

Departmental Disclosure Statement

Land Transport (Clean Vehicle Standard) Amendment Bill (No 2)

The departmental disclosure statement for a Government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material,
- some of the key quality assurance products and processes used to develop and test the content of the Bill, and
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Transport

The Ministry of Transport certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

Date finalised: 12 August 2025

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Part One: General Policy Statement

The Land Transport (Clean Vehicle Standard) Amendment Bill (No 2) (the **Bill**) amends the Land Transport Act 1998 and the Land Transport (Clean Vehicle Standard) Regulations 2022.

The objective of the Bill is to support the achievement of the annual carbon dioxide targets in the Clean Vehicle Standard (the **Standard**), and to reduce the costs that the Standard could impose on vehicle suppliers and consumers.

The Bill achieves this objective by giving vehicle suppliers more flexibility in how and when they comply with the targets. The Bill—

- extends the lifespan of carbon dioxide emission credits that are earned on low-emission vehicles from 3 years to 4 years; and
- removes the restriction on carbon dioxide emission credit transfers between the new and used import sectors; and
- extends the use of borrowing of future carbon dioxide target overachievement beyond 2025.

The Bill also helps ensure that the Standard continues to benefit New Zealand by enabling targets to be set that are uniform and not adjusted for vehicle weight. This change recognises that as vehicle importers supply more electric vehicles and hybrids, the traditional positive relationship between vehicle weight and carbon dioxide emissions is disrupted. As a consequence, at some point in the next 5 years heavier light vehicles will no longer need to be given higher (easier) carbon dioxide targets under the Standard than smaller light vehicles.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	NO
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Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	NO
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2.2.1. If so, was a National Interest Analysis report prepared to inform a Parliamentary examination of the proposed New Zealand action in relation to the treaty?	NO
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Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
<p>A regulatory impact statement (RIS) was prepared on the changes to the Clean Vehicle Standard. It is available at:</p> <p>https://www.transport.govt.nz/assets/Uploads/Outcome-of-the-review-of-the-Clean-Car-Importer-Standard-11-June-2024-Redacted.pdf</p> <p>The RIS received a partially meets assessment. It was reviewed by an independent quality assurance panel comprised of representatives from the Ministry of Transport.</p>	

2.3.1. If so, did the Ministry of Regulation provide an independent opinion on the quality of the regulatory impact statement?	NO
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2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	NO
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Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	NO
2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	YES
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	YES
The size of the potential costs and benefits outlined is outlined in the RIS document linked in our response to question 2.3.	

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	NO
(b) the nature and level of regulator effort put into encouraging or securing compliance?	NO
These proposals enhance existing methods vehicle suppliers use to comply with the Clean Vehicle Standard. We do not consider that additional enforcement effort will be needed from the New Zealand Transport Agency.	

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?
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The Clean Vehicle Standard has been in effect since 1 January 2023. Prior to this date it was notified to the World Trade Organization because of the low risk of its emissions credits for low emission vehicles and its charges for high emission vehicles potentially being viewed as distorting the import of vehicles.

Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

No specific issues were identified in the policy process that may have implications for the rights and interests of Māori protected by the Treaty of Waitangi.

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?	YES
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Advice provided to the Attorney-General by the Ministry of Justice, or a section 7 report of the Attorney-General, is generally expected to be available on the Ministry of Justice's website upon the introduction of a Bill. Such advice, or reports, will be accessible on the Ministry's website at <http://www.justice.govt.nz/policy/constitutional-law-and-human-rights/human-rights/bill-of-rights>.

Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:	
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(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?	NO
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(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	NO
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3.4.1. Was the Ministry of Justice consulted about these provisions?	YES
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The Ministry of Justice were consulted on the draft Cabinet paper to introduce the Bill. No significant feedback was received.

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	NO
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3.5.1. Was the Privacy Commissioner consulted about these provisions?	NO
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External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	YES
<p><u>Consultation on policy proposals:</u></p> <p>The following agencies were consulted on the policy proposals in the Bill:</p> <p>New Zealand Transport Agency, Ministry of Foreign Affairs and Trade, Ministry of Business, Innovation and Employment, the Treasury, Ministry for the Environment, New Zealand Customs Service, Ministry of Social Development, Ministry for Disabled People, Ministry for Primary Industries, and the Energy Efficiency and Conservation Authority. The Department of the Prime Minister and Cabinet was informed.</p> <p>The proposals were informed by discussions with the Motor Industry Association, the Imported Motor Vehicle Industry Association, Motor Trade Association, and the New Zealand Automobile Association. These organisations support the proposals.</p> <p><u>Departmental consultation on the draft Bill:</u></p> <p>Feedback was received from the following agencies: Ministry for Regulation and the New Zealand Transport Agency.</p> <p><u>Ministerial consultation on draft Bill:</u></p> <p>No feedback was received during Ministerial consultation on the Bill.</p>	

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?	NO
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Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO
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Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO
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Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	NO
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Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	NO
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO
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Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	NO
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Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	NO
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4.8. Does this Bill create or amend any other powers to make delegated legislation?	YES
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The Bill makes the following change to empowering provisions:
Clause 4 enables both uniform and weight-adjusted targets to be set by regulations for the purposes of the Clean Vehicle Standard.

Any other unusual provisions or features

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?

NO