

[Budget Sensitive]

Minister of Transport

Cabinet Business Committee

Clean Car Discount - finalising outstanding decisions

Proposal

- 1 This paper seeks outstanding decisions on the Clean Car Discount (the Discount). On 19 April 2021, Cabinet agreed to progress the Discount, but asked me to report back to Cabinet with final proposals on some outstanding issues [CAB-21-MIN-0128.01].

Relation to government priorities

- 2 This proposal is one of a number of actions taken in response to Parliament's declaration of a climate change emergency. It will give effect to the commitment in the Labour Party's Clean Energy Plan to accelerate the electrification of the transport sector and to our Cooperation Agreement with the Green Party of "increasing the uptake of zero-emission vehicles".
- 3 This policy will also be one of a number of transport policies to be included in the Government's first Emission Reduction Plan (the Plan), which must be published by 31 December 2021. This Plan, led by the Minister for Climate Change, will outline the strategies and policies that will be used to achieve the first emissions budget for 2022–2025 and will be built on to deliver the second and third budgets (over the 2025-2030 and 2030-2035 periods).

Executive Summary

- 4 This paper discusses final proposals on some outstanding matters for the Discount. The Discount was agreed by Cabinet on 19 April 2021 [CAB-21-MIN-0128.01] and discussed by the Climate Response Ministerial Group (CRMG) on 4 May 2021. The CRMG's discussions are reflected in the proposals in this paper.
- 5 The Discount will help new and used car buyers overcome the higher upfront cost of low-emission vehicles compared to internal combustion engine vehicles. The Discount will complement the Clean Car Standard (the Standard), which regulates the supply of low-emission vehicles, while the Discount will encourage demand for zero or low-emission vehicles.
- 6 Officials recommend that the levels of rebate set from 1 July 2021 be:

	New Vehicle	Used Import
Battery electric vehicle (<i>Zero-emission</i>)	\$7,500	\$3,000
Plug-in hybrid electric vehicle (<i>Low-emission</i>)	\$5,000	\$2,000
* Rebates above will be 15 percent higher to account for GST.		

- 7 While the rebate will begin from 1 July 2021, the corresponding fees on high-emission vehicles cannot start until legislation is passed. As such, Cabinet agreed that in principle, for the 2022 year, the maximum carbon dioxide (CO₂) fee should be set to \$3,500 (plus GST). However, I am now proposing that the maximum fee for 2022 be set at \$4,500 (plus GST), which would make more top selling lower-emission vehicles eligible for a discount. Fees and rebates will be reviewed regularly to ensure that the scheme remains fiscally neutral.

- 8 A forward schedule of fees and rebates is included in Annexes 1 and 2, which I propose is released with the announcement of the policy. I also propose that Cabinet review and confirm the suitability of this fee and rebate schedule in September 2021, informed by initial sales data following the introduction of rebates on 1 July 2021.
- 9 New Zealand has high levels of ownership of utility vehicles (utes), which on average have very high levels of emissions. There are not yet any hybrid or electric options being sold in New Zealand, although there are a number of models which are expected to enter our market in the next one to two years.
- 10 The Ministry of Transport, Waka Kotahi NZ Transport Agency and Ministry for the Environment recommend that no concession on fees be given to utes, because of their emissions impact, notwithstanding the lack of alternatives currently in the market. This also reflects the urgency with which we must all adjust in order to decarbonise transport. The Green Party has indicated it agrees with this view. I therefore do not propose that a concession is applied for utes.

Background on the Clean Car Discount

- 11 The Discount will help new and used car buyers overcome the higher upfront cost of low-emission vehicles compared to internal combustion engine vehicles. Rebates on low-emission vehicles will be funded by a corresponding fee on high-emission vehicles.
- 12 The Discount will complement the Standard, which was agreed to by Cabinet in January 2021. The Standard regulates the supply of low-emission vehicles, while the Discount will encourage demand for electric or low-emission vehicles. The Discount is modelled closely on policy from countries that have significantly driven the uptake of low-emission vehicles.
- 13 The Emission Trading Scheme and the Standard will not resolve the high up-front cost barrier to buying electric vehicles, which is expected to persist for most of the 2020s. The Discount will close this price gap significantly but not eliminate it. Further measures will be needed to enable access to low-emission transport options for lower-income households and others facing disadvantages in accessing transport.

