

Submission on Moving the light vehicle fleet to low- emissions: Discussion paper on a Clean Car Standard and Clean Car Discount

9 July 2019



SUBMISSION

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To: Ministry of Transport

Submission on: **Moving the light vehicle fleet to low emissions:
*discussion paper on a Clean Car Standard and
Clean Car Discount***

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From: Federated Farmers of New Zealand

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Submission on Moving the light vehicle fleet to low-emissions: discussion paper on a Clean Car Standard and Clean Car Discount

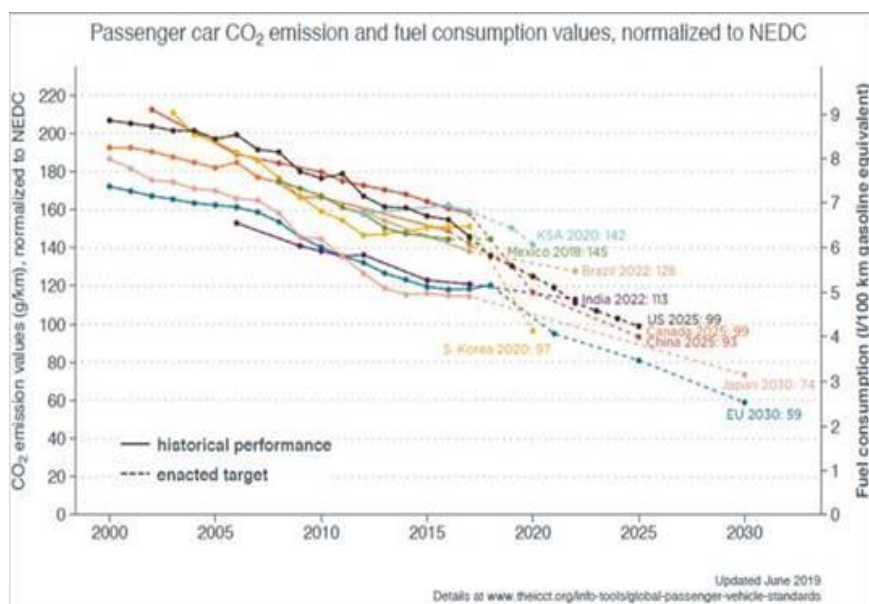
1. INTRODUCTION

- 1.1 Federated Farmers welcomes the opportunity to comment on the consultation document *Moving The Light Vehicle Fleet To Low-Emissions: Discussion Paper On A Clean Car Standard And Clean Car Discount*.
- 1.2 Federated Farmers will be submitting on both the Clean Car Standard and the Clean Car Discount proposals.
- 1.3 Farm businesses and rural communities are reliant on a vehicle fleet, which vary in requirements. The fleet needs to satisfy the changing demands of moving people, goods and livestock at varying volumes and have capability of doing so over often significant distances.
- 1.4 Federated Farmers is concerned by the short consultation timeframe given to submit on this discussion paper, coupled with the concurrent short timeframe to submit on the *Road to Zero consultation on the 2020-2030 Road Safety Strategy*, which closed three clear working days ago. Both consultations present significant proposals and it is disappointing that these have not been given the consultation time they deserve.
- 1.5 The Federation is disappointed the Government has said partway through the submission period that the feebate scheme '*has been winning favour with submitters*', and that the Associate Minister of Transport, Hon Julie Anne Genter, has felt comfortable commenting on submitter feedback on a policy proposal that has yet to finish its public submission process.
- 1.6 Federated Farmers feels the article that quoted Minister Genter as saying "*about 80 per cent of the online responses the Transport Ministry had so far received in response to a discussion paper on the feebate scheme and an associated "clean car standard" had supported the policies*", shows a blatant disregard for ensuring that the submission process has been robust.
- 1.7 The Federation welcomes an outcome where these proposals become "effective, **fair** and durable" as committed to in the discussion document.

