



Land Transport (Clean Vehicles) Amendment Act 2022

Public Act 2022 No 2
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Commencement see section 2

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Part 2

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Land Transport (Clean Vehicles) Amendment Act 2022.

2 Commencement

- (1) Sections 25 to 27 of this Act are deemed to have come into force on 1 July 2021.
- (2) The rest of this Act comes into force on the day after the date on which it receives the Royal assent.

Part 1

Amendments to Land Transport Act 1998

3 Principal Act

This Part amends the Land Transport Act 1998.

4 Section 2 amended (Interpretation)

- (1) In section 2(1), insert in their appropriate alphabetical order:

clean vehicle discount scheme has the same meaning as in section 5(1) of the Land Transport Management Act 2003

light vehicle means a motor vehicle that has a gross vehicle mass of not more than 3,500 kg

- (2) In section 2(1), replace the definition of **land transport documents** with:

land transport documents means—

- (a) licences, permits, approvals, authorisations, exemptions, certificates, and similar documents issued under this Act, the Government Rounding Powers Act 1989, the Railways Act 2005, or the Road User Charges Act 2012; and
- (b) carbon dioxide accounts opened under section 189(2)

5 Section 155 amended (Rules concerning vehicles)

After section 155(1)(f), insert:

- (g) prescribe requirements for the provision of information and data related to vehicles in terms of their fuel or energy consumption, efficiency, or carbon dioxide emissions:
- (h) prescribe formulas or methodologies for the purposes of determining the fuel or energy consumption, efficiency, or carbon dioxide emissions of a vehicle, including to estimate a value where information or data is incomplete or a test cycle other than the approved test cycle (within the meaning of section 172(1)) has been used:

6 Section 158 amended (Rules concerning licensing, standard-setting, etc)

After section 158(1)(a)(i), insert:

- (ia) vehicle importers (as defined in section 172(1)):

7 Section 159 amended (Rules concerning land transport documents)

After section 159(1)(a), insert:

- (aa) vehicle importers (as defined in section 172(1)):

8 New sections 167A to 167C inserted

After section 167, insert:

167A Regulations imposing fees and charges for purposes of clean vehicle discount scheme

- (1) Without limiting the generality of section 167(1)(j), regulations for the purpose of promoting the transition of New Zealand's light vehicle fleet to zero- and low-emission vehicles and reducing vehicle carbon dioxide emissions may be

- made under that provision providing for fees and charges to be paid in relation to the carbon dioxide emissions of imported new and used light vehicles.
- (2) Subsection (1) is subject to subsections (5) and (7).
 - (3) 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):
 - (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:
 - (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.
 - (4) Different rates of fees or charges, or both, may be prescribed or fixed in respect of different classes of vehicles or on any other differential basis.
 - (5) Regulations under section 167(1)(j) for the purpose specified in subsection (1) may be made only on the recommendation of the Minister in accordance with subsection (7).
 - (6) Before recommending the making of regulations, the Minister must consult such persons as the Minister considers appropriate.
 - (7) The Minister must not recommend the making of regulations unless the Minister is satisfied—
 - (a) that the fees or charges are appropriate to sustain a scheme designed to increase consumer demand for zero- and low-emission vehicles and decrease consumer demand for high-emission vehicles:
 - (b) that the imposition and level of fees or charges are appropriate, after considering—
 - (i) the variety and availability of zero- and low-emission vehicles expected to enter the New Zealand light vehicle market in the following 12 to 24 months; and
 - (ii) the market behaviour of consumers, including the nature of any continued demand for high-emission vehicles; and
 - (iii) international and domestic climate change ambitions and commitments; and
 - (iv) the anticipated impact of the fees and charges on the market; and

- (v) whether the estimated revenue to be received from the charges is sufficient to meet the costs and expenses of the clean vehicle discount scheme funded under section 9(1E) and (1F) of the Land Transport Management Act 2003.

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

- (1) Without limiting the generality of section 167(1)(j), regulations for the purpose set out in section 170 may be made under section 167(1)(j) setting fees and charges payable by vehicle importers for not including, among the vehicles they imported in any given year, the minimum proportion of vehicles with zero carbon dioxide emissions required under regulations made under section 167C(1)(k).
- (2) Subsection (1) is subject to subsection (6).
- (3) Different rates of fees or charges, or both, may be prescribed or fixed in respect of different classes of vehicles or on any other differential basis.
- (4) Section 167A(3)(a) to (e) applies to any regulations made under section 167(1)(j) for the purpose specified in subsection (1).
- (5) Before recommending the making of regulations, the Minister must consult such persons as the Minister considers appropriate.
- (6) The Minister must not recommend the making of regulations unless the Minister is satisfied—
 - (a) that the fees and charges are appropriate to increase the supply and availability of vehicles with zero carbon dioxide emissions; and
 - (b) that the imposition and level of charges and fees are appropriate after considering international and domestic climate change ambitions and commitments.