Cabinet has agreed to the Clean Car Discount but there are some outstanding policy decisions

- 14 In the 19 April 2021 decision, Cabinet asked me to report back on:
- 14.1 the level of the rebate to be issued on zero and low-emission vehicles from 1 July 2021;
 - 14.2 the maximum CO₂ fee for 2022;
 - 14.3 the full schedule of rebates and fees based on vehicle CO₂ emissions (including the CO₂ emission levels that enable some vehicles to receive neither discounts nor fees) that would apply during the 2022 year (using at least two months' worth of data arising from rebates being available in the vehicle market in order to inform Cabinet's decisions);
 - 14.4 purpose-based exemptions or discounts on the fees payable on vehicles that do not have feasible low-emission alternatives, which would apply from 2022;
 - 14.5 the criteria that would exclude vehicles with poor crash worthiness from receiving discounts;
 - 14.6 any outstanding policy issues, if necessary.

- 15 The CRMG considered these outstanding policy questions at its meeting on Tuesday, 4 May 2021. The discussions that took place are reflected in the advice in this paper.

The levels of the rebate from 1 July 2021

- 16 Officials recommend the following rebates be available from 1 July 2021:

	New Vehicle	Used Import
Battery electric vehicle (<i>Zero-emission</i>)	\$7,500	\$3,000
Plug-in hybrid electric vehicle (<i>Low-emission</i>)	\$5,000	\$2,000
* Prices above will be 15 percent higher to account for GST.		

- 17 The proposed level of rebate is based on reducing the current price differential between an electric vehicle and a high-emission vehicle. This price gap is expected to reduce over the decade as batteries get cheaper and electric vehicle manufacture scales up. Fees and rebates will be reviewed regularly to ensure that the scheme remains fiscally neutral.
- 18 The modelling used to set initial rebate and fee levels considers effects of the Standard, the behavioural response to vehicle price changes, limiting fees to a level the market can currently bear, and setting the rebates to the maximum level possible (while enabling repayment of the loan within a prudent timeframe).
- 19 The proposed levels of rebate are in line with those proposed in public consultation. If we made the rebate smaller it would be less effective at influencing buyer behaviour. Officials also looked at what the modelling showed if the rebate was increased. For instance \$10,000 was tested as the new vehicle rebate but it was found that such an increase would not materially persuade additional buyers in the short term, and, it could make it harder for Waka Kotahi to repay the Crown loan.
- 20 Internationally, feebate systems are usually updated every one to two years. Cabinet agreed that starting in 2023, and on a 24-month or more frequent basis, the nature of fees and rebates, together with other scheme design elements, would be reviewed and adjusted if necessary.
- 21 Cabinet agreed that rebates will be able to be applied for from 1 July 2021, as this will prevent car buyers from delaying the purchase of a new electric vehicle until the rebate starts. Also, the more quickly that rebates can be issued the sooner we will see progress in electrification of the New Zealand light vehicle fleet.

The levels of the fee and rebate from 2022

- 22 While the rebate will begin from 1 July 2021, the fees cannot start until legislation is passed. Adding fees to the purchase of a vehicle is a key aspect of the policy. Fees incentivise the purchase of lower-emission vehicles and also mean the scheme can operate as fiscally neutral over time. The fees fund the discounts and Waka Kotahi's operation.
- 23 As currently proposed, fees would rise for every gram of CO₂ a vehicle produces. This is modelled using a formula for rebates of \$50 per gram (new cars) and \$20 per gram (used cars), and for fees of \$50 per gram (new and used cars), up to set caps. This encourages any buyer to buy the lowest CO₂ vehicle they can.
- 24 Vehicle buyers and sellers will want to know what the fees will be, when the policy is announced, not least because internationally fees on highly-emitting vehicles can be a lot higher than the amounts we are proposing.

