



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

Second 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 second time.

Recap on the purpose of the Bill

- Let's just quickly recap what this Bill is about. Its purpose is to smooth the implementation of the Clean Vehicle Standard by doing two things. It provides a six-month phase-in. It will also exclude mopeds and motorcycles from the Standard's CO2 account and reporting requirements.
- A smooth implementation will support vehicle importers comply with the requirements of the Clean Vehicle Standard. Compliance is key to achieving the emission reductions from the Standard and giving New Zealanders access to a greater variety and supply of low and zero emission vehicles.
- The phase-in came from listening and engaging with vehicle importers. Vehicle importers want to play their part in helping New Zealand transition the vehicle fleet to be low emission. However, regulating the CO2 emissions of vehicles is a fundamental change for the vehicle industry.
- Vehicle importers are concerned that they will have very little time to adjust to the requirements of the Standard and the online system run by Waka Kotahi. They are also concerned Waka Kotahi may not have a fully automated system in place in time for the legislated start dates.
- A system with elements of manual processing would undermine confidence in the Standard because of the resultant increased processing times, compliance costs and heightened potential for errors and fraud.
- The phase-in responds to these concerns. It will give vehicle importers time to become accustomed to operating with the new requirements and the online system run by Waka Kotahi. It makes it less likely that vehicle importers will be penalised by charges because they were unfamiliar with the requirements of the Standard's CO2 emission targets.

- At the same time, the phase-in does not defer the obligation to achieve the CO2 emission targets for 2023. It only defers the obligation for vehicle importers to pay charges for any vehicles exceeding the targets from 1 January 2023 to 31 May 2023. Similarly, it defers the ability to transfer emission credits from 1 January 2023 to 1 June 2023.
- Vehicle importers are also rightly concerned about the compliance burden from the Ministry of Transport's inadvertent extension of the Standard's CO2 account and vehicle emissions data recording requirements to motorcycles and mopeds.
- This was a simple mistake but with real costs for the vehicle industry. Leaving it unfixed is inconsistent with having a regulatory environment that supports business thrive.

Conclusion

- The amendments in the Bill will support the smooth implementation of the Clean Car Standard. In this way the gains from the Standard in reducing emissions and giving New Zealanders access to cleaner vehicles will be secured.
- I commend the Land Transport (Clean Vehicles) Amendment Bill (No 2) to the House.

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TE MANATU WAKA MINISTRY OF TRANSPORT