



National's Electric Vehicles Plan

National believes the future of transport in New Zealand will be zero emissions. New Zealanders use private motor vehicles for 95 per cent of their land transport needs. Reducing emissions doesn't mean stopping cars. Our zero emissions future will be one where cars continue to move us around to our jobs, visit our family and take kids to sports games, but these cars will be emissions-free.

Transport emissions are the largest driver of increasing greenhouse gas emissions in New Zealand. Since 1990, transport emissions have doubled.

We can address this issue. We can reduce our transport emissions right now through the electrification of our fleet. National believes that future technology development will increasingly make electric vehicles the natural choice for many Kiwis.

The benefits of electric vehicles are far reaching. We will reduce our greenhouse gas emissions and can also dramatically improve air quality on our city streets.

National believes more can be done to allow the shift to fully electric, plug-in hybrid electric and hydrogen vehicles (EVs) to happen sooner.

National's ambitious electric vehicle plan will encourage the purchase of EVs, support growth in the second-hand EV market and lower carbon emission in New Zealand's transport sector.

National will:

- Exempt EVs from fringe benefit tax until 2025 to encourage fleet uptake.
- Exempt EVs from Road User Charges until at least 2023.
- Allow EVs to use bus lanes and high occupancy vehicle lanes.
- Target a government fleet that is one-third EV by 2023.

Growing our electric vehicle fleet

New Zealand currently has 22,000 EVs, representing about 0.6 per cent of our light passenger fleet.

Monthly registrations of new EVs steadily rose under National to reach around 500 vehicles a month in 2017. This is still too low, and it has stalled under Labour. The rate of new EV registrations has not grown in the last three years.

The Labour-led Government introduced a proposal for a 'feebate' scheme where users of larger vehicles like utes and SUVs would pay a tax to subsidise others. The policy was poorly targeted with most of the money going to drivers of smaller petrol cars rather than EVs.

The proposal was dropped after more than a year of consultation. The tax was overly complicated, counter-intuitive and would have punished those who could least afford it. While the Government tried in vain to sell the policy, EV sales growth slowed while buyers waited for a rebate that would never materialise.

Labour and the Greens have failed to deliver a single successful policy to increase the uptake of EVs.

National will set a target to increase the number of EVs in New Zealand from a current level of 20,000 EVs nationwide to 80,000 within three years.

We will introduce a number of policies to achieve this target. We will continue our policy of exempting EVs from Road User Charges until at least 2023, with a review to possibly extend this for a further three years – depending on the level of technology development and the continued need for this policy.

Exempting EVs from fringe benefit tax will make EVs a much more popular choice for



fleet purchases. New Zealand fringe benefit taxes are up to 49 per cent.

National will introduce a new EV licence plate that will allow EV users to use bus lanes and high-occupancy vehicle lanes. We will implement this immediately on State Highways and work with councils to implement this in cities.

A third of new vehicle purchases in New Zealand are company fleet purchases. Our fringe benefit tax exemption and our policy to allow EVs to use bus and high occupancy lanes will create a strong incentive for corporate purchases of EVs. Where people travel across the city frequently for work there will be now significant reasons to now buy an EV. Corporate purchases of EVs will then stimulate New Zealand's second-hand EV market.

National will:

- Exempt EVs from fringe benefit tax until 2025 to encourage fleet uptake.
- Extend the Road User Charge exemptions until at least 2023.
- Allow EVs to use bus lanes and high-occupancy vehicle lanes to incentivise consumers by shortening commute times and increasing driver benefits.
- Introduce an EV licence plate for ease of identification.
- Target 80,000 EVs by 2023 – four times the current fleet size.

Leading by example and securing the supply of low emissions vehicles

National believes that many government vehicles can and should be EVs. We will change the government procurement policy to achieve a target of a third of the government fleet EV by 2023.

Labour had a target of electrifying 100 per cent of the government fleet by 2026. Like most of Labour's promises, they had no plan

for delivery. After three years in Government, Labour has only delivered around 100 EVs.

National will:

- Require, where practicable, new government light vehicle purchases to be EVs.
- Target a third of the government light vehicle fleet to be EV by 2023.

Fiscal Impact

The estimated fiscal impact of the Electric Vehicle package is \$93m over four years. This includes \$55m over four years in lower revenue from exempting electric vehicles from Fringe Benefit Tax and \$38m over four years in electrifying the Government fleet.