well as the significant health benefits, **some form of subsidy of bikes and e-bikes, as a clean mode of transport, should be introduced.**
65. Likewise, the developing and rapidly growing area of micromobility provides an opportunity to replace shorter car trips with a zero-emission alternative. **The Government should therefore also consider some form of subsidy for other privately owned zero emission ‘micro’ modes of transport.**

Mode shift

66. While the primary means of reducing light vehicle emissions is likely to be a transition to zero and lower emission vehicles, enabling people to replace car trips with lower emission modes will also be important. As mentioned in paragraph 20 Auckland Council and Auckland Transport are working together to provide greater transport choices and alternatives to the private vehicle. This includes public transport and active modes, which can play a part in reducing transport related emissions, and have significant co-benefits including improved health, equity and productivity outcomes.
67. **The council encourages the Government to continue looking at ways to enable this mode shift, including speeding up the delivery of nationally important public**

¹² <https://www.bicycleassociation.org.uk/wp-content/uploads/2019/07/The-Case-for-a-UK-Incentive-for-E-bikes-FINAL.pdf>

transport infrastructure, such as the City Centre to Mangere light rail line and North-West rapid transport route.

Consultation information

68. The Government has committed to greenhouse gas emission targets under the Paris Agreement. Consideration of climate change related proposals should not therefore be benchmarked solely against the business as usual position but also more importantly the emissions targets that the Government has committed to.
69. Little analysis has been released comparing the proposals to the change required to meet the Government's climate goals. Likewise, no acknowledgement is made in any of the cost benefit assessments to the costs from climate change of not transitioning and meeting the country's climate targets in time.
70. There is no analysis or explanation in the primary consultation document (the LEV discussion document) as to how far the proposals will go towards meeting the Governments climate change commitments. No information has been released on possible alternative versions of the proposals which go further. The only analysis of the proposals in relation to the government's climate commitments is:
- a. an acknowledgment in the background documents (the cabinet paper and Regulatory Impact Statement) that "an emissions reduction equivalent to the 2030 Paris target could be achieved in 2037"; and
 - b. two pages of high level information in Annex 7 of the Cost Benefit Analysis' released as part the background material.
71. As a result of this lack of information it is difficult for the council to form a fully informed position or provide as complete or high-quality feedback as we would like.
72. It is also concerning that by focussing the discussion on the proposals relative to business as usual the Government is anchoring the discussion to these points. This will have the likely result of skewing feedback to positions between or near these points rather than generating a fully informed discussion on the basis of what is required to achieve the Government's climate commitments.
73. Auckland Council is concerned by the lack of regard paid to the necessity of achieving New Zealand's greenhouse gas emission targets in the consultation and background material. The council requests that **future consultation documents for climate change related policies are clear on the extent to which they will help meet, or not, the countries climate change commitments** and consider the costs of not meeting these commitments.

On-going involvement

74. As transport is a significant source of Auckland's greenhouse gas emissions and a critical section in ACAF, we stress the importance for a strong ongoing partnership with Government. We would like to see participation of local government in the development of the proposals and the further initiatives, such as building local charging infrastructure.

Aotea / Great Barrier Local Board feedback to the Clean Car Standard and Clean Car Discount proposal

Context

- Aotea Great Barrier Island lies 90km east of Auckland City in the Hauraki Gulf and is Auckland Council's most remote and isolated area.
- Over 60% of the island is Department of Conservation (DoC) estate; 43% of which is the Aotea Conservation Park.
- The island has a permanent population of 950 residents. The median age is 51.3 years. 20.7% of people are aged 65 and over. Almost half (44%) of households are one-person households; this is a high proportion when compared with the regional average of 19 per cent. (2013 Census).
- The island has the lowest median household income of \$35,000 across all local board areas in the Auckland region.
- The island has no reticulated power nor water. Households are off-the-grid powered by generators, solar and wind and collect water by bore, stream-take or rainwater.
- Transport and freight to and from the island is by either plane, a 35-minute flight one way, or by ferry a four-and-a-half-hour trip one way. There is no on-island public transport.

