

Land Transport (Clean Vehicle Discount Scheme Repeal) Amendment Bill

Government Bill

Explanatory note

General policy statement

This Bill is an omnibus Bill that amends the Land Transport Act 1998 and the Land Transport Management Act 2003, the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011, and the Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007. It also revokes the Land Transport (Clean Vehicle Discount Scheme Charges) Regulations 2022.

The Bill is introduced under Standing Order 267 because the amendments deal with an interrelated topic that can be regarded as implementing a single broad policy. The single broad policy is to end the Clean Vehicle Discount Scheme (the **scheme**) by 31 December 2023.

The scheme was introduced on 1 July 2021 to help speed the uptake of low-emission light vehicles as a means to reduce greenhouse gas emissions from transport. To do this, the scheme's rebates encourage the purchase of low-emission vehicles, while its charges discourage the purchase of high-emission ones.

The scheme has challenges that are likely to intensify the longer the scheme is in place. The main challenges of the scheme are as follows:

- it is difficult to make financially sustainable and self-financing;
- it poses ongoing equity and fairness concerns;
- it will become less effective over time as electric vehicle prices fall, battery technology improves, and model variety increases;
- it requires constant changes to its rebates and charges that impose significant costs for vehicle suppliers and consumers.

Given those challenges, the Government has decided to discontinue the scheme.

Departmental disclosure statement

The Ministry of Transport is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2023&no=6>

Regulatory impact statement

The policy decisions relating to the contents of this Bill are not subject to the regulatory impact statement requirements. This reflects the decision by Cabinet to suspend the requirement for regulatory impact statements for decisions relating to 100-Day Plan proposals (taken within the 100 days) that solely involve the repeal of legislation.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. The Bill comes into force on 1 January 2024.

Part 1

Amendments to Land Transport Act 1998 and Land Transport Management Act 2003

Amendments to Land Transport Act 1998

Clause 3 provides that *clauses 4 to 9* of the Bill amend the Land Transport Act 1998 (the **LTA**).

Clause 4 repeals the definition of clean vehicle discount scheme in section 2.

Clause 5 repeals section 167A (which provides for regulations to be made under section 167(1)(j) of the LTA for the purposes of the clean vehicle discount scheme requiring fees and charges to be paid in relation to carbon dioxide emissions of new and used imported vehicles).

Clause 6 amends section 167B(4) (which relates to the clean vehicle standard) consequential on the repeal of section 167A. Section 167B(4) states that certain powers set out in section 167A(3)(a) to (e) also apply for the purposes of the clean vehicle standard. The amendment has the effect that those powers continue to apply in relation to the standard.

Clause 7 repeals section 239(4)(b)(iii) (which provides for information from the register of motor vehicles to be released to the New Zealand Transport Agency (the **Agency**) for the purposes of administering rebates and charges, if necessary for the

administration of the clean vehicle discount scheme in respect of motor vehicles granted confidential status under section 239(2) of the LTA).

Clause 8 repeals section 243(1B) (which requires an application for registration of a motor vehicle to be accompanied by the amount of any fees or charges prescribed for the purposes of the clean vehicle discount scheme).

Clause 9 amends Schedule 1 (which sets out transitional, savings, and related provisions concerning amendments to the LTA) by inserting *new Part 7*. This includes a transitional provision that has the effect of continuing the LTA, as if it had not been amended by the Bill, for the purposes of processing any application for a rebate received before the close of 31 December 2023.

Amendments to Land Transport Management Act 2003

Clause 10 provides that *clauses 11 to 17* amend the Land Transport Management Act 2003 (the **LTMA**).

Clause 11 repeals the definition of clean vehicle discount scheme in section 5.

Clause 12 amends section 9 (which provides for the Crown's authority to incur land transport expenses and capital expenditure) by repealing subsections (1E) to (1H). Broadly summarised, those provisions establish a permanent legislative authority providing funding for the purpose of the clean vehicle discount scheme up to the same amount as the revenue received from charges paid pursuant to the regulations made under section 167A of the LTA. The repeal disestablishes that authority.

Clause 13 repeals section 9A (which requires specified accounting information concerning the clean vehicle discount scheme to be included in the annual report of the Agency).

Clause 14 repeals section 10(2)(a)(ii), with the effect that revenue received from charges paid under the clean vehicle discount scheme is no longer referred to for the purposes of calculating inflows of the national land transport fund.

Clause 15 repeals section 95(1)(ma) to remove administration of the clean vehicle discount scheme from the list of the specified functions of the Agency.

Clause 16 repeals section 101A (which provides for the Secretary for Transport to monitor specified matters relating to the clean vehicle discount scheme and, for that purpose, obtain information from the Agency).

Clause 17 amends Schedule 1AA (which sets out transitional, savings, and related provisions concerning amendments to the LTMA) by inserting *new Part 4*. This includes a transitional provision providing for the LTMA to continue to apply, as if it had not been amended by *clauses 11 to 14 and 16* of the Bill, for the purpose of enabling applications for rebates received before the close of 31 December 2023 to be processed and for other specified purposes relating to winding up of the scheme and the return of funding to the Crown.

