


OC220459

16 June 2025

Tēnā koe 

I refer to your email dated 19 May 2025, requesting the following under the Official Information Act 1982 (the Act):

“a copy of feedback provided from the Ministry of Regulation to the Ministry of Transport regarding the Clean Vehicle Standard Cost Recovery during departmental consultation.”

Two emails are in scope of your request which are released to you with some information withheld under section 9(2)(a) of the Act to protect the privacy of natural persons. The document schedule attached as Annex 1 outlines the above information.

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website www.ombudsman.parliament.nz.

The Ministry publishes our Official Information Act responses, and the information contained in our reply to you may be published on the Ministry's website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Nick Paterson
Manager, Environment

Annex 1: Document Schedule

Doc #	Date	Title of Document	Decision on request
1	19/02/2025	Email from: Ben Temple to Paul Hawkes Email titled: FW: For feedback by 19 February 2025: Cabinet paper Recovering the costs of administering the Clean Car Standard	Released with some information withheld under section 9(2)(a).
2	28/04/2025	Email from: Ben Temple to Paul Hawkes Email titled: RE: For feedback by 3 May 2025: Cabinet paper Recovering the costs of administering the Clean Car Standard	Released with some information withheld under section 9(2)(a).

Neha Pawar

From: Ben Temple <ben.temple@regulation.govt.nz>
Sent: Wednesday, 19 February 2025 5:50 pm
To: Paul Hawkes
Cc: Nick Paterson; Gayelene Wright; Phoebe Moir; Cindy Park; Gwen Rashbrooke
Subject: FW: For feedback by 19 February 2025: Cabinet paper Recovering the costs of administering the Clean Car Standard

Hi Paul,

Thanks for sharing this paper and CRIS and for the phone conversation earlier. The numbers are reasonably small in relation to the total cost of a vehicle and in relation to NZTA's overall costs, so I recognise that the effort put into this should be proportionate.

That said, some of the statements in the paper are a little hard to reconcile with the [stage 1 CRIS](#) – which notes that majority (not full) cost recovery would be consistent with the guidelines. My reading was that the underlying policy rationale and statutory objective relates mostly to public benefits (emissions). Let me know if I am misunderstanding this. The stage 1 CRIS also notes that updated modelling will inform the stage 2 CRIS. Is this available (in particular, an updated benefit-cost ratio)?

If possible, we therefore suggest providing a little more detail in the CRIS and the Cabinet paper about the rationale for proposing full or partial cost recovery. The principle as I understand it is that users should pay for the administration in proportion to the benefits they receive or the costs/risks they impose. There are social costs of carbon making up more than 1/3 of the monetised benefits (and air/noise pollution in the un-monetised benefits). It isn't clear why partial cost recovery was not considered an option. We don't think that the Minister of Transport's direction for full cost recovery is a strong enough reason to avoid this question and risks setting a precedent for the administration of other cost recovery regimes.

Given the pass-through comments and the overall value at stake, the industry feedback is not exactly surprising – you may therefore also want to consider describing the consumer impact directly, rather than concluding that there are no impacts on industry.

Appreciate there may be differing views about how to apply the Guidelines for Setting Charges in the Public Sector and these comments may be missing some context – let me know if useful to discuss. And apologies for slowness in providing feedback – there are several papers aiming for Cabinet at the moment!