BUDGET SENSITIVE

- 25 Cabinet agreed that in principle, for the 2022 year, the maximum CO₂ fee should be set to \$3,500 (plus GST). However this would only provide funding for rebates on electric vehicles and the most efficient of hybrids. I therefore recommend we increase the maximum fee to \$4,500 (plus GST), which will enable more hybrids and some fuel-efficient vehicles to also receive a small rebate. This will support more New Zealanders to buy lower-emission vehicles in 2022.
- 26 This higher maximum fee would only apply to the highest emitting vehicles, relative to the proposed 2022 rebate schedule at \$3,500. This would mean new cars over 250g CO₂ emissions per km would pay a higher fee and for used vehicles over 200g. These are well above the average emissions of vehicles purchased in New Zealand of 171g. None of the top 10 selling new cars are over 250g and only 1 of the top 10 selling used cars is over 200g – the Subaru Impreza Hatchback¹.
- 27 It will however bring a number of top selling vehicles into receiving discounts. For the top 10 selling new vehicles it would mean the Toyota RAV4 hybrid SUV and Suzuki Swift Small Hatchback would now attract a discount. For the top 10 selling used vehicles it would mean the Nissan Tiida Hatchback and Honda Fit cars would now attract a discount. Annex 3 shows some examples of vehicles and what the impact of the scheme will be on them. **Correction: The Nissan Tiida Hatchback will not get a discount due to its safety rating**
- 28 I propose to announce the following schedule now for 2022 (prices will be 15 percent higher due to GST), noting this will be subject to finalisation later in the year:

Vehicle CO ₂ emissions per KM		New Vehicle imports	Used vehicle imports	Financial implications
NEDC ²	WTLP ³			
>250	>280	\$4,500	\$2,500	Fees on high emitting vehicles
>225 - <=250	>250 - <=280	\$3,310	\$2,500	
>200 - <=225	>225 - <=250	\$2,210	\$2,210	
>190 - <=200	>215 - <=225	\$1,440	\$1,440	
>180 - <=190	>200 - <=215	\$890	\$890	
>170 - <=180	>190 - <=200	\$460	\$460	
>160 - <=170	>180 - <=190			No fee or rebate (unaffected)
>150 - <=160	>170 - <=180			
>140 - <=150	>155 - <=170			
>130 - <=140	>145 - <=155			
>120 - <=130	>135 - <=145	-\$1,180	-\$470	Discounts on low and zero-emission vehicles
>105 - <=120	>120 - <=135	-\$1,820	-\$730	
>90 - <=105	>100 - <=120	-\$2,460	-\$980	
>69 - <=90	>80 - <=100	-\$3,560	-\$1,420	
>49 - <=69	>55 - <=80	-\$4,000	-\$1,770	
>4 - <=49	>5 - <=55	-\$5,000	-\$2,000	
>0 - <=4	>0 - <=5	-\$7,500	-\$3,000	

Actual fee/rebate is based per gram; figures above show average within the band.

¹ Subaru manufactures a much lower-emission hybrid version of the Impreza Hatchback.

² NEDC = New European Driving Cycle.

³ WTLP = Worldwide Harmonised Light Vehicles Test Procedure.

(NEDC and WTLP are methods of assessing vehicle emissions in use in New Zealand)

29 As time goes by, rebates and fees will need to be updated to ensure the scheme runs in a fiscally neutral fashion. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Withheld under Section 9(2)(f)(iv) of the Official Information Act 1982

30 Cabinet agreed on 19 April 2021 that the 2022 fee and rebate schedule will be confirmed by Cabinet in September 2021, informed by initial sales data following the introduction of rebates on 1 July 2021, together with targeted engagement with the motor vehicle industry.

New Zealand has high levels of ownership of utes, which on average have very high levels of emissions

31 Although there are lower-emission options, there are not yet any hybrid or electric options being sold in New Zealand, although these are expected to enter our market in the next one to two years.

For example:

- LDV plans to supply a zero-emission electric ute within 6-12 months. They already sell two electric commercial delivery van models in New Zealand.
- Tesla is manufacturing a zero-emission electric ute by late 2021, though availability to New Zealand is not certain.
- Toyota plans to supply New Zealand a hybrid ute within 12-24 months.
- Ford hopes to supply New Zealand hybrid utes in the short term and has just launched an electric version of the US's most popular ute.
- Rivian expects to sell a right hand drive electric ute from 2022.