167C Regulations for purposes of Part 13 (clean vehicle standard)

- (1) The Governor-General may, by Order in Council, make regulations for all or any of the following purposes:
 - (a) declaring, for the purposes of the definition of excluded vehicle in section 172, excluded vehicles for the purposes of Part 13:
 - (b) declaring, for the purposes of the definition of Type A vehicle in section 172, a vehicle to be a Type A vehicle for the purposes of Part 13:
 - (c) declaring, for the purposes of the definition of Type B vehicle in section 172, a vehicle to be a Type B vehicle for the purposes of Part 13:
 - (d) prescribing the process for approving a person as a category 1 light vehicle importer:

- (e) prescribing criteria for the approval of a person as a category 1 light vehicle importer:
- (f) prescribing the process for suspending or revoking the approval of a person as a category 1 light vehicle importer:
- (g) prescribing criteria for suspending or revoking the approval of a person as a category 1 light vehicle importer:
- (h) prescribing provisions that apply to a person whose approval as a category 1 light vehicle importer is suspended or revoked, for the purpose of transitioning from the law applicable to the person under this Part immediately before the suspension or revocation to the law that applies or has effect immediately after:
- (i) prescribing, for the purposes of section 174, how the carbon dioxide emissions of an imported vehicle must be determined, which may be in accordance with a land transport rule:
- (j) prescribing targets for the level of carbon dioxide emissions from light vehicles imported annually, and matters relating to those targets, including—
 - (i) separate targets for different classes of imported vehicles; and
 - (ii) targets adjusted for vehicle weights; and
 - (iii) formulas for calculating targets, including vehicle weight-adjusted targets; and
 - (iv) targets in respect of any calendar year after 2027, beginning on 1 January of the relevant calendar year:
- (k) requiring vehicle importers to include, among the vehicles they import in any given year, a minimum proportion of vehicles with zero carbon dioxide emissions:
- (l) prescribing procedures and requirements for the purposes of banking and transferring carbon dioxide credits:
- (m) prescribing procedures and requirements for deferring an obligation to meet carbon dioxide emissions targets:
- (n) providing for the refund or waiver, or enabling the refund or waiver, of charges imposed under section 177:
- (o) providing for unpaid charges under section 177 to be recoverable as a debt due to the Crown:
- (p) prescribing information to be contained in carbon dioxide accounts:
- (q) prescribing the manner in which carbon dioxide accounts must be operated:
- (r) prescribing, for the purposes of section 186, requirements in respect of the allocation of account numbers for carbon dioxide accounts:

- (s) prescribing, for the purposes of section 188(2), the manner in which a person may apply for information contained in the record of carbon dioxide accounts:
 - (t) prescribing, for the purposes of section 188(3), requirements for the keeping and operation of the record of carbon dioxide accounts:
 - (u) prescribing, for the purposes of section 194(1), data and information to be collected:
 - (v) prescribing, for the purposes of any provision of Part 13 that requires a thing to be done in a prescribed manner, or for the purposes of any provision in this section that empowers regulations to prescribe the manner in which something must be done, the manner in which the thing must be done, including prescribing—
 - (i) by whom, when, where, and how the thing must be done:
 - (ii) the form that must be used in connection with the thing:
 - (iii) requirements with which evidence or documents that are provided in connection with the thing must comply:
 - (iv) that fees and charges must be paid in connection with doing the thing:
 - (w) providing for any other matter contemplated by Part 13, necessary for its administration, or necessary for giving it full effect.
- (2) Subsection (1)(j)(iv) is subject to subsection (3).
- (3) Regulations may be made under subsection (1)(j)(iv) only on the recommendation of the Minister, and the Minister must, before making a recommendation,—
- (a) consult such persons as the Minister considers appropriate; and
 - (b) take into account—
 - (i) the expected reduction in vehicle carbon dioxide emissions resulting from the targets; and
 - (ii) the expected impact of the targets on vehicle safety, affordability, and availability; and
 - (c) be satisfied—
 - (i) that the targets are set at an appropriate level to increase the supply of zero- and low-emission vehicles in the market; and
 - (ii) that the targets are consistent with transport-specific policies and strategies set out in the emissions reduction plan made under section 5ZG of the Climate Change Response Act 2002 for meeting the emissions budget set under that Act.
- (4) Nothing in this section limits section 167 or 168.

- (5) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section

Publication	PCO must publish it on the legislation website and notify it in the <i>Gazette</i>	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

9 Section 168AA amended (Land transport revenue to be paid into national land transport fund)

In the heading to section 168AA, replace “national land transport fund” with “Crown Bank Account”.

10 New Part 13 inserted

After section 169A, insert:

Part 13
Clean vehicle standard

Subpart 1—Preliminary provisions

170 Purpose of this Part

The purpose of this Part is to achieve a rapid reduction in carbon dioxide emissions from light vehicles imported into New Zealand, to assist New Zealand in meeting its 2050 target and emissions budgets under the Climate Change Response Act 2002 and its domestic and international climate change ambitions and commitments.

171 Application of this Part

This Part applies to light vehicles imported into New Zealand.

172 Interpretation in this Part

- (1) In this Part, unless the context otherwise requires,—

approved test cycle means the WLTP

category 1 light vehicle importer means a person who carries on the business of importing new or used light vehicles and whom the Director approves as a category 1 light vehicle importer under the regulations

category 1 light vehicle importer fleet target means a vehicle carbon dioxide emissions target for a category 1 light vehicle importer calculated in accordance with the formula prescribed by the regulations

category 2 light vehicle importer means any person who imports a new or used light vehicle and who is not a category 1 light vehicle importer

category 2 light vehicle importer target means a vehicle carbon dioxide emissions target calculated for a category 2 light vehicle importer, in respect of a vehicle, in accordance with the formula prescribed by the regulations

excluded vehicle means a vehicle declared by the regulations to be an excluded vehicle for the purposes of this Part

imported has the meaning given in section 173

new, in relation to a light vehicle, means a vehicle that is not a used vehicle

obligation year means the relevant calendar year starting on 1 January and ending on the close of 31 December

regulations means regulations made under section 167C

Type A vehicle means—

- (a) a light motor vehicle that—
 - (i) is constructed primarily for the carriage of passengers and has not more than 9 seating positions (including the driver's seating position); and
 - (ii) either has at least 4 wheels or has 3 wheels and a gross vehicle mass exceeding 1,000 kg; and
 - (iii) is not an excluded vehicle:
- (b) any vehicle or class of vehicle that is declared by the regulations to be a Type A vehicle for the purposes of this Part

