

Excerpt from briefing

Moving to a low emissions light vehicle fleet: draft discussion document

1 March 2018

The discussion document includes an option to legislate an end date of 2035 for imports of fossil fuel powered vehicles

9. The discussion document proposes legislating that by 2035 the light vehicles entering New Zealand must be capable of being driven without fossil fuels.
10. Having 2035 as the target year is ambitious but achievable, based on our projections of EV uptake. According to base level projections, by 2035, 67 percent of new light vehicle registrations will be EVs. However, under our projections for a faster level of uptake, by 2035, EVs will make up 84 percent of new light vehicle registrations. This last scenario assumes there are no barriers to uptake.
11. We have based the target on international examples, which are provided in the discussion document. Various European countries have made statements regarding an end date for fossil fuel powered vehicles. In Asia, China is looking at establishing some form of phase out process for fossil fuel powered vehicles, while India has set an aspirational target for all vehicles sold being electric by 2030.
12. Across all the statements made, there are some overarching themes:
 - 12.1. they tend to be framed as goals or targets, and range from being in place from as early as 2025 or 2030, to as late as 2040 or 2050
 - 12.2. they do not tend to be legislated, but are generally supported by a range of initiatives to help meet the stated goal
 - 12.3. they vary in their level of ambition, particularly regarding hybrid vehicles. Most countries allow hybrid vehicles, with the Netherlands being an exception; the United Kingdom's goal of no fossil fuel powered vehicles by 2030 does allow for hybrids, but it also has a further goal of its roads being emission free by 2050.
13. Based on these international examples, we propose that the 2035 target does allow for hybrid vehicles, while acknowledging that eventually these too will be phased out.

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Draft dated 1 March 2018

OPTION 4: From 2035 light vehicles entering New Zealand must be capable of being driven without fossil fuels

89. This option would legislate that by 2035 all light vehicles entering New Zealand must be capable of being driven without fossil fuels. This means that all light vehicles entering the fleet will be zero emissions, for example pure electric vehicles, or low emissions, for example, plug-in electric hybrids.

90. An end date of 2035 supports the goal of New Zealand being a net zero emissions economy by 2050. It will send a clear signal that the long term direction is to phase out fossil fuels in road transport.

91. This direction will provide certainty to the vehicle and energy industries. It will give them greater confidence to transition to low or zero emission vehicles and renewable energy sources for transport. This certainty will speed up the widespread provision of EV charging infrastructure, which is critical to achieving a fully electric light-fleet.

92. A legislated end date will also provide certainty to consumers that they can confidently switch to electric vehicles.

93. It also puts impetus on government to work to meet the 2035 target.

94. The end-date of 2035 is a suitable goal for New Zealand. Once the policies outlined in this document are place it is likely that the great majority of vehicles entering the fleet will be zero or low emissions. For instance, the Ministry of Transport's fast-base scenario in its electric vehicles uptake model projects that light vehicle registrations will be over 80 per cent in 2035. This scenario assumes that there are no barriers to the supply of electric vehicles to New Zealand.

95. Having a legislated end-date is also consistent with international developments. In 2017, a number of European countries announced various goals or targets for ending the sale of conventional petrol and diesel vehicles.

- **France** announced it will end sales of petrol and diesel cars by 2040; petrol and diesel hybrid electric vehicles would still be allowed.
- The **United Kingdom** will ban sales of new petrol and diesel cars, starting in 2040. They also announced their intention that by 2050, all cars on the road will need to have zero emissions.
- **Scotland** also announced that new petrol and diesel cars and vans will be phased out by 2032.
- **Norway** has a goal that by 2025, all new cars sold should be zero or low emission vehicles.
- The **Netherlands** announced that by 2030, all new cars must be emission free.
- In **Germany**, the federal council passed a resolution calling for a ban on combustion engine cars by 2030.

96. In Asia, **India** has announced an aspirational target that every vehicle sold should be powered by electricity by 2030. China is also planning to phase out the production and sale of fossil fuel vehicles.

97. Within countries, cities such as **Oxford** and **Paris** have also made announcements regarding the eventual removal of fossil fuel powered vehicles from their roads. **Auckland** has signed up to the C40 Fossil-Fuel-Free Streets Declaration, pledging to ensure its city centre has zero emissions by 2030. The state of **California** in the US is considering a bill that would ban any new cars or trucks powered by fossil fuels by 2040.

98. These announcements largely share the following aspects:

- In most cases these statements have not been legislated. However, they are supported by policies to encourage greater uptake of electric vehicles, particularly through financial incentives.
- They apply to new vehicles – vehicles already in the fleet are not immediately affected.
- The phase out of fossil fuel vehicles does not necessarily extend to hybrid vehicles – petrol or diesel hybrid vehicles would still be allowed. However, some countries have signalled their intention for zero emission vehicles only at a later date, such as 2050.

What's needed to implement the three preferred initiatives?

144. The three preferred initiatives in this consultation document will require changes to the Land Transport Act 1998 and to rules made under the Act. Legislative change will be needed to give effect to the requirement that by 2035 only vehicles capable of driving fossil fuel free can be imported. As well as to give the regulator the ability to administer and enforce the vehicle fuel efficiency standard and the feebate scheme.

145. The legislative change would be progressed to enable the initiatives to come into effect in 2020.

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