32 While many utes are purchased for productive 'workhorse' use, the rapid acceleration of uptake is linked to their purchase for lifestyle reasons. Many popular new utes now sell for over \$60,000, suggesting buyers would not be greatly sensitive to a fee of up to a few thousand dollars. The popularity of high-emission utes in New Zealand is incompatible with transport decarbonisation.

33 Some potential ute buyers may be able to instead buy lower-emission SUVs and vans instead of utes, given these are already available in hybrid and electric formats both in the new and used market. However, drivers with genuine need for 4WD or open-tray format vehicles will have little ability to avoid paying a fee.

34 The Ministry of Transport, Waka Kotahi and Ministry for the Environment recommend that no concession be given because of the emissions impact of utes, notwithstanding the lack of alternatives currently in the market. This also reflects the urgency with which we must all adjust in order to decarbonise transport. The Green Party has indicated it agrees with this view. I therefore do not propose that a concession is applied for utes.

Tax treatment of fees and rebates

35 Officials from Inland Revenue, the Treasury, Waka Kotahi and the Ministry of Transport met in April to discuss implications and implementation details following Cabinet agreement that fees and discounts will be subject to GST. Inland Revenue

noted this conformed to the treatment of other transport fees and other government grants and subsidies.

36 The April Cabinet paper recommended rebate levels that were expressed as GST exclusive amounts. Inland Revenue recommends that the rebates should be grossed up by 15 percent to account for GST. This approach was agreed by Waka Kotahi, Treasury, and Ministry of Transport officials.

37 Inland Revenue advise that it is necessary to gross-up the rebates because GST registered businesses buying work vehicles would need to return 15 percent GST on the rebates they receive from Waka Kotahi, the same as they would for other government grants. While private vehicle owners would not return GST on their rebates, they also need their rebates grossed-up by 15 percent so they are properly compensated for the extra GST they already incurred on the full retail price of the vehicle.

38 The gross-up does not require any amendment to legislation and is straight-forward to implement. It relies on asking buyers to confirm their GST status and responding with appropriate documentation when issuing the rebate. It will slightly increase the costs on the scheme, as Waka Kotahi can recover the GST on rebates issued to businesses but not to others. This is not modelled to materially change the timeframe for repaying deficits and can be accounted for in the level of fees and rebates in later years.

39 All dollar figures in this Cabinet paper are exclusive of GST, and thus the actual fees and rebates charged and paid by Waka Kotahi will be 15 percent higher to account for GST. Communications to consumers will reflect this point.

40 [Redacted text block]

Withheld under Section 9(2)(f)(iv) of the Official Information Act 1982

41 Cabinet is therefore asked to agree to legislative amendments, if necessary, to ensure FBT and depreciation are calculated after rebates and fees.

Update on unsafe vehicles being ineligible for a discount

42 Cabinet agreed I would confirm the criteria where zero and low-emission vehicles with poor safety would be excluded from receiving a discount. I propose that, vehicles with less than three star safety rating as reported on the Rightcar website (www.rightcar.govt.nz) be excluded from 1 July 2021. Officials will then review the suitability of this approach ahead of completion of Discount implementation in 2022.

Financial and Legislative Implications

43 The outstanding decisions sought in this paper on fee and rebate levels have fiscal implications as they would result in an increase in total Crown revenue and expenses.

44 Any legislation required to give effect to the policy proposals in this paper will be included in the Clean Car Bill and associated regulations.

Impact Analysis

45 A Regulatory Impact Statement was included with the previous Cabinet paper [CAB-21-MIN-0128.01].

Climate Implications of Policy Assessment

- 46 As stated in the earlier Cabinet paper, the cumulative impact of the Discount from 2022 to 2050 is a reduction of between 2.6 and 9.2 mega tonnes of CO₂. These numbers would be revised upwards if fees and rebates are set more aggressively over the longer term.
- 47 An increase in the volume of utes and other high-emission vehicles sales is expected in the period between the announcement of this policy and the implementation of fees. This is expected to prevent vehicle CO₂ emissions falling in the 12 months following announcement; reductions are modelled thereafter. I have sought to mitigate this by pursuing the fastest possible implementation timeframe from announcement.