Part 2

Amendments, repeals, and revocations concerning other enactments

Amendment to Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011

Clause 18 provides that *clause 19* amends the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011.

Clause 19 revokes regulation 5(2A) (which prohibits the Registrar of Motor Vehicles from issuing a certificate of registration for a vehicle if there are fees or charges payable for the vehicle under the clean vehicle discount scheme and those fees or charges have not been paid).

Amendments to Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007

Clause 20 provides that *clauses 21 to 25* amend the Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007.

Clause 21 revokes regulation 4(ec) with the effect that information about the rebate or charge applicable to a motor vehicle under the clean vehicle discount scheme is no longer required to be included in the energy economy labels that motor vehicle traders must display on certain motor vehicles offered for sale.

Clause 22 consequentially amends regulation 6 to prescribe new requirements for the form and colour in which energy economy labels must be printed for display by motor vehicle traders. The example energy economy labels set out in Part 2 of Schedule 1 and Schedule 2 of the regulations are replaced by *clauses 24 and 25* to reflect the new requirements.

Clause 23 amends regulation 7(4) with the effect that information about the rebate or charge applicable to a motor vehicle under the clean vehicle discount scheme is no longer required to be included in the energy economy information that must be displayed by any person who offers a motor vehicle for sale on certain Internet sites.

Revocation of Land Transport (Clean Vehicle Discount Scheme Charges) Regulations 2022

Clause 26 revokes the Land Transport (Clean Vehicle Discount Scheme Charges) Regulations 2022.

Hon Simeon Brown

Land Transport (Clean Vehicle Discount Scheme Repeal) Amendment Bill

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Part 2

Amendments, repeals, and revocations concerning other enactments

Amendment to Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011

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Amendments to Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007

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Revocation of Land Transport (Clean Vehicle Discount Scheme Charges) Regulations 2022

26	Land Transport (Clean Vehicle Discount Scheme Charges) Regulations 2022 revoked	6
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Schedule 1

	New Part 7 of Schedule 1 of Land Transport Act 1998 inserted	7
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Schedule 2

	New Part 4 of Schedule 1AA of Land Transport Management Act 2003 inserted	8
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Schedule 3

	Part 2 of Schedule 1 of Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007 replaced	9
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Schedule 4

	Schedule 2 of Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007 replaced	10
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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Land Transport (Clean Vehicle Discount Scheme Repeal) Amendment Act **2023**.

2 Commencement

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This Act comes into force on **1 January 2024**.

Part 1

**Amendments to Land Transport Act 1998 and Land Transport
Management Act 2003**

Amendments to Land Transport Act 1998

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3 Principal Act

Sections 4 to 9 amend the Land Transport Act 1998.

4 Section 2 amended (Interpretation)

In section 2(1), repeal the definition of **clean vehicle discount scheme**.

**5 Section 167A repealed (Regulations imposing fees and charges for
purposes of clean vehicle discount scheme)**

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Repeal section 167A.

**6 Section 167B amended (Regulations setting fees and charges for purpose
of Part 13 (clean vehicle standard) requirements to import vehicles with
zero carbon dioxide emissions)**

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Replace section 167B(4) with:

(4) Regulations made under section 167(1)(j) for the purpose specified in subsection (1) may—

(a) do any of the things specified in section 168(4)(a), (aa), (ab), and (d) to (h):

25

(b) prescribe any vehicle or class of vehicle as excluded from the definition of light vehicle for the purposes of the regulations:

(c) apply, with any necessary modifications, provisions of this Act concerning the manner in which carbon dioxide emissions of vehicles must be determined for the purposes of the regulations:

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(d) prescribe, for the purposes of applying section 174 in the regulations, how the carbon dioxide emissions of an imported vehicle must be determined, which may be in accordance with a land transport rule:

	(e) provide for unpaid fees or charges to be recoverable as a debt due to the Crown.	
7	Section 239 amended (Further restrictions) Repeal section 239(4)(b)(iii).	
8	Section 243 amended (Application for registration) Repeal section 243(1B).	5
9	Schedule 1 amended In Schedule 1,— (a) insert the Part set out in Schedule 1 of this Act as the last Part; and (b) make all necessary consequential amendments.	10
	<i>Amendments to Land Transport Management Act 2003</i>	
10	Principal Act Sections 11 to 17 amend the Land Transport Management Act 2003.	
11	Section 5 amended (Interpretation) In section 5(1), repeal the definition of clean vehicle discount scheme .	15
12	Section 9 amended (The Crown’s authority to incur certain land transport expenses and capital expenditure) (1) Repeal section 9(1E) to (1H). (2) In section 9(3), delete “(1E), (1F),”. (3) In item (b) of the formula in section 9(5), delete “(1E), (1F),”.	20
13	Section 9A repealed (Accounting for clean vehicle discount scheme) Repeal section 9A.	
14	Section 10 amended (National land transport fund) Repeal section 10(2)(a)(ii).	
15	Section 95 amended (Functions of Agency) Repeal section 95(1)(ma).	25
16	Section 101A repealed (Monitoring matters relating to clean vehicle discount scheme) Repeal section 101A.	
17	Schedule 1AA amended In Schedule 1AA,—	30

- (a) insert the Part set out in **Schedule 2** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

Part 2

Amendments, repeals, and revocations concerning other enactments

*Amendment to Land Transport (Motor Vehicle Registration and Licensing)
Regulations 2011* 5

18 Principal regulations

Section 19 amends the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011.

