From: [redacted]
To: Clean Cars
Subject: RUC feedback
Date: Thursday, 1 August 2019 11:46:06 AM

Kia ora,

It is understood that the Clean Car Discount is intended to replace the current RUC exemption which is due for review at the end of 2021. The RUC exemption is a powerful incentive, and removing it at that point in time will undermine the progress made by the introduction of the feebate scheme.

EVs will obviously need to start paying their share and this change needs some certainty around or EV/PHEV sales are going to suffer until the Feebate comes in.

The current RUC rate of $72 per 1000km is entirely inappropriate for vehicles which will be in direct competition with petrol powered hybrids which pay about a third of that in petrol excise.

The 2025 target of 105g of CO2 per km means that by 2025 the average fuel consumption of a new petrol car will have to be 4.375l per 100km. This means that based on the current
excise tax rate of 66c per litre plus 6c ACC, the average petrol car sold in 2025 will pay $31.50 per 1000km in excise tax and ACC levies.
The most efficient petrol hybrid currently in competition with electric cars is the Hyundai Ioniq hybrid, with a consumption of 3.4l per 100km, paying $24.48 per 1000km in excise tax and ACC.
Small efficient diesel cars suffer from the same unfairly punitive RUC, with a VW golf diesel paying almost double the tax of the petrol version.
The petrol excise tax system works like a feebate scheme for road tax, in the sense that vehicles with high petrol consumption pay extra, while vehicles with low consumption effectively get a discount. In order to continue driving the necessary transition away from fossil fuels, it's important that electric cars be rewarded for their efficiency and low emissions
in the same way that the most efficient petrol cars are.
I propose that electric vehicles and PHEVs below a certain weight, say 1800kg, be taxed at a rate of $25.00 per 1000km*, which would align with that paid by the most efficient petrol
hybrids. 1800kg would include vehicles such as the Nissan leaf e plus and the Hyundai kona electric, but exclude most larger electric vehicles. Heavier electric vehicles could pay more,
but should still be significantly discounted from the standard price applied to diesels.

** It would make sense to introduce a lower weight band with a lower price for smaller diesel cars
as well. I also propose that PHEV owners be allowed to claim tax rebates on fuel purchased for their vehicles.
*If $25.00 per 1000km is too low then how will we address the low amount of excise contributed by the most efficient petrol powered vehicles?
**There are two justifications for the difference in price between RUC for electric vehicles
and diesel vehicles. One is to maintain equality with the most efficient petrol powered models as noted above, the second is that it reflects the significant cost saving to society of
not putting harmful particulate emissions from diesel exhaust into the air. The 2012

Health
and Air Pollution in New Zealand (HAPINZ) report found that harmful emissions from vehicles cause 256 premature deaths (with social costs of $934 million) annually in New Zealand. That equates to roughly $270 per vehicle annually, but realistically, diesel vehicles
with their typically higher particulate emissions will account for a larger share of that cost.

Kia ora,

Chris Parkin, APSNZ
[redacted]

Whaia te iti kahurangi ki te tuohu koe me he maunga teitei

Seek the treasure you value most dearly: if you bow your head, let it be to a lofty mountain

"Sometimes I arrive just when God's ready to have someone click the shutter."
— Ansel Adams