## NOTE ON CLEAN CAR STANDARD

The discussion document proposes a clean car standard. The document states the Government is proposing to introduce both policies, rather than either or ("*The Government is proposing to introduce two proven policies to increase the supply and reduce the cost of fuel efficient and electric vehicles coming into New Zealand*", Pg.3).

The document states that importers of new and used vehicles would have to meet a standard whereby the average fuel efficiency of their imported cars is less than 105g CO2/km, by 2025.

Where importers do not meet the standard, they can pay a penalty of $100 per g CO2/km per car for new cars, $50 for used cars, or offset their cars by teaming up with an importer of low emissions cars.

The document states that when the Australian Government investigated a 105 g CO2/km emissions target for its vehicle fleet, they estimated that the target could impose additional vehicle costs of $1582 per car in 2025.

Where importers team up with low emissions importers, the policy could result in transfers to suppliers of EVs and hybrids of $7548 per car in 2025.

Presently, according to RightCar.govt.nz, the following CO2 ratings apply to 2019 utes. If these cars are imported in 2025 as six-year old used vehicles, the following penalties could apply, based on $50 per g CO2/km.

| Cost of importing a 2019 ute in 2025 | CO2 rating | Penalty | Tax | 2025 Total |
|---|---|---|---|---|
| **Toyota Hilux 2019 single cab 4wd** | 198 | $4650 | $1200 | $5850 |
| **Nissan Navara 4wd** | 169 | $3200 | $900 | $4100 |
| **Holden Colorado 4wd** | 206 | $5050 | $1300 | $6350 |
| **Ford Ranger 4wd** | 193 | $4400 | $1200 | $5600 |
| **Isuzu D-max 4wd** | 201 | $4800 | $1300 | $6100 |

The discussion document talks about a potential schedule based of vehicle weight. This schedule would still require an average of 105g CO2/km, averaged across the weights. The standard for a ute would only change marginally to 112g CO2/km.

Currently, the average fuel efficiency for light vehicles is 176 g CO2/km. Over the last six years, this has fallen just 9 grams from 185 g CO2/km in Q1 2013.[1] The rate of fuel efficiency improvement would have to be eight times faster over the next six years than it has been over the past six years.

[1] See table 1e Quarterly Fleet Statistics (Data tables) - January to March 2019 update at this link: https://www.transport.govt.nz/mot-resources/vehicle-fleet-statistics/quarterly-fleet-statistics-data-tables-january-to-march-2019-update/