Type B vehicle means—

- (a) a light motor vehicle that—
 - (i) is constructed primarily for—
 - (A) the carriage of passengers and has more than 9 seating positions (including the driver's seating position); or
 - (B) the carriage of goods and either has at least 4 wheels or has 3 wheels and a gross vehicle mass exceeding 1,000 kg; and
 - (ii) is not an excluded vehicle:
- (b) any vehicle or class of vehicle that is declared by the regulations to be a Type B vehicle for the purposes of this Part

used, in relation to a light vehicle, means a vehicle that has been registered under any of the following:

- (a) Part 17 of this Act;
- (b) the Transport Act 1962;
- (c) the Transport (Vehicle and Driver Registration and Licensing) Act 1986;
- (d) any corresponding enactment of another country

vehicle importer means, as the case may require,—

- (a) a category 1 light vehicle importer:
- (b) a category 2 light vehicle importer

WLTP means the three-phase variant of the Worldwide Harmonised Light Vehicles Test Procedure cycle as specified in UN Regulation No. 154.

- (2) A reference in this Part to a specified level of vehicle carbon dioxide emissions is a reference to the number of grams of carbon dioxide emitted per kilometre measured in accordance with the WLTP.

173 Meaning of imported

For the purposes of this Part, a vehicle is **imported** into New Zealand at the point at which the vehicle is certified for entry under this Act.

174 Measurement and determination of carbon dioxide emissions

- (1) For the purposes of this Part, carbon dioxide emissions from imported light vehicles must be measured in grams per kilometre based on the approved test cycle.
- (2) The carbon dioxide emissions of an imported light vehicle are the amount determined in accordance with the regulations or rules made under this Act.
- (3) If the carbon dioxide emissions of a vehicle have been determined using a test cycle other than the approved test cycle, the carbon dioxide emissions of the vehicle must be determined in accordance with the regulations or rules made under this Act, which may include estimating the carbon dioxide emissions that would have been expected if the vehicle had been tested using the approved test cycle.

Subpart 2—Clean vehicle standard

Targets for reducing carbon dioxide emissions

175 Targets for reducing carbon dioxide emissions

- (1) The targets for the purposes of calculating the weight-adjusted target applicable to each vehicle importer in accordance with the regulations are,—
 - (a) for the calendar year beginning on 1 January 2023,—
 - (i) for Type A vehicles, 145 grams; and
 - (ii) for Type B vehicles, 218.3 grams; and
 - (b) for the calendar year beginning on 1 January 2024,—
 - (i) for Type A vehicles, 133.9 grams; and
 - (ii) for Type B vehicles, 201.9 grams; and
 - (c) for the calendar year beginning on 1 January 2025,—
 - (i) for Type A vehicles, 112.6 grams; and

- (ii) for Type B vehicles, 155 grams; and
 - (d) for the calendar year beginning on 1 January 2026,—
 - (i) for Type A vehicles, 84.5 grams; and
 - (ii) for Type B vehicles, 116.3 grams; and
 - (e) for the calendar year beginning on 1 January 2027 and, subject to paragraph (f), any subsequent year,—
 - (i) for Type A vehicles, 63.3 grams; and
 - (ii) for Type B vehicles, 87.2 grams; and
 - (f) for any calendar year after 2027, any target set by regulations made under section 167C(1)(j)(iv).
- (2) Every reference to **grams** in subsection (1) must be read as a reference to grams of carbon dioxide per kilometre.

175A Minister must review targets

- (1) The Minister must, not later than 30 June 2024, initiate a review of the targets for reducing carbon dioxide emissions set out in section 175 or prescribed in any regulations made under section 167C(1)(j)(iv).
- (2) The review must take into account—
 - (a) the anticipated impact of the targets on vehicle carbon dioxide emissions, vehicle safety, and the affordability and availability of vehicles; and
 - (b) the levels of ambition of other jurisdictions, in terms of their existing and proposed carbon dioxide emissions targets; and
 - (c) any other matter the Minister considers relevant in carrying out the review.
- (3) The review may be undertaken by any method the Minister considers appropriate.
- (4) In conducting the review, the Minister must consult such persons as the Minister considers appropriate.

Category 1 light vehicle importers: obligations and ways of complying with targets

176 Category 1 light vehicle importers: annual, fleet-based compliance regime applies

- (1) A category 1 light vehicle importer must comply with the targets on an annual basis in relation to the fleet of Type A vehicles, the fleet of Type B vehicles, or (if they imported both Type A and Type B vehicles) each of those fleets of vehicles they imported in the relevant obligation year.

- (2) The actual average vehicle carbon dioxide emissions across a fleet of vehicles imported by a category 1 light vehicle importer in an obligation year must be less than or equal to the category 1 light vehicle importer fleet target applicable to that importer for the relevant vehicle type of that fleet, calculated in accordance with the formula prescribed by the regulations.