Feedback

1. Aotea / Great Barrier Local Board supports the intent of the proposed Clean Car Standard and Clean Car Discount to address light vehicle emissions and fully support Auckland Council's comprehensive submission to the Ministry of Transport (MoT).
2. Aotea Great Barrier Island is off-the-grid with no reticulated power. The island has one public electric vehicle charging station powered by solar panels installed in 2019. With the potential increase of electric vehicle usage, we seek participation and assistance for fit for purpose solutions to electric vehicle infrastructure for our island.
3. Aotea Great Barrier is a remote island accessed by plane or boat. We are supportive of an incentivisation scheme being expanded to include ferries and planes.
4. We are a unique rural Hauraki Gulf Island with a statistically low average income per population and strongly support any complimentary initiatives to enable low income earners to purchase electric vehicles particularly low emission utes and farm bikes.
5. We request MoT investigate ways to ensure that the batteries in electric vehicles can be successfully reused, recycled and upcycled.
6. On a related consideration, we request MoT to investigate the use of biofuels as another tool in achieving desired climate change outcomes. Biofuels could enable existing diesel fleets to live out their lives sustainably in order to assist in the transition to electric vehicles and dumping of existing useable cars. The use of biofuel may also help avoid any discrimination of low income earners. We would like to emphasise our support for the use of biofuels from existing by-products (ie [MPI 'stump to pump' feasibility study](#)) and not by importation of biofuels.

Waiheke Local Board feedback on the Clean Car Standard & Clean Car Discount proposals

Context

- Given its location as one of the “treasured islands” of the Hauraki Gulf, the Waiheke population tends to have a high degree of concern for protection of the environment and islanders are often early adopters of technologies which reduce environmental damage.
- The Waiheke Local Board supports programmes which minimise the impact of climate change and in its 2017 Local Board Plan has as an action “To partner with community organisations and businesses to explore and support sustainable and low carbon living initiatives.”
- Waiheke Island has a permanent population of 9630 residents and a summer population of over three times this number.
- The median household income for Waiheke was \$51,100 per annum, \$25,500 lower than that for Auckland as a whole at \$76,500. (August 2016)
- Conversely petrol prices are a quantum higher than those of the mainland.
- As yet Waiheke has no public electric vehicle charging stations although some developments are under consideration.
- A local community organisation, Electric Island Waiheke, was established in November 2018 with the stated goal of making Waiheke fossil fuel free by 2030. Given the alignment with the Local Board Plan, the board endorsed the group and its goal in January 2019. At that time there were 37 full electric vehicles registered on the island - which is now close to reaching 100 vehicles as at August 2019. Electric cars are highly suited to the island environment which is 19.3km long and has only approximately 150 km of roads.
- Fullers360 and Auckland Transport recently announced the purchase of six electric buses for the new Waiheke bus network which it plans to have in service by mid-2020.

Feedback

1. Waiheke Local Board supports the intent of the proposed Clean Car Standard and Clean Car Discount to address light vehicle emissions. We fully support Auckland Council’s submission to the Ministry of Transport.
2. Given Waiheke’s dependence on its ferry services, the board is supportive of an incentivisation scheme that could be expanded to include ferries and all other transport modes.
3. We are a unique semi-rural Hauraki Gulf island with a low average household income and we strongly support the use of complementary initiatives to enable low income earners to purchase electric vehicles.
4. We would like to support complementary initiatives to incentivise conversions of existing vehicles to the use of clean fuels.
5. The board would also like to see programmes developed to incentivise the reuse and recycling of steel and vehicle components of obsolete vehicles for alternative purposes.
6. A complementary initiative would also be valuable, for the re-use and repair of battery arrays in electric vehicles to ensure greater longevity and to enable cells to be successfully reused, repurposed, recycled and upcycled.

Memorandum

8 August 2019

To: Environment and Community Committee

Cc: All Waitematā Local Board members

Subject: Moving light vehicle fleet to low-emissions: discussion paper on Clean Car Standard and Clean Car Discount

From: Waitematā Local Board

Purpose

1. To provide Waitematā Local Board's feedback on the Ministry of Transport's proposal to introduce a Clean Car Standard and Clean Car Discount.

