



## News Release

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### **VIA responds to the announced changes to the Clean Car Discount**

VIA was aware of the Clean Car Discount deficit and was therefore expecting any changes would necessarily involve increased penalties and decreased credits.

VIA does have concerns that the announced changes will have broader negative impacts as follows:

#### **Timing**

The timing of implementation is less than what is necessary for parallel imports to adjust their buying behaviour. Due to existing shipping delays, it currently takes a minimum of two months to import vehicles which means that there will be importers who began the process of importing vehicles in good faith under the previous rules that will instead be caught by the new rules.

#### **Equity**

The Clean Car Discount has lower-income New Zealanders subsidising the purchase of high efficiency vehicles by more affluent buyers. The decrease in options for affordable high efficiency vehicles that will result from the announced changes will further penalise the vehicles that lower income or average New Zealanders can afford, exacerbating the inequity of the programme.

#### **Decreased vehicles options will result in increased costs**

The parallel import industry has a competitive supply, the narrowing of options for “preferred” vehicles that earn subsidies will increase competition for the supply of these vehicles, driving up the costs of these vehicles.

#### **Benefits for Disability Vehicles are currently inaccessible**

VIA applauds the apparent intent behind the credits for new or used disability vehicles. Reality, however, cast doubt on any actual benefit. At present, there are no EV disability vehicles. There are also only a few hybrid disability vehicles available in source markets, only one of which is within the budget of the static cap on the grants that most disability vehicles are purchased under. That one hybrid vehicle is under intense demand pressure, with one leading importer of disability vehicles currently only able to source two per year. VIA fears that the apparent benefits announced under the new rules for the Clean Car Discount will justify denying the industry’s request to exempt disability vehicles from the Clean Car Standard. If the government does exempt disability vehicles from the Clean Car Standard, as they should, then the announced changes will benefit those who need disability vehicles in the future. Otherwise, the programme will result in less access to disability vehicles by those who need them.

#### **People movers will be less accessible**

These changes will result in all 7- and 8-seat people movers being penalised, punishing larger families without providing options.

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**About VIA:** VIA is the business association that represents the interests of all businesses involved in importing, preparing, wholesaling, and retailing parallel imported vehicles that are imported into New Zealand from Japan, UK, and other source markets.