19 Regulation 5 amended (Entry on register and issue of certificates) 10

Revoke regulation 5(2A).

*Amendments to Energy Efficiency (Vehicle Energy Economy Labelling)
Regulations 2007*

20 Principal regulations

Sections 21 to 25 amend the Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007. 15

21 Regulation 4 amended (Fuelsaver information defined)

Revoke regulation 4(ec).

22 Regulation 6 amended (Motor vehicle traders must display energy economy labels for certain motor vehicles on display) 20

- (1) In regulation 6(6)(c), replace “or using the applicable colour in accordance with subclause (7)” with “or colour (as shown in **Schedule 2**)”.
- (2) Revoke regulation 6(7).

23 Regulation 7 amended (Persons must display energy economy information for certain motor vehicles offered for sale on websites) 25

In regulation 7(4), replace “regulation 4(a) to (ec)” with “regulation 4(a) to (eb)”.

24 Schedule 1 amended

In Schedule 1, replace Part 2 with the **Part 2** set out in **Schedule 3** of this Act. 30

25 Schedule 2 replaced

Replace Schedule 2 with the **Schedule 2** set out in **Schedule 4** of this Act.

*Revocation of Land Transport (Clean Vehicle Discount Scheme Charges)
Regulations 2022*

**26 Land Transport (Clean Vehicle Discount Scheme Charges) Regulations
2022 revoked**

The Land Transport (Clean Vehicle Discount Scheme Charges) Regulations 2022 (SL 2022/52) are revoked. 5

Schedule 1

New Part 7 of Schedule 1 of Land Transport Act 1998 inserted

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Part 7

**Provisions relating to Land Transport (Clean Vehicle Discount
Scheme Repeal) Amendment Act 2023** 5

26 Interpretation

In this Part, **amendment Act** means the Land Transport (Clean Vehicle Discount Scheme Repeal) Amendment Act **2023**.

**27 Transitional provision for rebate applications received before close of
31 December 2023** 10

This Act continues to apply, as if it had not been amended by **sections 4 and 7** of the amendment Act, for the purposes of processing any application for a rebate received before the close of 31 December 2023.

Schedule 2
New Part 4 of Schedule 1AA of Land Transport Management Act
2003 inserted

s 17

Part 4	5
Provisions relating to Land Transport (Clean Vehicle Discount Scheme Repeal) Amendment Act 2023	
14 Interpretation	
In this Part, amendment Act means the Land Transport (Clean Vehicle Discount Scheme Repeal) Amendment Act 2023 .	10
15 Transitional provision for obligations concerning winding up of clean vehicle discount scheme	
This Act continues to have effect, as if it had not been amended by sections 11 to 14 and 16 of the amendment Act, until the close of the financial year ending on 30 June 2024 for the following purposes:	15
(a) enabling any application for a rebate received before the close of 31 December 2023 to be processed:	
(b) allowing expenses or capital expenditure incurred by the Crown to be used for the administration of rebates and for winding up the clean vehicle discount scheme:	20
(c) requiring the Agency to include information relating to the clean vehicle discount scheme in the annual report of the Agency in respect of the financial year ending 30 June 2024:	
(d) enabling revenue from charges to be returned to the Crown after the scheme is wound up:	25
(e) enabling the Secretary to continue to monitor the Agency in respect of the winding up of the scheme and the return of funding to the Crown.	

Schedule 3
**Part 2 of Schedule 1 of Energy Efficiency (Vehicle Energy Economy
 Labelling) Regulations 2007 replaced**

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Part 2
Example of energy economy label (greyscale)

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Vehicle Emissions and Energy Economy Label Plug-in hybrid

VEHICLE MAKE
 EXAMPLE

VEHICLE MODEL
 EXAMPLE

Emissions

5.5
 CO₂ EMISSIONS
 STAR RATING

29 g/km CO₂

Energy Economy

5.5
 ENERGY ECONOMY
 STAR RATING

\$380 COST PER YEAR

1.0 litres/100 km

19.1 EV kWh/100km

60 EV km RANGE

Reference: V:7A7ABCBC21F01234D:210627

New Zealand Government

Actual cost per year will vary based on proportion of hybrid mode driving and battery charging schedule.

Schedule 4
Schedule 2 of Energy Efficiency (Vehicle Energy Economy
Labelling) Regulations 2007 replaced

s 25

Schedule 2
Energy economy label (colour) example

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r 6(6)(c)