Human Rights Implications

- 48 There are no implications for human rights and thus the proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Gender Implications and Disability Perspective

- 49 There are no significant gender or disability implications from the Discount. An exemption from fees could be added in the future, if it were later found that adaptations such as wheelchair lifts proved impractical on electric vehicles.

Communications

- 50 Should Cabinet agree to these final decisions, it is intended that the Discount be announced on a date agreed with the Prime Minister's Office. The Discount is a powerful lever to accelerate transport decarbonisation, alongside the Standard and Biofuels Mandate.
- 51 Officials will prepare embargoed information to send to the motor vehicle industry immediately prior to the announcement. Because this relates to the Cooperation Agreement between the Labour Party and the Green Party, I will engage with the Green Party about the announcement.
- 52 Waka Kotahi will prepare public resources for consumers about the Discount and EECA is separately commencing a social media promotional campaign about electric vehicles from late May 2021.

Proactive Release

- 53 This Cabinet paper will be released 30 days following decision made by Cabinet.

Consultation

- 54 The following agencies were consulted in the development of the paper: Waka Kotahi, Treasury, Inland Revenue Department. The Department of Prime Minister and Cabinet has been informed. The April Cabinet paper consulted a much broader set of agencies.

Recommendations

The Minister of Transport recommends that Cabinet:

- 1 **note** that on 19 April 2021 Cabinet agreed to the Clean Car Discount policy [CAB-21-MIN-0128.01]
- 2 **note** that the outstanding policy decisions for the Clean Car Discount were discussed at the Climate Response Ministerial Group on 4 May 2021 and those discussions are reflected in the proposals in this paper
- 3 **note** eligibility for rebates under the Clean Car Discount was previously agreed by Cabinet to begin from 1 July 2021

BUDGET SENSITIVE

- 4 **agree** the initial rebate be \$7,500 on new and \$3,000 on used import battery electric vehicles and \$5,000 on new and \$2,000 on used import plug-in hybrid electric vehicles from 1 July 2021
- 5 **agree** for the calendar year 2022, subject to finalisation in recommendation 7 below, the rebates in recommendation 4 above would be:
- 5.1 replaced by a full schedule of rebates and fees based on the CO₂ emissions of a vehicle
- 5.2 based on a formula for rebates of \$50 per gram CO₂ (new cars) and \$20 per gram (used cars), and for fees of \$50 per gram (new and used cars), up to set caps (NEDC)
- 6 **agree** for the calendar year 2022, subject to finalisation in recommendation 7 below, when simplified from the formula for illustrative purposes by grouping into bands, would be as set by the table below (maximum fee \$4,500)

Vehicle CO ₂ emissions per KM		New Vehicle imports	Used vehicle imports	Financial implications
NEDC ⁴	WTLP ⁵			
>250	>280	\$4,500	\$2,500	Fees on high emitting vehicles
>225 - <=250	>250 - <=280	\$3,310	\$2,500	
>200 - <=225	>225 - <=250	\$2,210	\$2,210	
>190 - <=200	>215 - <=225	\$1,440	\$1,440	
>180 - <=190	>200 - <=215	\$890	\$890	
>170 - <=180	>190 - <=200	\$460	\$460	
>160 - <=170	>180 - <=190			No fee or rebate (unaffected)
>150 - <=160	>170 - <=180			
>140 - <=150	>155 - <=170			
>130 - <=140	>145 - <=155			
>120 - <=130	>135 - <=145	-\$1,180	-\$470	Discounts on low and zero-emission vehicles
>105 - <=120	>120 - <=135	-\$1,820	-\$730	
>90 - <=105	>100 - <=120	-\$2,460	-\$980	
>69 - <=90	>80 - <=100	-\$3,560	-\$1,420	
>49 - <=69	>55 - <=80	-\$4,000	-\$1,770	
>4 - <=49	>5 - <=55	-\$5,000	-\$2,000	
>0 - <=4	>0 - <=5	-\$7,500	-\$3,000	

- 7 **note** the schedule of fees and rebates for 2022 will be confirmed by Cabinet in September 2021, informed by latest sales data and advice available at the time
- 8 **note** the maximum fee for 2022 will be \$4,500, and this will not change when the schedule of fees and rebates is confirmed by Cabinet in September 2021
- 9 **agree** the Minister of Transport will bring a paper to the Climate Change Response Ministers Group in September 2021, with options for a full schedule of fees and rebates for the Clean Car Discount in advance of a Cabinet decision on this matter

⁴ NEDC = New European Driving Cycle.