177 Charges payable by category 1 light vehicle importer if carbon dioxide emissions targets exceeded

- (1) If the actual average vehicle carbon dioxide emissions across the fleet of vehicles imported by a category 1 light vehicle importer in an obligation year exceed the category 1 light vehicle importer fleet target, the charges calculated in accordance with subsection (2) apply, unless—
- (a) there are sufficient carbon dioxide credits available in the importer’s carbon dioxide account to offset the excess emissions (whether such credits may have resulted from banking overachievement under section 178 or from 1 or more transfers of carbon dioxide credits into the importer’s carbon dioxide account under section 180); or
- (b) the importer can defer their obligation under section 179.
- (2) The charges are,—
- (a) from 1 January 2023,—
- (i) \$22.50 per gram of carbon dioxide in excess multiplied by the number of used vehicles in the fleet; and
- (ii) \$45.00 per gram of carbon dioxide in excess multiplied by the number of new vehicles in the fleet; and
- (b) from 1 January 2025,—
- (i) \$33.75 per gram of carbon dioxide in excess multiplied by the number of used vehicles in the fleet; and
- (ii) \$67.50 per gram of carbon dioxide in excess multiplied by the number of new vehicles in the fleet.
- (3) The charges payable under this section are land transport revenue for the purposes of the Land Transport Management Act 2003.

178 Category 1 light vehicle importer may bank overachievement of carbon dioxide emissions target

- (1) If the actual average vehicle carbon dioxide emissions across the fleet of vehicles imported by a category 1 light vehicle importer in an obligation year are less than the fleet target applicable to that importer, the excess reduction in emissions may be carried forward to the next obligation year (**banked**) in the vehicle importer’s carbon dioxide account in accordance with the regulations.
- (2) Banking provides that the vehicle importer’s carbon dioxide account for the next obligation year will be credited by the amount carried forward.

- (3) Carbon dioxide credits banked in an importer's carbon dioxide account expire 3 years from the end of the year in which the credits accrue.

179 Category 1 light vehicle importer may defer obligation

- (1) This section applies in relation to obligation years 2023, 2024, and 2025.
- (2) A category 1 light vehicle importer may apply to the Director, in accordance with the regulations, to defer their obligation to meet the category 1 light vehicle importer fleet target for an applicable obligation year (**year 1**) until the following obligation year (**year 2**).
- (3) If a category 1 light vehicle importer defers their year 1 obligation until year 2, the importer must, at the end of year 2, ensure that they have met or bettered both the year 1 and the year 2 fleet targets.
- (4) If the vehicle importer does not meet the year 1 and year 2 fleet targets, the charges in section 177 apply.

180 Category 1 light vehicle importer may transfer carbon dioxide credits

- (1) A category 1 light vehicle importer who imports new vehicles may transfer carbon dioxide credits in their carbon dioxide account to the carbon dioxide account of another light vehicle importer who imports new vehicles, in accordance with the regulations.
- (2) A category 1 light vehicle importer who imports used vehicles may transfer carbon dioxide credits in their carbon dioxide account to the carbon dioxide account of another light vehicle importer who imports used vehicles, in accordance with the regulations.
- (3) No transfer may be made under subsection (1) or (2) between a carbon dioxide account relating to new vehicles and a carbon dioxide account relating to used vehicles.

Category 2 light vehicle importers: obligations and ways of complying with targets

181 Category 2 light vehicle importers: vehicle-by-vehicle compliance regime applies

- (1) A category 2 light vehicle importer must ensure that each vehicle they import in an obligation year complies with the category 2 light vehicle importer target that applies in respect of that vehicle.
- (2) The vehicle emissions targets applicable in respect of Type A and Type B vehicles imported by a category 2 light vehicle importer must be calculated in accordance with the formulas prescribed by the regulations.

182 Charges payable by category 2 light vehicle importer if emissions targets exceeded

- (1) If the carbon dioxide emissions of a vehicle imported by a category 2 light vehicle importer exceed the category 2 light vehicle importer target, the charges set out in subsection (2) apply unless there are sufficient credits available in the importer's carbon dioxide account (whether such credits may have resulted from banking overachievement under section 183 or from 1 or more transfers into the importer's account under section 184) to offset the excess emissions.
- (2) The charges are,—
 - (a) from 1 January 2023,—
 - (i) \$18.00 per gram of carbon dioxide by which a used vehicle exceeds its target; and
 - (ii) \$36.00 per gram of carbon dioxide by which a new imported vehicle exceeds its target; and
 - (b) from 1 January 2025,—
 - (i) \$27.00 per gram of carbon dioxide by which a used vehicle exceeds its target; and
 - (ii) \$54.00 per gram of carbon dioxide by which a new vehicle exceeds its target.
- (3) The charges payable under this section are land transport revenue for the purposes of the Land Transport Management Act 2003.

183 Category 2 light vehicle importer may bank overachievement of carbon dioxide emissions

- (1) If the carbon dioxide emissions of a vehicle imported by a category 2 light vehicle importer are less than the category 2 light vehicle importer target in respect of that vehicle, the overachievement may be banked in the importer's carbon dioxide account in accordance with the regulations.
- (2) Section 178(3) applies to any credits banked under this section.