Ben

Ben Temple
Principal Advisor
Policy & Strategy
waea pukoro: s 9(2)(a) | imera: ben.temple@regulation.govt.nz



From: Cindy Park <Cindy.Park@regulation.govt.nz>
Sent: Tuesday, 11 February 2025 10:18 am
To: Agency Consultation <agencyconsultation@regulation.govt.nz>
Subject: FW: For feedback by 19 February 2025: Cabinet paper Recovering the costs of administering the Clean Car Standard

From: Paul Hawkes <P.Hawkes@transport.govt.nz>
Sent: Tuesday, 11 February 2025 9:52 am
To: CIPA <CIPA@mfe.govt.nz>; Cindy Park <Cindy.Park@regulation.govt.nz>; jason.raven@dpmc.govt.nz; olivia.maxwell@treasury.govt.nz; Jacob Hawker <jacob.Hawker@ird.govt.nz>; Geoff.Leggett <Geoff.Leggett@ird.govt.nz>; Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>; Stephen Goodman <Stephen.Goodman@mfe.govt.nz>; Scott Russell <Scott.Russell2@mbie.govt.nz>; hannah.overton-holmes@mbie.govt.nz; Jesse Doherty [TSY] <Jesse.Doherty@treasury.govt.nz>; carolyn.Wilson@mfat.govt.nz; O'HARA, Sammy (PACMM) <Sammy.O'Hara@mfat.govt.nz>; Caitlin Sinclair <Caitlin.Sinclair2@nzta.govt.nz>; Anna Cleary <Anna.Cleary@nzta.govt.nz>; Official Correspondence NZTA <official.correspondence@nzta.govt.nz>; BISHOP, Joanna (TPND) <Joanna.Bishop@mfat.govt.nz>
Cc: Nick Paterson <N.Paterson@transport.govt.nz>; g.wright <g.wright@transport.govt.nz>; P.Moir <P.Moir@transport.govt.nz>
Subject: For feedback by 19 February 2025: Cabinet paper Recovering the costs of administering the Clean Car Standard

Hi there,

Please find attached a Cabinet paper for consultation (and a supporting CRIS2 to help contextualise the Cabinet paper) for feedback by the 19th of February 2025.

Please reach out if you think you will have difficulty reaching this deadline.

You may recall earlier Cabinet papers on this topic (we consulted on a cabinet paper seeking agreement to undertake consultation back in Q4 of last year).

- This paper seeks agreement to implement cost recovery for the administration of the Clean Car Standard (the 'Standard') and to issue instructions to the Parliamentary Counsel Office to draft regulations to that effect.
- The Standard reduces CO2 emissions and motoring costs through its annual CO2 targets that progressively reduce. Vehicle importers must meet the targets each year, on average, across the vehicles they import. New Zealand Transport Agency (NZTA) manages the Standard.
- The paper proposes cost recovery is in place from 1 July 2025.
- The current cost to administer the Standard is \$6.4 million per annum. However, following an internal New Zealand Transport Agency (NZTA) change process that delivered cost efficiencies, the Standard is forecast to cost \$5.46m to administer in 2025/26.
- This paper seeks Cabinet's agreement to charge a fee of \$19.53 (excluding GST) per vehicle, to be paid at the point of vehicle registration. This fee is calculated by spreading the cost of administering the Standard across an average 279,600 vehicles imported annually into New Zealand between 2015 and 2024.
- With GST included this figure comes to \$22.46 per vehicle. The fee is not expected to have a material economic impact on purchasers of vehicles, noting that the fee would add a cost of 0.225% to the price of a \$10,000 used import.

- A flat fee charged on a per vehicle basis, at the point of vehicle registration, is the most appropriate design to recover the cost of administration, when considering the cost recovery principles of efficiency, equity and simplicity.
- The public was also consulted on the design of the scheme, and the majority of submissions support this approach.
- The paper will be lodged on 20 February, and be considered at CBC on 24 February 2025.
- The CIPA team have been consulted and provided the CIPA statement within the paper.

Kind regards,

Paul Hawkes

Senior Adviser, Environment, s 9(2)(a)

Ministry of Transport Te Manatū Waka

E: P.Hawkes@transport.govt.nz | transport.govt.nz



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Neha Pawar

From: Ben Temple <ben.temple@regulation.govt.nz>
Sent: Monday, 28 April 2025 4:55 pm
To: Paul Hawkes
Cc: Nick Paterson; Phoebe Moir; Jolyon Swinburn; Cindy Park
Subject: RE: For feedback by 3 May 2025: Cabinet paper Recovering the costs of administering the Clean Car Standard

Thanks Paul.