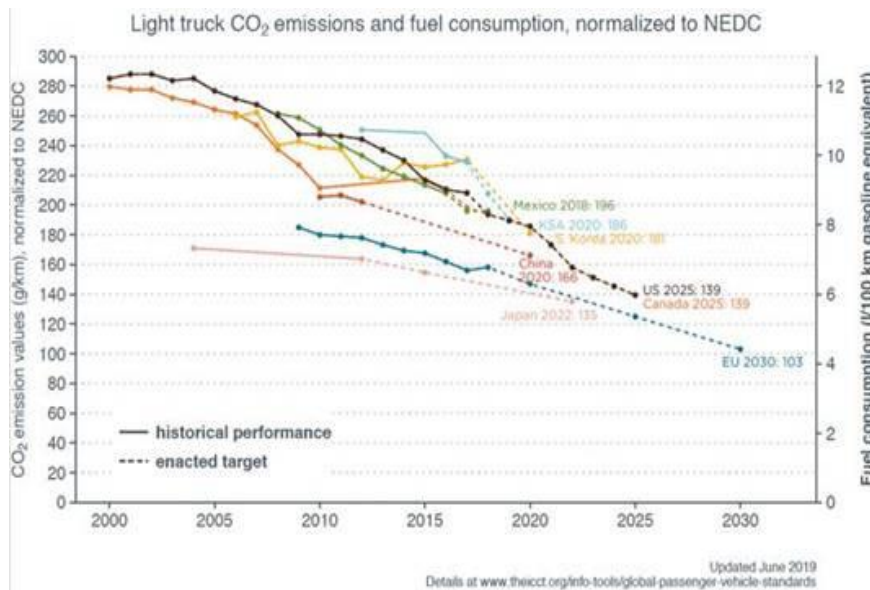
2 POLICY ONE - CLEAN CAR STANDARD

- 2.1 Federated Farmers acknowledges that New Zealand as a developed country needs to look at options to improve the fuel efficiency of light vehicles entering the national fleet. However, Federated Farmers does not support the Clean Car Standard as proposed, with light commercial vehicles and passenger vehicles being required to meet the same CO₂ targets.

- 2.2 The Federation considers any measures to reduce CO₂ emissions must be achievable. We believe the targets contained in this proposal are aspirational. The European Union's fuel efficiency standard achieved an annual improvement of 3.4 – 4.8 grams CO₂/km. At this "highly effective" rate (as quoted in the discussion document), New Zealand would reach the proposed target of 105grams CO₂/km from 180grams CO₂ (2018), in between 2033 and 2040. This shows a 2025 target is not realistic. It is fine to be aspirational in a strategy but regulatory instruments like standards must be realistic and achievable, otherwise they will impose significant costs for little benefit.
- 2.3 Federated Farmers does not consider the proposed Clean Car Policy is a proven model, as claimed in the discussion document. There are **NO** countries which have an emission standard that combine Passenger Vehicles with Light Commercial Vehicles/Light Trucks in the same standard.
- 2.4 Federated Farmers notes that the International Council on Clean Transport (ICCT) graph titled 'Comparison of Global CO₂ Regulations for New Passenger Vehicles' (page 11) has been taken in isolation and there is a second graph that shows a distinctly different target for light trucks (which includes light commercial vehicles).
- 2.5 Original ICCT passenger car graph with the New Zealand 'light vehicle' target omitted.



- 2.6 Original ICCT light truck (including light commercial vehicles) graph which shows distinctly different targets from the passenger cars' in each country..