184 Category 2 light vehicle importer may transfer carbon dioxide credits

- (1) A category 2 light vehicle importer who imports new vehicles may transfer carbon dioxide credits in their carbon dioxide account to the carbon dioxide account of another light vehicle importer who imports new vehicles, in accordance with the regulations.
- (2) A category 2 light vehicle importer who imports used vehicles may transfer carbon dioxide credits in their carbon dioxide account to the carbon dioxide account of another light vehicle importer who imports used vehicles, in accordance with the regulations.

- (3) No transfer may be made under subsection (1) or (2) between a carbon dioxide account relating to new vehicles and a carbon dioxide account relating to used vehicles.

Carbon dioxide accounts: general provisions

185 Vehicle importers must hold carbon dioxide accounts

- (1) Every vehicle importer who imports a light vehicle on or after 1 December 2022 must hold a carbon dioxide account with the Director.
- (2) The account must contain the information and be operated in the manner prescribed by the regulations.

186 Director must allocate unique numbers for carbon dioxide accounts

The Director must, in accordance with the regulations, allocate a unique account number to each carbon dioxide account when the account is opened.

187 Carbon dioxide account information required for vehicle importation

On and after 1 December 2022, no light vehicle may be certified for entry under this Act, unless—

- (a) the carbon dioxide account number of the vehicle importer has been provided to the Director; and
- (b) the carbon dioxide emissions of the vehicle have been recorded in the vehicle importer's carbon dioxide account.

188 Director to keep accessible record of carbon dioxide accounts

- (1) The Director must establish and maintain a record of all carbon dioxide holders and the carbon dioxide account number that corresponds to each account holder.
- (2) Any person may apply to the Director for information contained in the record, in accordance with the regulations, for any of the purposes in subsection (3)(a) or (b).
- (3) The Director must maintain and operate the record in a manner that—
- (a) allows members of the public to verify whether a person holds a current carbon dioxide account and whether an account number is correct; and
- (b) facilitates the transfer of carbon dioxide credits between account holders; and
- (c) complies with any requirements prescribed by the regulations.

*Opening, closing, and suspension of carbon dioxide accounts***189 Opening carbon dioxide accounts**

- (1) Any person who intends to import a light vehicle into New Zealand may apply to the Director to open a carbon dioxide account by submitting an application in the manner prescribed by the regulations, accompanied by the prescribed fee (if any).
- (2) The Director must open a carbon dioxide account on receipt of an application under subsection (1) if the Director is satisfied that—
 - (a) the application complies with the prescribed requirements; and
 - (b) if the applicant intends to import new vehicles, the applicant does not already hold a carbon dioxide account that relates to new vehicles; and
 - (c) if the applicant intends to import used vehicles, the applicant does not already hold a carbon dioxide account that relates to used vehicles.

190 Carbon dioxide account holder may require Director to close account

- (1) A person who holds a carbon dioxide account may require the Director to close their account.
- (2) The requirement must be made in the manner prescribed by the regulations.

191 When Director may close carbon dioxide accounts

- (1) The Director may close a carbon dioxide account—
 - (a) if the Director receives a requirement from the account holder to close the account; or
 - (b) where the Director has not received a requirement from the account holder, if the Director has given the account holder reasonable notice and the Director is satisfied that the account holder no longer requires the account.
- (2) For the purposes of subsection (1)(b), **reasonable notice** means notice in writing to the account holder of the Director's intention to close the account and sufficient opportunity in the circumstances for the account holder to make submissions to the Director regarding the account holder's need to retain the account.

192 Director may suspend carbon dioxide accounts

- (1) The Director may suspend the operation of a carbon dioxide account for a period not exceeding 5 years if—
 - (a) the Director is satisfied that the account holder has failed to comply with specified provisions of this Part or the regulations and the Director has given the account holder reasonable notice; or

- (b) the account holder has been convicted of an offence under this Part and the Director considers suspension of the account for the relevant period to be necessary for the purpose of maintaining the integrity of the clean vehicle standard.
- (2) For the purposes of subsection (1)(a), **reasonable notice** means notice in writing to the account holder of the Director's intention to suspend the account and sufficient opportunity in the circumstances for the account holder to comply with the specified provisions of this Part or the regulations.

193 Application of general right of appeal to District Court

Section 106 (which provides for a general right of appeal to the District Court against decisions made by the Director in respect of the grant, issue, revocation, or suspension of a land transport document sought or held by a person) applies in respect of a carbon dioxide account—

- (a) as if every reference to the grant, issue, revocation, or suspension of a land transport document were a reference to the opening, closing, or suspension of a carbon dioxide account; and
- (b) with all other necessary modifications.

Subpart 3—Information gathering and enforcement powers

194 Requirement to collect and keep information and records for purposes of clean vehicle standard

- (1) A vehicle importer must, in relation to each vehicle they import,—
 - (a) collect the data and information prescribed (if any); and
 - (b) keep records of the data and information in the prescribed manner (if any); and
 - (c) keep sufficient information to enable the Director to verify, in relation to each obligation year, the vehicle importation, charges payable, and charges paid.
- (2) The data, records, and information specified in subsection (1)(a) to (c) must be kept for a period of at least 7 years after the end of the year to which they relate.

195 Offence in relation to failure to collect data and keep records for purposes of clean vehicle standard

- (1) A vehicle importer commits an offence against this Act if the vehicle importer, without reasonable excuse, fails to comply with section 194.
- (2) A person who is convicted of an offence against subsection (1) is liable on conviction,—
 - (a) in the case of an individual, to a fine not exceeding \$15,000;
 - (b) in the case of a body corporate, to a fine not exceeding \$75,000.