Context/Background

2. Central Government is looking to take action to protect our climate by reducing greenhouse gas emissions and aim to prioritise transport emissions reductions, which are the fastest growing source of emissions in New Zealand, accounting for nearly 20% of all CO₂ greenhouse gases produced.
3. This includes significantly improving the fuel efficiency, and thereby reducing the emissions, of light vehicles as they account for nearly 70% of all transport emissions. Central Government seeks meaningful change to reduce vehicle emissions by introducing a Clean Car Standard and Clean Car Discount, which would apply to all new and used light vehicles first registered in New Zealand after 2021.
4. The Ministry of Transport has produced a discussion document designed to seek feedback on these two proposals to reduce emissions in the light vehicle fleet (cars, SUVs, utes, vans, light trucks).
5. Auckland Council have provided a draft submission on the two proposals for local boards to provide feedback on by 8 August 2019.
6. The Auckland Council draft submission will be considered by the Environment and Community Committee on 13 August 2019.
7. The final deadline for submissions to Central Government is 20 August 2019.

Waitematā Local Board Feedback

The Waitematā Local Board:

- a) notes the Waitematā Local Board Plan 2017 includes a commitment to the goal of setting a target of zero nett emissions by 2050.

- b) notes that at the Waitematā Local Board 4 June 2019 business meeting, the local board passed a resolution urging the Governing Body to declare an ecological and climate emergency for the Auckland region to trigger faster action to reduce emissions and bring about zero nett emissions by 2050. The Environment and Community Committee unanimously voted to declare a climate emergency at its 11 June 2019 meeting.
- c) notes that 43.6 per cent of Auckland's emissions profile is made up of transport emissions and that urgent changes are required in the transport industry if there is to be a reduction in human-made emissions that are leading to climate change.
- d) supports the intent of the proposed Clean Car Standard and Clean Car Discount set out in the discussion paper, which aims to improve average vehicle fuel efficiency and encourage the purchase of electric, hydrogen and zero emission vehicles.
- e) supports the alignment of this proposal with the Climate Change Response (Zero Carbon) Amendment Bill
- f) recommends that amendments be made to the proposals to bring forward the timelines as greater urgency is required to reduce nett emissions.
- g) supports Auckland Council's recommendation to set stronger future emissions targets beyond 2025.
- h) acknowledges the vital importance of supporting public and private transitions from a carbon-based transport network to a zero emissions smart network.
- i) recommends that the New Zealand Government establish a national grant scheme for local government that supports asset base renewals to fast track the transformation of all city transport activity to zero emissions.
- j) recommends Auckland Council lead by example to achieve zero emissions by introducing strict targets on fuel efficiency on all council fleet, contractors and Council Controlled Organisations.

Clean Car Standard Proposal

- k) recommends the progressive introduction of a Clean Car Standard for all vehicles on New Zealand roads.
- l) recommends restricting all imported vehicles that do not comply with new emissions standards
- m) supports Auckland Council's concern that the average emissions target of 105 gCO₂/km is not low enough to meet the region's and New Zealand's climate commitments.
- n) supports Auckland Council's concern that the exemption of people who import three or less vehicles from the clean car standard can lead to loopholes and any loopholes created by the exemption be removed.
- o) supports a penalty scheme for non-compliance with the emissions target and for misreporting data.

- p) supports Auckland Council's recommendation that the banking mechanism proposed to give suppliers flexibility in meeting emission targets be limited to allow banking of emission savings possible within only one year following the year of over-achievement instead of the following three years.
- q) supports the sanction of disqualification from being a registered motor vehicle dealer if a supplier deliberately attempts to evade meeting annual targets.
- r) recommends a fuel efficiency standard being applied to operators of all modes of transport (land, air and sea) with appropriate incentives and penalties to transform all sectors to reducing carbon emissions.

Clean Car Discounts Proposal

- s) supports the feebate scheme proposed for Clean Car Discounts.
- t) supports Auckland Council's recommendation that a sub-regional, Auckland-focused social impact assessment is undertaken as soon as possible to inform decision-making and to gain a better understanding of the impacts of these proposals on Auckland's communities.
- u) supports Auckland Council's emphasise that low emission light vehicles are only part of the solution to a net zero future, and recommend a scheme that includes incentivisation for low emission buses and e-bikes.
- v) supports Auckland Council's recommendation to introduce a subsidy for zero emission buses, which would enable a closer price parity.