



## Isuzu Utes New Zealand Limited

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### MINISTRY OF TRANSPORT

Wellington (Head Office) Ground Floor, 3 Queens Wharf  
Auckland, NZ Government Auckland Policy Office, 45 Queen Street

[cleancars@transport.govt.nz](mailto:cleancars@transport.govt.nz).

Dear Sir/Madam,

Please find below the submission made by Isuzu Utes New Zealand Limited (IUNZ) in relation to the Proposed "Clean Car Standard" and Proposed "Clean Car Discount" discussion paper.

IUNZ is a 100% New Zealand owned business, it is the authorized importer and distributor of Isuzu Light Commercial Vehicles in New Zealand, namely new Isuzu brand Ute and SUV model vehicles. (Utes are also referred to as Pickups; SUV = Sports Utility Vehicle)

**IUNZ supports the Proposed Clean Car Discount scheme.**

**IUNZ does not support the proposed Clean Car Standard.**

**UNZ believes the Clean Car Standard as proposed will be difficult to implement. It will drive behaviors that are not the intent of the proposed standard.**

In other markets seeking to reduce their emissions, their governments have given signals of encouragement through price incentives, and consumers have begun to move towards lower emissions vehicles where they are available and suitable. Presently those manufacturers look for any signals of encouragement from the government here in New Zealand and see none. The proposed clean car discount will signal that New Zealand is committed to low emission vehicles. With that signal, we can expect momentum to lift.

For these reasons we support the proposed Clean Car Discount Scheme.

**The Proposed Clean Air Standard in its current form will have unintended consequences and perverse effects**

Utes account for a large percentage of the New Zealand vehicle market. As a category, Utes are responsible for comparatively high emissions. But some models do better than others. Those in the Isuzu range are among the most fuel efficient.

Currently, approximately 69% of new Utes in New Zealand are purchased for business/commercial use, in particular contractors, trades people, and the agricultural /rural sectors.

There are many reasons why Utes & SUV vehicles are purchased. Of paramount importance is the driving distance range of travel between refueling, safe load carrying capacity and safety tow rating compliance.

Isuzu SUV have a 3,000kg tow rating and Isuzu Utes have 1 ton+ payload rating and 3,500kg tow rating. >93% of Isuzu Utes and SUV vehicles sold in New Zealand have towbars fitted. Isuzu Utes & SUV have a practical distance of travel range of approximately 800km – 900km+ depending on use.

In the event 1 ton Utes and SUV vehicles were not available or cost prohibitive, in order to accommodate 1 ton payload and 3,000kg/3500kg safety tow rating, customers would be forced to seek practical alternative options below;

1. Purchase larger more expensive American style 2.5ton payload pickup trucks or SUV's. These vehicles are heavier, less fuel efficient and create significantly higher emissions.
2. Purchase small heavy transport trucks which are heavier, slower, not as safe, less fuel efficient with significantly higher emissions.

Both 2.5ton payload large American style pickup and small heavy transport trucks are exempt under the proposed Clean Car Standard.

IUNZ estimates its 2025 liability under the proposed Clean Air standard would be in the order of \$35.6 Million dollars assuming emissions improvements at its present rate of 1.5% per annum. To meet the required standard in 2025, Isuzu would need to drop from 203g to 122g in 6 years. This equates to a 40% reduction in 6 years. Unfortunately this is not practical or achievable in such a short time period. Effectively excluding Isuzu, one of the most fuel efficient and tough Utes from the market which reduces options for the consumer.

It is beyond question we need to eliminate carbon emissions from transport. But it cannot be done any faster than “as fast as possible”. There is a delicate balancing act involved. EVs are expensive, capacity constrained, and limited in their product offerings.

There currently is not a 1 ton/3,500kg towing capacity EV Ute with a range of 800km-900km on the New Zealand market, or on its way any time soon. The ability to meet a 40% reduction in emissions in 6 years is bleak. In other words, this could have the perverse effect of forcing some of the most efficient Utes off the market. Barring the unlikely possibility that a lift in cost might discourage all New Zealanders from driving Utes, this would have the effect of bringing about a lift in the overall emissions.

**The timing is unworkable**

This plan doesn't allow sufficient time for new technology to arrive for the 1 ton Ute, which is an uncommon model in the likes of Europe and Japan and North America, and last in the queue for hybrid technology. There is no point in applying the stick of discouragement before the alternative supply is there.

**It will be vulnerable to bad practice**

The Proposed Clean Air Standard will undermine the market and strengthen it for the worst behaving vehicle importers. Under this scheme, an operator could avoid making any payment to the scheme by running an import business for 11 months and 29 days, shut it down and restart as another entity.

**It will cause harm**

Any initiative that potentially favours used imports over new vehicles, as the Proposed Clean Air Standard does, has the unavoidable consequence of keeping older high emission, less efficient, less safe vehicles on the road, with the statistical inevitability of avoidable deaths. (Older vehicles become less fuel efficient and gain higher emissions as they age)

**We thank you for giving this your consideration**

IUNZ absolutely agrees that we need to bring down emissions. The solution needs to be practical and achievable to gain the best total overall result in reducing emissions from the transport sector.

Of concern is the large percentage of older used vehicles still entering New Zealand. Used vehicles are generally worn, less fuel efficient and generally create higher emission than new vehicles.

New vehicle purchasers are quite sophisticated in their buying decision, so other measures could be introduced that will drive behaviors.

If you look at the problem in terms of mathematics, sometimes a small percentage of a big number is of greater value than 100% of a small number, as is the case with emissions and total vehicle fleet.

Yours Sincerely,



**Murray Greenhalgh**

General Manager

Isuzu Utes New Zealand Limited