196 Offence of knowingly producing false records or information

- (1) A vehicle importer commits an offence against this Act if the vehicle importer knowingly or recklessly, in relation to the administration or enforcement of the clean vehicle standard under this Part, provides to the Director information that is false or misleading.
- (2) A person who is convicted of an offence against subsection (1) is liable on conviction,—
 - (a) in the case of an individual, to a fine not exceeding \$15,000;
 - (b) in the case of a body corporate, to a fine not exceeding \$75,000.

197 Inspection of records or other information

- (1) The Director may require a vehicle importer to produce for inspection any records or other information in the vehicle importer's possession or control that the Director reasonably considers necessary to establish compliance with the requirements and obligations of the clean vehicle standard.
- (2) The Director may, in relation to any records or other information produced under subsection (1),—
 - (a) inspect and make copies of, or take extracts from, the records or other information;
 - (b) where the vehicle importer chooses to produce the records or other information at their premises or any other place of inspection,—
 - (i) make copies of the records or other information at the place of inspection;
 - (ii) remove the records or other information if the Director is satisfied that it is impracticable to copy the records or other information at the place of inspection.
- (3) If the Director removes any records or other information under subsection (2)(b)(ii), the Director must—
 - (a) issue a receipt for the records or other information to the person from whom the records or other information was taken; and
 - (b) return the records or other information as soon as practicable; and
 - (c) for as long as the Director holds the records or other information, allow the person from whom the records or other information was taken to inspect, and obtain copies of, the records or other information at any reasonable time at the premises where the records or other information is held.

197A Offence in relation to production of records or other information

- (1) A vehicle importer commits an offence against this Act if the vehicle importer, without reasonable excuse, fails or refuses to comply with a requirement made under section 197 in relation to the production of records or other information.

- (2) A person who is convicted of an offence against subsection (1) is liable on conviction,—
- (a) in the case of an individual, to a fine not exceeding \$15,000;
 - (b) in the case of a body corporate, to a fine not exceeding \$75,000.

197B Director may require person to supply information, produce documents, or give evidence

- (1) If the Director considers it necessary or desirable for the purposes of performing or exercising the Director's functions, powers, or duties under this Part, the Director may, by notice in writing, require a person—
- (a) to supply to the Director, within the time and in the manner specified in the notice, any information or class of information specified in the notice; or
 - (b) to produce to the Director, or to a person specified in the notice acting on the Director's behalf in accordance with the notice, any document or class of documents specified in the notice (within the time and in the manner specified in the notice); or
 - (c) if necessary, to reproduce, or assist in reproducing, in usable form, information recorded or stored in any document or class of documents specified in the notice (within the time and in the manner specified in the notice); or
 - (d) to appear before a specified person, at a time and place specified in the notice, to give evidence, either orally or in writing, and produce any document or class of documents specified in the notice.
- (2) Information supplied in response to a notice under subsection (1)(a) must be—
- (a) given in writing; and
 - (b) signed in the manner specified in the notice.
- (3) If a document is produced in response to a notice under subsection (1), the Director, or the person to whom the document is produced, may—
- (a) inspect and make records of that document; and
 - (b) take copies of the document or extracts from the document.
- (4) In this section, **specified person** means—
- (a) an employee of the Agency;
 - (b) another person to whom the Director has delegated the power to receive the relevant document or class of documents or to receive evidence and the relevant document or class of documents (being a person that the Director is satisfied is suitably qualified or trained, or is a member of a class of persons who are suitably qualified or trained, to exercise the power).

197C Offence in relation to requirement to supply information, produce documents, or give evidence

- (1) A person commits an offence against this Act if the person,—
 - (a) without reasonable excuse, fails or refuses to comply with a notice given under section 197B; or
 - (b) in purported compliance with a notice given under that section, provides information, or produces a document, or gives evidence knowing it to be false or misleading.
- (2) A person who is convicted of an offence against subsection (1) is liable on conviction,—
 - (a) in the case of an individual, to a fine not exceeding \$15,000;
 - (b) in the case of a body corporate, to a fine not exceeding \$75,000.

197D Privileges for person required to supply information, produce documents, or give evidence

Every person has the same privileges in relation to providing information and documents to, and answering questions before, the Director, an employee of the Agency, or a person authorised under section 197B(4)(b) as witnesses have in proceedings before a court.

197E Confidentiality of information and documents

Sections 109A and 109B of the Land Transport Management Act 2003 apply to information and documents obtained under section 197B.

197F Effect of proceedings

- (1) If a person commences a proceeding in any court in respect of the exercise of any powers conferred by section 197B, until a final decision in relation to the proceeding is given,—
 - (a) the powers may be, or may continue to be, exercised as if the proceeding had not been commenced; and
 - (b) no person is excused from fulfilling the person's obligations under that section by reason of the proceeding.
- (2) However, the court may make an interim order overriding subsection (1), but only if the court is satisfied that—
 - (a) the applicant has established a prima facie case that the exercise of the power in question is unlawful; and
 - (b) the applicant would suffer substantial harm from the exercise or discharge of the power or obligation; and
 - (c) if the power or obligation is exercised or discharged before a final decision is made in the proceeding, none of the remedies specified in subsec-

tion (3), or any combination of those remedies, could subsequently provide an adequate remedy for that harm; and

- (d) the terms of the order do not unduly hinder or restrict the Director in performing or exercising the Director's functions, powers, or duties under this Act.
- (3) The remedies are as follows:
- (a) any remedy that the court may grant in making a final decision in relation to the proceeding (for example, a declaration):
 - (b) any damages that the applicant may be able to claim in concurrent or subsequent proceedings:
 - (c) any opportunity that the applicant may have, as defendant in a proceeding, to challenge the admissibility of any evidence obtained as a result of the exercise or discharge of the power or obligation.