- 2.7 The graphs above clearly show that passenger vehicles and light trucks have different CO₂ targets. Also of note is that CO₂ reductions to 105grams CO₂/km in all the countries graphed have occurred over a 20-year period. Federated Farmers believe this shows that the proposed target is overly ambitious and unrealisable.
- 2.8 Federated Farmers cannot see evidence that a proposed combined standard for passenger vehicles and light commercial vehicles are adopted in any other country. However, we do note that both the USA and Canada have adopted a split of SUV vehicles into 'light' and '4x4 large' vehicles, and included the 'light' with passenger car and '4x4 large' into the light truck categories.
- 2.9 Federated Farmers supports light commercial vehicles, in particular farm utes being excluded from any adopted clean car standard until such a time that viable low emission alternatives are available on the New Zealand market. New Zealand as a market and in particular the light commercial market is at the mercy of vehicle manufacturers who do not see low emission farm vehicles as a priority for manufacture.
- 2.10 Four of the top six new vehicles in 2018 were vehicles used predominantly for farming: Ford Ranger, Toyota Hilux, Mitsubishi Triton and Holden Colorado. There are no available options for low emission replacement vehicles.
- 2.11 The electric, hybrid and low-emission model vehicles are not capable of performing the role of a farm 'workhorse' – farm vehicles require four wheel drive capability, the ability to safely carry heavy loads, towing capacity, long-range travel, off-road capability in wet and muddy conditions, hill descent, ability to maintain torque, and flat deck provision. Until such time as low-emission vehicles can meet these requirements, Federated Farmers cannot support a clean car standard which includes farm utes.

- 2.12 Federated Farmers would also like to comment on the viability of electric passenger vehicles for rural New Zealand conditions. Whilst Federated Farmers is representing the views of farmers, we would like to acknowledge that not only farmers would be affected by this policy. The proposal will also disadvantage rural communities due to their geographic location.
- 2.13 The proposal states that the average daily vehicle travel is less than 29km per day and urban 22km per day. However what it omits to say is specifically what the average daily rural vehicle travel is. These figures indicate a much higher km/day rate for rural vehicles. We are concerned there are no figures relating specifically to rural vehicle km/day included in the discussion document. These figures would show that rural areas are challenged by distance travelled.
- 2.14 The challenges for EV's including a high upfront purchase cost, travel range anxiety, availability of charging infrastructure and limited variety of Electric Vehicles; effectively makes the use of EV's not viable for many rural areas. Federated Farmers would support the Ministry of Transport looking at a fairer system that does not distinctly disadvantage those living in rural areas.
- 2.15 Federated Farmers is unable to make comment on the proposed 'stricter emissions targets being set beyond 2025', as there is no detailed analysis.

3 POLICY TWO – CLEAN CAR DISCOUNT

- 3.1 Federated Farmers supports an exemption for light commercial vehicles (farm utes). We do not support subsidising low emission vehicles by charging those that have no viable alternatives commercially available to change. This is not an incentive scheme. This scheme will penalise farmers that have no realistic opportunity to change to low-emission vehicles.
- 3.3 Without viable and affordable options available for light commercial vehicles, farm utes in particular, the proposed feebate scheme is simply a tax and as such Federated Farmer does not support the current proposal.
- 3.4 Federated Farmers would like to see consideration given to exemptions where there are no viable options on the basis that this is fair and equitable. Such exemptions may include 'where no viable alternative vehicle exists' and/or 'where infrastructure (charging units) are not accessible or available' and/or 'where distance from an urban centre is over x number of kms'

4 SUMMARY

- 4.1 Federated Farmers does not support the inclusion of farm vehicles in any clean car standard or clean car discount until such time there are affordable and commercially viable options to meet any such standard.
- 4.2 Federated Farmers supports additional investigations into alternative actions to lower carbon emissions from the New Zealand vehicle fleet.

5 ABOUT US

- 14.1 Federated Farmers of New Zealand is a primary sector membership organisation that represents rural and farming businesses.
- 14.2 Federated Farmers aims to empower farmers to excel in farming. Our key strategic outcomes include provision for an economic and social environment within which:
 - Our members may operate their business in a fair and flexible commercial environment;
 - Our members' families and their staff have access to services essential to the needs of a vibrant rural community; and
 - Our members adopt responsible management and sustainable food production practices.

END