While we had feedback at policy stage in relation to how the cost recovery guidelines were applied here, we appreciate these decisions have been taken, so no further feedback.

Very minor point: The paper could note both the stage one and two CRISs for this work and include in the draft OIC a link to each.

Ben

Ben Temple
Lead Advisor
 Policy

waea pukoro: s 9(2)(a) | **imera:** ben.temple@regulation.govt.nz



From: Paul Hawkes <P.Hawkes@transport.govt.nz>
Sent: Wednesday, 23 April 2025 5:01 pm
To: CIPA <CIPA@mfe.govt.nz>; Cindy Park <Cindy.Park@regulation.govt.nz>; olivia.maxwell@treasury.govt.nz; Jacob Hawker <jacob.Hawker@ird.govt.nz>; Geoff Leggett <Geoff.Leggett@ird.govt.nz>; Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>; Stephen Goodman <Stephen.Goodman@mfe.govt.nz>; Scott Russell <Scott.Russell2@mbie.govt.nz>; hannah.overton-holmes@mbie.govt.nz; Jesse Doherty [TSY] <Jesse.Doherty@treasury.govt.nz>; carolyn.Wilson@mfat.govt.nz; O'HARA, Sammy (PACMM) <Sammy.O'Hara@mfat.govt.nz>; Caitlin Sinclair <Caitlin.Sinclair2@nzta.govt.nz>; Anna Cleary <Anna.Cleary@nzta.govt.nz>; Official Correspondence NZTA <official.correspondence@nzta.govt.nz>; BISHOP, Joanna (TPND) <Joanna.Bishop@mfat.govt.nz>; Ben Temple <ben.temple@regulation.govt.nz>; Hayden Glass <Hayden.Glass@dpmc.govt.nz>
Cc: Nick Paterson <N.Paterson@transport.govt.nz>; P.Moir <P.Moir@transport.govt.nz>; Jolyon Swinburn <J.Swinburn@transport.govt.nz>
Subject: RE: For feedback by 3 May 2025: Cabinet paper Recovering the costs of administering the Clean Car Standard

Hi there,

Please find attached a Cabinet paper and relevant regulations for feedback by close of play 3 May 2025.

Please reach out if you think you will have difficulty reaching this deadline.

You may recall earlier Cabinet papers on this topic as it moves through the process of implementing cost recovery.

- This Cabinet paper seeks authorisation for the Land Transport (Clean Vehicle Standard) Amendment Regulations to be submitted to the Executive Council.
- These Regulations implement full cost recovery for the Clean Vehicle Standard. The Standard addresses transport sector CO2 emissions and aims to encourage a greater supply of low and zero emission vehicle imports to New Zealand by charging importers for vehicles with high CO2 emissions and giving credits for vehicles with low CO2 emissions.
- Cabinet decided in April 2024 (CAB-24-MIN-0121 refers) that the Standard would move to a 'user pays' model, which allowed its administrative funding to be redirected towards other Government priorities.
- The Previous Minister of Transport directed that full cost recovery be implemented to fund the costs of administering the Standard.
- The New Zealand Transport Agency will operationalise the required changes to ensure full cost recovery is implemented from 1 July 2025.
- Vehicle purchasers will be charged a fee of \$19.53 (ex GST) per vehicle, at the point of vehicle registration. This fee represents an additional 0.025% added to the cost of a relatively inexpensive \$10,000 used import. Even if the average consumer purchased a new-to-them vehicle every 5 years, the fee in such a case would represent an additional \$3.9 (ex. GST) per year.

Kind regards,

Paul Hawkes

Senior Adviser, Environment, [REDACTED]

Ministry of Transport Te Manatū Waka

E: P.Hawkes@transport.govt.nz | transport.govt.nz



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