



House of Representatives: Third reading speech for the Land Transport (Clean Vehicles) Amendment Bill (No 2)

Third reading speaking points

Paper Title: Land Transport (Clean Vehicles) Amendment Bill (No 2)

Portfolio: Transport

Speech

- I move, that the Land Transport (Clean Vehicles) Amendment Bill (No 2) be now read a third time.

Recap on the purpose of the Bill – thanks and congratulations

- The Clean Vehicle Standard is one of a number of initiatives in the Emissions Reduction Plan, that we released on 16 May 2022, outlining how we will meet the first emissions budget for 2022–25, and put us on track to meet future emissions budgets.
- The requirements of the Clean Vehicle Standard start from 1 December 2022. We are looking forward to the commencement of the Standard given it is very long overdue.
- The New Zealand vehicle fleet is one of the most fuel inefficient and emissions intensive in the OECD. We have this unfortunate honour in part because unlike most other OECD countries, vehicle fuel efficiency and CO₂ emissions were unregulated before this Government took action with the Clean Car programme.
- In August 2009 the fifth National Government considered whether to progress the previous fifth Labour Government's work to introduce a vehicle fuel economy standard. The relevant Cabinet decision was "that no further work should be carried out on a regulated Vehicle Fuel Economy Standard at this time". At the time, in 2009, emissions from road transport were 13,101 kilotonnes. In 2018 when policy development started on the Clean Vehicle Standard they had increased to 15,126 kilotonnes.
- Regulating vehicle fuel efficiency or CO₂ emissions is an obvious and available opportunity for us to realise. As an emissions abatement option it is "negative cost". Efficient vehicles burn less fuel, have lower emissions, and offer tangible savings at the fuel pump.
- The 2009 decision cost New Zealanders. Vehicles stay in the fleet until they are on average 20 years old. Every inefficient vehicle bought into the fleet costs its owner more to run than the alternative available vehicle with better technology.

- The Clean Vehicle Standard will help us make up the ground we have lost from not regulating vehicle fuel efficiency or CO2 emissions intensity earlier. To ensure the Standard has the best starting point I have brought this Bill to the House.
- The Bill will smooth the implementation of the Clean Vehicle Standard by providing a six-month phase-in. This six-months will give vehicle importers time to adjust to the Standard's requirements. This includes the opportunity to import a sufficient number of low-emission vehicles to offset any charges they might have otherwise incurred over January–May 2023.
- At the same time the obligation to meet the targets for 2023 is retained.
- The Bill also corrects the inadvertent expansion of the Standard's CO2 account and reporting requirements - a mistake by my officials that I am owning and fixing.

Conclusion

- The Clean Vehicle Standard is a critical part of the Government's programme of initiatives, outlined in the Emissions Reduction Plan, to tackle Climate Change.
- This Bill will help ensure the smooth implementation of the Clean Vehicle Standard and reduce compliance costs for the vehicle industry.
- I commend the Land Transport (Clean Vehicles) Amendment Bill (No 2) to the House.

PROACTIVELY RELEASED BY
TE MANATU WAKA MINISTRY OF TRANSPORT