⁵ WTLP = Worldwide Harmonised Light Vehicles Test Procedure.

(NEDC and WTLP are methods of assessing vehicle emissions in use in New Zealand)

- 10 **note** that there is a six month window between June and December 2021 where future fees on utes are publicly known but not in effect, and that hybrid and electric utes are expected to be available from 2022
- 11 **agree** no temporary reduction in fees be granted for utes
- 12 **note** the fee and rebate figures in this Cabinet paper are expressed as exclusive of GST, so the actual amounts charged and paid by Waka Kotahi will be 15 percent higher to account for GST **Withheld under Section 9(2)(f)(iv) of the Official Information Act 1982**
- 13 
- 14 **agree** vehicles with less than three star safety rating as reported on the Rightcar website (www.rightcar.govt.nz) not be eligible for discounts from 1 July 2021
- 15 **invite** the Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above policy proposals (including for primary legislation and any associated regulations), including any necessary consequential amendments, savings and transitional provisions
- 16 **note** that communications have been prepared to support the announcement of the Clean Car Discount.

Authorised for lodgement

Hon Michael Wood
Minister of Transport

RELEASED UNDER THE OFFICIAL INFORMATION ACT

BUDGET SENSITIVE

ANNEX 1 – Maximum fee \$4,500 –fee and rebate schedule for 2022 and illustrative model for later years (Part 1 – New Vehicles)

Rebates and Fees applicable to New Vehicle Imports (\$/vehicle)																	
Segment	BEV	Plugin Hybrid		Hybrid	Fuel efficient car						NZ Average (2020)	Utes and high-emission vehicles					
Emissions Band (gCO ₂ /km)																	
NEDC	>0 - <=4	>4 - <=49	>49 - <=69	>69 - <=90	>90 - <=105	>105 - <=120	>120 - <=130	>130 - <=140	>140 - <=150	>150 - <=160	>160 - <=170	>170 - <=180	>180 - <=190	>190 - <=200	>200 - <=225	>225 - <=250	>250
WLTP	> 0 - <= 5	> 5 - <= 55	> 55 - <= 80	> 80 - <= 100	> 100 - <= 120	> 120 - <= 135	> 135 - <= 145	> 145 - <= 155	> 155 - <= 170	> 170 - <= 180	> 180 - <= 190	> 190 - <= 200	> 200 - <= 215	> 215 - <= 225	> 225 - <= 250	> 250 - <= 280	> 280
2021	-\$7,500	-\$5,000	-\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	-\$7,500	-\$5,000	-\$4,420	-\$3,560	-\$2,460	-\$1,820	-\$1,180	\$0	\$0	\$0	\$0	\$460	\$890	\$1,440	\$2,210	\$3,310	\$4,500
2023	-\$5,250	-\$3,500	-\$3,090	-\$2,490	-\$1,720	-\$1,270	\$0	\$0	\$0	\$0	\$500	\$960	\$1,390	\$1,940	\$2,710	\$3,810	\$4,500
2024	-\$3,680	-\$2,450	-\$2,160	-\$1,740	-\$1,200	\$0	\$0	\$0	\$0	\$500	\$1,000	\$1,460	\$1,890	\$2,440	\$3,210	\$4,310	\$4,500
2025	-\$2,580	-\$1,720	-\$1,510	-\$770	\$0	\$0	\$0	\$0	\$500	\$700	\$1,200	\$1,660	\$2,090	\$2,640	\$3,410	\$4,500	\$4,500
2026	-\$2,320	-\$1,550	-\$1,360	-\$460	\$0	\$0	\$0	\$500	\$700	\$980	\$1,480	\$1,940	\$2,370	\$2,920	\$3,690	\$4,500	\$4,500
2027	-\$2,090	-\$1,400	-\$1,220	\$0	\$0	\$0	\$500	\$700	\$980	\$1,370	\$1,870	\$2,330	\$2,760	\$3,310	\$4,080	\$4,500	\$4,500
2028	-\$2,090	-\$1,400	-\$1,220	\$0	\$0	\$500	\$700	\$980	\$1,370	\$1,920	\$2,420	\$2,880	\$3,310	\$3,860	\$4,500	\$4,500	\$4,500
2029	-\$2,090	-\$1,400	-\$1,220	\$0	\$500	\$500	\$700	\$980	\$1,370	\$1,920	\$2,420	\$2,880	\$3,310	\$3,860	\$4,500	\$4,500	\$4,500
2030	-\$2,090	-\$1,400	-\$1,220	\$0	\$500	\$500	\$700	\$980	\$1,370	\$1,920	\$2,420	\$2,880	\$3,310	\$3,860	\$4,500	\$4,500	\$4,500

