

From: [REDACTED]
To: [Clean Cars](#)
Subject: Submission
Date: Saturday, 17 August 2019 4:33:13 PM

Oppose the proposal

I do not support the proposal as it appears more interested in dictating the path to net zero carbon emissions (the how) rather than providing options to achieve net zero emissions (the outcome). The proposal is about achieving a 'net zero' emissions target but instead focuses on getting people into electric vehicles.

Overview

The proposed approach will lead to unfair, unintended and inefficient outcomes. This approach will mean other positive outcomes such as increased use of public transport and a reduction in the number of road deaths will be missed.

Recommend approach net zero emission and (fuel) user pays

I believe that those people causing carbon emissions should pay for the costs that they directly cause. Users pay based on the fuel used. This payment, 100% of it, should be used to purchase trees to capture 100% of the carbon emissions.

Positive power of fuel price rises

Contrary to a popular belief that fuel price increases do not lead to reduced usage, an inelasticity in demand, it has been found that in New Zealand increasing fuel prices leads to a reduction in demand as well as other benefits.

Analysis of the impact of changes in fuel prices in New Zealand in 2013 compared to 2016 (Best and Burke) found that when fuel prices went down by 23 % kilometres driven went up by 11% and road deaths went up by 30%.

Fuel price increases have been found to have other noted benefits: Reduced road deaths and increased use of public transport.

Research in New Zealand (Macbeth; Horspool; Lieswyn) showed that when fuel prices rise traffic volumes go down and when fuel prices fall traffic volumes go up. The Ministry for the Environment also notes that fuel price rises increase the use of public transport. (www.mfe.govt.nz)

Weakness in the proposal

The scheme targets only two thirds of transport emissions. The scheme excludes farm tractors and other heavy machinery that are not registered for use on the road. It also excludes all other uses such as diesel heaters.

A constrained access to low emission vehicles due to price, arguably the only purpose of this scheme, does not appear to be a significant concern. As the proposal notes in 2014 Japan reached our proposed low emission target of 105 grams CO2/km.

With the long standing Japanese requirements regarding vehicle age this will mean New Zealand will progressively have access to a large supply of cheap low emission vehicles. Japanese requirements mean car owners choose to regularly buy a new car. These requirements are a compulsory and very expensive 'safety' inspection when a car reaches three years old; then every two years; then every year as the car gets older.

The significant increase in the ownership of electric vehicles in New Zealand suggests people are already not just looking at upfront costs but are looking at costs over the life of the vehicle. This would make sense as consumers have undertaken the same calculations for many years with the efficiency and engine size of petrol vehicles.

Owning a low emission vehicle vs owning a high emission vehicle does not cause different carbon emissions it is the use of the fuel.

Not targeting the cause of carbon emissions, the fuel, will lead to unintended consequences in the form of reduced efficiencies as well as not being consistent with how carbon emissions are charged between the different types of fuel (electricity vs petrol / diesel / av gas). Electricity, the fuel for electric vehicles, is charged in this way. When there is an increase in the use of 'dirty' power sources for generation the wholesale cost increases to reflect carbon emissions.

The highest users of fuel will remain due to the current requirements of their chosen lifestyle (e.g. four wheel drive vehicles driving hundreds of kilometres to the ski fields and those used to tow recreational boats). But under this proposal these highest emitters will not pay their fair share of the cost of offsetting carbon emissions. There will be an initial charge for these vehicles which will not cover the costs of these high users.

The initial charge will also create a perverse incentive to keep an older higher emission vehicle for longer to avoid the charge applied to new cars. Whereas targeting the cause of the problem, the fuel, will mean the highest users will pay for their costs and incentivise them to change.

The scheme itself does not appear to be driven by a concern for emission levels. High value electric vehicles, like the Tesla model X, will not receive the subsidy. Those people considering this type of vehicle would most likely otherwise look to a similar petrol vehicle like a Audi A6 with a three litre engine. From an emissions perspective these consumers will make a bigger impact on emissions than a person choosing between two small vehicles one of which is an electric vehicle.

Thank you for your time.
Bruce Macfarlane