197G Effect of final decision that exercise of powers under section 197B unlawful

- (1) This section applies in any case where it is declared, in a final decision given in any proceeding in respect of the exercise of any powers conferred by section 197B, that the exercise of any powers conferred by that section is unlawful.
- (2) If this section applies, to the extent to which the exercise of those powers is declared unlawful, the Director must ensure that, immediately after the decision of the court is given,—
 - (a) any information obtained as a consequence of the exercise of powers declared to be unlawful and any record of that information are destroyed; and
 - (b) any documents, or extracts from documents, that are obtained as a consequence of the exercise of powers declared to be unlawful are returned to the person who previously had possession or control of them, and any copies of those documents or extracts are destroyed; and
 - (c) any information derived from or based on such information, documents, or extracts is destroyed.
- (3) However, the court may order that any information, record, or copy of any document or extract from a document may, instead of being destroyed, be retained by the Director subject to any terms and conditions that the court imposes.
- (4) No information, and no document or extracts from a document, obtained as a consequence of the exercise of any powers declared to be unlawful, and no record of any such information or document,—
 - (a) is admissible as evidence in any civil proceeding unless the court hearing the proceeding in which the evidence is sought to be adduced is satisfied that there was no unfairness in obtaining the evidence:

- (b) is admissible as evidence in any criminal proceeding if the evidence is excluded under section 30 of the Evidence Act 2006:
- (c) may otherwise be used in connection with the exercise of any powers conferred by this Act unless the court that declared the exercise of the powers to be unlawful is satisfied that there was no unfairness in obtaining the evidence.

11 Section 208 amended (Appointment of enforcement officers and dangerous goods enforcement officers)

In section 208(3)(a)(i), replace “and 6B” with “6B, and 13”.

12 Section 213 amended (Customs control over imported vehicles)

After section 213(2), insert:

- (3) In subsection (1), **regulation** does not include a regulation made under section 167B or 167C.

13 Section 239 amended (Further restrictions)

After section 239(4)(b)(ii), insert:

- (iii) to the Agency, if necessary for the administration of the clean vehicle discount scheme.

14 Section 243 amended (Application for registration)

After section 243(1A), insert:

- (1B) An application for registration of a motor vehicle must also be accompanied by the amount of any fees or charges prescribed under section 167(1)(j) for the purpose under section 167A.

15 Schedule 1 amended

In Schedule 1,—

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

Part 2

Amendments to other enactments

Amendments to Land Transport Management Act 2003

16 Principal Act

Sections 17 to 22 amend the Land Transport Management Act 2003.

17 Section 5 amended (Interpretation)

In section 5(1), insert in its appropriate alphabetical order:

clean vehicle discount scheme—

- (a) means the scheme administered by the Agency under section 95(1)(ma), established for the purpose of promoting the transition of New Zealand’s light vehicle fleet to zero- and low-emission vehicles and reducing vehicle carbon dioxide emissions; and
- (b) includes—
 - (i) the provision of rebates in relation to the carbon dioxide emissions of a vehicle; and
 - (ii) the imposition of charges under section 167(1)(j) of the Land Transport Act 1998 for the purpose of section 167A of that Act; and
 - (iii) actual and reasonable costs incurred by the Agency in relation to administration of the scheme; and
 - (iv) any funding provided to the Agency by the Crown for the purposes of the scheme and the repayment of that funding

18 Section 9 amended (The Crown’s authority to incur certain land transport expenses and capital expenditure)

(1) After section 9(1D), insert:

(1E) The Crown may, without further appropriation than this subsection, incur expenses or capital expenditure in a financial year up to an amount equal to the revenue for that financial year received from charges paid pursuant to regulations made under section 167(1)(j) of the Land Transport Act 1998 for the purpose of section 167A of that Act to fund the clean vehicle discount scheme.

(1F) The Crown may, without further appropriation than this subsection, incur expenses or capital expenditure in any financial year, up to any positive amount calculated under subsection (1G), to fund the clean vehicle discount scheme.

(1G) The amount referred to in subsection (1F) must be calculated in accordance with the following formula:

$$a - b = c$$

where—

- a is the revenue received in any previous financial year from charges paid pursuant to regulations made under section 167(1)(j) of the Land Transport Act 1998 for the purpose of section 167A of that Act
- b is the expenses and capital expenditure incurred under subsections (1E) and (1F) for those previous financial years
- c is the calculated amount.

(1H) The positive amount calculated under subsection (1G) may be used only to fund the clean vehicle discount scheme.

(2) In section 9(3), after “(1A),” insert “(1E), (1F),”.

- (3) In section 9(5), formula item b, after “(1A),”, insert “(1E), (1F),”.

19 New section 9A inserted

After section 9, insert:

9A Accounting for clean vehicle discount scheme

The annual report of the Agency must, in respect of the financial year to which it relates, contain the following information concerning the clean vehicle discount scheme funded under section 9(1E) and (1F):

- (a) the revenue received from charges paid pursuant to regulations made under section 167(1)(j) of the Land Transport Act 1998 for the purpose of section 167A of that Act;
- (b) any positive amount from a previous year, in accordance with section 9(1F) and (1G);
- (c) the expenses and capital expenditure for the purpose of administering the scheme, including—
 - (i) rebates provided, in relation to the carbon dioxide emissions of a vehicle; and
 - (ii) actual and reasonable costs incurred by the Agency in relation to administration of the scheme; and
 - (iii) any funding provided to the Agency by the Crown for the purposes of the scheme and repayment of that funding.