* The calculation of rebates and fees will be based on a formula rather than set prices being set on the basis of bands. However, for illustrative reasons, the above table shows bands to provide a good indication of the approximate figure relating to an emissions level. Internationally, most new vehicles are tested to a new WLTP emissions test. Currently in New Zealand most new vehicles are tested to the older and less stringent NEDC emissions test. Both are shown above for reference.

BUDGET SENSITIVE

ANNEX 2 – Maximum fee \$4,500 –fee and rebate schedule for 2022 and illustrative model for later years (Part 2 – Used Vehicles)

Rebates and Fees applicable to Used Vehicle Imports (\$/vehicle)																	
Segment	BEV	Plugin Hybrid			Hybrid	Fuel efficient car					NZ Average (2020)		Utes and high-emission vehicles				
Emissions Band (gCO ₂ /km)																	
NEDC	>0 - <=4	>4 - <=49	>49 - <=69	>69 - <=90	>90 - <=105	>105 - <=120	>120 - <=130	>130 - <=140	>140 - <=150	>150 - <=160	>160 - <=170	>170 - <=180	>180 - <=190	>190 - <=200	>200 - <=225	>225 - <=250	>250
WLTP	> 0 - <= 5	> 5 - <= 55	> 55 - <= 80	> 80 - <= 100	> 100 - <= 120	> 120 - <= 135	> 135 - <= 145	> 145 - <= 155	> 155 - <= 170	> 170 - <= 180	> 180 - <= 190	> 190 - <= 200	> 200 - <= 215	> 215 - <= 225	> 225 - <= 250	> 250 - <= 280	> 280
2021	-\$3,000	-\$2,000	-\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	-\$3,000	-\$2,000	-\$1,770	-\$1,420	-\$980	-\$730	-\$470	\$0	\$0	\$0	\$0	\$460	\$890	\$1,440	\$2,210	\$2,500	\$2,500
2023	-\$2,100	-\$1,400	-\$1,240	-\$990	-\$690	-\$510	\$0	\$0	\$0	\$0	\$500	\$960	\$1,390	\$1,940	\$2,500	\$2,500	\$2,500
2024	-\$1,470	-\$980	-\$870	-\$690	-\$480	\$0	\$0	\$0	\$0	\$500	\$1,000	\$1,460	\$1,890	\$2,440	\$2,500	\$2,500	\$2,500
2025	-\$1,030	-\$690	-\$610	-\$220	\$0	\$0	\$0	\$0	\$500	\$700	\$1,200	\$1,660	\$2,090	\$2,500	\$2,500	\$2,500	\$2,500
2026	-\$930	-\$620	-\$550	-\$130	\$0	\$0	\$0	\$500	\$700	\$980	\$1,480	\$1,940	\$2,370	\$2,500	\$2,500	\$2,500	\$2,500
2027	-\$840	-\$560	-\$500	\$0	\$0	\$0	\$500	\$700	\$980	\$1,370	\$1,870	\$2,330	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
2028	-\$840	-\$560	-\$500	\$0	\$0	\$500	\$700	\$980	\$1,370	\$1,920	\$2,420	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
2029	-\$840	-\$560	-\$500	\$0	\$500	\$500	\$700	\$980	\$1,370	\$1,920	\$2,420	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
2030	-\$840	-\$560	-\$500	\$0	\$500	\$500	\$700	\$980	\$1,370	\$1,920	\$2,420	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500

RELEASED UNDER THE OFFICIAL INFORMATION ACT

BUDGET SENSITIVE

ANNEX 3 – Table of vehicles and the affects of the discount or fee

DISCOUNT = Vehicles 90-130g CO₂ that would be covered by the expanded discount category

DISCOUNT = Vehicles under 90g CO₂

#	Make	Model	Body	Emissions (CO ₂ g/km)	2022 Fee/Discount
Top selling new vehicles					
1	FORD	RANGER	UTILITY	229	FEE
2	TOYOTA	HILUX	UTILITY	207	FEE
3	TOYOTA	RAV4	SUV	112	DISCOUNT
4	MITSUBISHI	TRITON	UTILITY	224	FEE
5	KIA	SELTOS	SUV	157	UNAFFECTED
6	HOLDEN	COLORADO	UTILITY	224	FEE
7	KIA	SPORTAGE	STATION WAGON	182	FEE
8	SUZUKI	SWIFT	SMALL HATCHBACK	110	DISCOUNT
9	MITSUBISHI	ASX	SUV	176	FEE
10	NISSAN	NAVARA	UTILITY	186	FEE
11	MAZDA	CX-5	STATION WAGON	154	UNAFFECTED
12	TOYOTA	HIACE	VAN	214	FEE
13	MAZDA	BT-50	UTILITY	261	FEE
14	MITSUBISHI	OUTLANDER	SUV	167	UNAFFECTED
15	NISSAN	QASHQAI	SUV	159	UNAFFECTED
Top selling used imports grouped by make/model/fuel type					
1	MAZDA	AXELA	SALOON	140	UNAFFECTED
2	TOYOTA	AQUA	HATCHBACK	90	DISCOUNT
3	MAZDA	DEMIO	HATCHBACK	117	DISCOUNT
4	SUZUKI	SWIFT	HATCHBACK	142	UNAFFECTED
5	TOYOTA	PRIUS	CAR	90	DISCOUNT
6	SUBARU	IMPREZA	HATCHBACK	239	FEE
7	SUBARU	LEGACY	SALOON	193	FEE
8	NISSAN	TIIDA	HATCHBACK	122	DISCOUNT
9	HONDA	FIT	CAR	124	DISCOUNT
10	VOLKSWAGEN	GOLF	HATCHBACK	147	UNAFFECTED
11	MITSUBISHI	OUTLANDER	SUV	163	UNAFFECTED
12	NISSAN	LEAF	HATCHBACK	0	DISCOUNT
13	NISSAN	X-TRAIL	SUV	193	FEE
14	MAZDA	ATENZA	SALOON	145	UNAFFECTED
15	TOYOTA	HIACE	VAN	278	FEE
Other vehicles					
Mitsubishi Outlander (best selling petrol plugin hybrid, new and used)				44	DISCOUNT
Toyota Estima Hybrid (best selling used hybrid peplemover)				136	UNAFFECTED
Suzuki Swift Hybrid GLX				94	DISCOUNT
Toyota Yaris Hybrid				76	DISCOUNT
Toyota Prius SX 19/20 Hybrid				80	DISCOUNT
Toyota Prime 2020 Plugin Hybrid				39.91	DISCOUNT
Mazda CX30 GSX (small SUV)				149	UNAFFECTED
Toyota Hilux SR Double Cab 4WD Ute Diesel				207	FEE
Toyota Hilux PreRunner Double Cab 2WD Ute Diesel				187	FEE
Toyota RAV4 petrol GX (equivalent to hybrid above but petrol only)				140	UNAFFECTED
Mercedes GLS Luxury SUV				202	FEE
Mazda Axela Saloon Hybrid 2016 (Hybrid version of a top selling used import)				119	DISCOUNT
Mazda BT-50 (ute, common vehicle purchase over 250g, 1051 registrations in 2020)				266	FEE
Toyota Hiace (van, common vehicle purchase over 250g, 755 registrations in 2020)				260	FEE
Toyota Landcruiser SUV (common vehicle purchase over 250g, 701 registrations in 2020)				272	FEE
Nissan Skyline (common vehicle purchase over 250g, 389 registrations in 2020)				258	FEE

Correction: The Nissan Tiida Hatchback will not get a discount due to its safety rating