20 Section 10 amended (National land transport fund)

Replace section 10(2)(a) with:

- (a) land transport revenue, less—
 - (i) any expenses or capital expenditure incurred under section 9(1) or (1A); and
 - (ii) the revenue received from charges paid pursuant to regulations made under section 167(1)(j) of the Land Transport Act 1998 for the purpose of section 167A of that Act:

21 Section 95 amended (Functions of Agency)

In section 95(1), after the heading above paragraph (n), insert:

- (ma) to administer the clean vehicle discount scheme funded under section 9(1E) and (1F) in accordance with this Act, the regulations made under section 167(1)(j) of the Land Transport Act 1998 for the purpose of section 167A of that Act, and any direction under section 103 of the Crown Entities Act 2004:

22 New section 101A inserted (Monitoring matters relating to clean vehicle discount scheme)

After section 101, insert:

101A Monitoring matters relating to clean vehicle discount scheme

- (1) The Secretary, for the purpose of evaluating the performance of the clean vehicle discount scheme, may monitor and review—
 - (a) the revenue used by the Agency for the purposes of administering the scheme; and
 - (b) the number and nature of rebates provided in relation to the carbon dioxide emissions of vehicles; and
 - (c) the expenses and capital expenditure for the purpose of administering the scheme; and
 - (d) any funding provided to the Agency by the Crown for the purposes of the scheme and repayment of that funding.
- (2) The Secretary may, in writing, request the Agency to provide any information that is reasonably required and relevant to enable the Secretary to carry out the monitoring specified in subsection (1).
- (3) The Agency must provide the Secretary with the information that the Secretary requests under subsection (2).
- (4) Section 101(4) and (5) applies with all necessary modifications in relation to a request for information from the Secretary under this provision.

Amendment to Energy Efficiency and Conservation Act 2000

23 Principal Act

Section 24 amends the Energy Efficiency and Conservation Act 2000.

24 Section 36 amended (Regulations)

After section 36(1)(b), insert:

- (ba) prescribing requirements in relation to the labelling of vehicles in terms of their carbon dioxide emissions and any financial rebates receivable or charges payable relating to those emissions:

Amendments to Income Tax Act 2007

25 Principal Act

Sections 26 and 27 amend the Income Tax Act 2007.

26 Section YA 1 amended (Definitions)

In section YA 1, insert in its appropriate alphabetical order:

clean vehicle discount scheme means the clean vehicle discount scheme administered by the New Zealand Transport Agency

27 Schedule 5 amended

- (1) In Schedule 5, after clause 7, insert:
- 7B For the purposes of this schedule, if a person who owns a motor vehicle to which this schedule applies receives a payment under the clean vehicle discount scheme for the vehicle,—
- (a) the cost price of the vehicle to the person on the first acquisition of it by them is net of the amount of the payment; and
 - (b) the cost of the vehicle to the person on the first acquisition of it by them is net of the amount of the payment.
- (2) In Schedule 5, clause 8(a), replace “is—” with “is,—”.
- (3) In Schedule 5, clause 8(a)(i), replace “included” with “subject to clause 7B, included”.

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

28 Principal regulations

Section 29 amends the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011.

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

After regulation 5(2), insert:

- (2A) The Registrar must not issue a certificate of registration for a motor vehicle if the fees or charges prescribed for the vehicle under section 167(1)(j) for the purpose of section 167A of the Act have not been paid.

Schedule
New Part 4 inserted into Schedule 1

s 15

Part 4
Provisions relating to Land Transport (Clean Vehicles) Amendment Act 2022

20 Interpretation

In this Part, **amendment Act** means the Land Transport (Clean Vehicles) Amendment Act 2022.

21 Transitional provision concerning regulations relating to motor vehicle labelling

- (1) For the purposes set out in subclause (2), the Minister may, before the commencement of section 24 of the amendment Act,—
 - (a) publicly notify a proposal to make regulations under section 36(1)(ba) of the Energy Efficiency and Conservation Act 2000 as soon as practicable after the commencement of section 24 of the amendment Act; and
 - (b) consult any persons as the Minister considers appropriate.
- (2) The purposes are to ensure that interested persons are given reasonable time to make submissions on the proposed regulations and to enable the Minister to consult any persons as the Minister considers appropriate before the regulations are made.
- (3) If any action referred to in subclause (1) is taken by or on behalf of the Minister before the commencement of section 24 of the amendment Act, the action is deemed to have been validly taken by the Minister under section 36(2) of the Energy Efficiency and Conservation Act 2000 for the purposes of making the regulations under section 36(1)(ba) of that Act and bringing those regulations into force.

Legislative history

8 September 2021	Introduction (Bill 62–1)
21 September 2021	First reading and referral to Transport and Infrastructure Committee
22 December 2021	Reported from Transport and Infrastructure Committee (Bill 62–2)
10 February 2022	Second reading
16 February 2022	Committee of the whole House (Bill 62–3)
17 February 2022	Third reading
22 February 2022	Royal assent

This Act is administered by the Ministry of Transport.