VIA: New Zealand's Transport Future

December 2023

A briefing paper provided to Hon Simeon Brown, Minister of Transport.

A Vision of the New Zealand Transport Future (2030 and beyond)

The Imported Motor Vehicle Industry Association (**VIA**) embraces a holistic vision for the future of transport in New Zealand, looking out to 2030 and beyond. This vision encapsulates the goals of **reducing the harm** caused by the transport system while **maximising sustainability**, fair market competition, and diversity of transport modes.

To illustrate our vision of transport in the future, we present a "day in the life" of average Kiwi families living about a decade from now. The story **assumes that consumer behaviour and policy parameters** have allowed or **encouraged a transition towards this vision**. Our families live in a suburban context, a rural area, and a central city space. Following our tale, we discuss the elements of behaviour and policy that will need to shift for this story to come true.

THREE HYPOTHETICAL NEW ZEALAND FAMILIES OF THE FUTURE

A note of these scenarios:
New Zealand in 2023 is a diverse country with people having a range of lived experiences. This will continue to be the case in the future, so our hypothetical families are not a comment on what a New Zealand family should or shouldn't look like. They are simply a way for us to demonstrate possible transport choices and options in the future using broadly familiar imagery. The illustrations are AI-generated and are not representative of any one slice of society.

In reality, there are myriad permutations of family life in New Zealand, and policy decisions should be cognisant of single parent families, blended families, families with shared care arrangements, large families, small families, and workers who keep the country running outside the 9-to-5 routine shown here (shift workers, part-time workers, and volunteers among them).

Similar to our hypothetical families, all these other lifestyles will continue to need a private vehicle for convenience, flexibility, and efficiency.

Scenario 1: The Andersons in the Suburbs

Meet the Andersons, an average New Zealand suburban family living in a future where travel choices have evolved in response to a changing landscape of housing, public transport, and consumer behaviour.

Like many families, they have **adapted their travel habits to align with convenience, low carbon impact, and the evolving transportation ecosystem**.

Despite the availability of various transport options, **they still choose to own a light vehicle**, which reflects their pragmatic approach to meeting the family's diverse needs.

Morning Rush Hour: Getting the Kids to School

The Andersons, and many others, have embraced the convenience and sustainability offered by increased housing density. If he is working in the office or meeting others in person, Mr. Anderson usually enjoys a swift ride on the electric tram. Today, he opts to use an electric bicycle so he can accompany Mrs. Anderson (who works part-time) and the kids as they ride their e-bikes to school.

Midday: A Shift in the Workday Landscape

The fact that the Andersons can regularly work from home reflects the evolving New Zealand work culture[1]. For those who can, remote work (encouraged through business tax incentives) has become the norm, making the daily commute a less frequent necessity.

Afternoon Activities: A Blend of Convenience and Sustainability

There are extensive, clearly marked, safe cycleways around the suburbs and so, most days, the kids ride their bikes to and from school. However, they also have a **wide range of extra-curricular activities** that require specialized equipment, changes of clothes, and occasionally transport for friends. So, the need for a vehicle on these days is quite apparent. **The cargo space, flexibility, and convenience of a car come into play**.

Weekly Grocery Shopping

For their weekly grocery shopping trip, a private vehicle is irreplaceable. The cargo space fits the groceries and other household supplies, making it a pragmatic choice. While the big supermarket chains do offer a variety of delivery options and there have been some experiments with mobile stores, the **Andersons enjoy a weekly trip as a family to their local farmers' market to "shop local".**

Family Vacations and Long-Distance Travel

The family's commitment to low carbon impact doesn't stop them from enjoying family **vacations**. These trips often take them to **areas not served by public transportation**, requiring luggage or camping gear and food supplies, and covering distances that are impractical for a family to traverse by cycling or walking. Their reliable but affordable used import vehicle is the 'go to' choice for these adventures, ensuring a comfortable and convenient journey.

Date Night

In the evening, Mr. and Mrs. Anderson take a rideshare service to the local train station and then ride the train for a quick trip across town to catch dinner and a music event. At the end of the night, they can jump into a shared shuttle to take them quickly back home.

Scenario 2: The Rural Smiths

Meet the Smiths, a rural New Zealand family. The Smiths live further from many public amenities and work the land, making vehicles essential for their daily lives. Here is a day in their life:

Morning: Starting the Day

Mr. and Mrs. Smith wake up early to tend to the stock and crops. They use one of the new low-emission tractors[2] to plough the fields. The Smiths recently purchased this tractor using one of the government programmes available to farmers that includes access to government backed low-to-no interest loans for reducing emissions.

Most days, the kids head to school on the local school's electric bus. If Mrs. Smith needs to take them to school, they jump in their hybrid ute. It has a longer range than battery-electric vehicles, especially when carrying a load of farm goods or equipment and can

[1] Waka Kotahi NZTA research has shown that the proportion of people working from home has risen from around 9% pre-covid (2020) to around 20% in 2023. Carol Christie (NZTA), *Knowing New Zealanders – Understanding the enduring social change of working from home*, Transport Knowledge Conference 2023.

[2] This vehicle could be fully electric, a plug-in hybrid, run on low emission biofuels, or even hydrogen.

continue to be used even if the charge is depleted, making it a suitable option for rural areas.

Midday: Work and Errands

The Smiths continues to work on the farm throughout the day, using the hybrid tractor and ute to work the land and transport crops and equipment.

In the early afternoon, Mrs. Smith runs errands in town, using the family vehicle. This is a pragmatic option for rural areas where standard public transport options are not available.

Afternoon: Family Time

When the kids have after-school activities (sports, music, friends, etc), Mr or Mrs. Smith will pick them up from school. Having their own car helps with carrying any equipment or changes of clothes for those activities. The family goes grocery shopping in their local township, supporting local businesses.

Scenario 3: The Urban Taylors

Meet the Taylors, our urban New Zealand family. The Taylors live in a central city setting where on- and off-street parking is rare, and micro-mobility, shared mobility, active modes, and public transport are easily accessible. Many places in the city central are car-free zones.

Morning: Starting the Day

Mr. Taylor walks to the local cafe to pick up breakfast for the family in fine weather or, in bad weather, he rides in one of the many e-bike taxi services that have popped up in the car-free city centre. It's a sustainable, convenient option for commuting in the city. Mum drops off the kids at school using a similar service. This is a cost-effective option for urban areas where owning a private vehicle is not practical.

Midday: Work and Errands

For many people, remote work has become the norm, making the daily commute a rare necessity. However, Mr. Taylor works a service job and must be on the business premises daily. In addition, he usually runs the family errands. When necessary, he has access to micro-mobility options such as electric scooters or bicycles. These options are widely available in urban areas and are a sustainable and convenient way to get around.

Afternoon: Family Time

Mrs. Taylor picks up the kids from school, but instead of using an e-bike taxi service, she often uses micro-mobility options such as electric scooters or bicycles. This allows her and the kids to stop at a park or playground on the way home to enjoy some outdoor time. The family occasionally engages in various activities that require specialized equipment, such as music lessons or sports practice. They use a shared mobility service or public transport to get to these activities.

Planning for the Weekend: Going to the bach

After a busy week, the family is excited to escape the city on the weekend. They belong to a co-op that shares a bach at their favourite beach. Usually this involves renting a car for the weekend, which they pick up from a location at the edge of town. The co-op ownership model of the holiday home means the bach is fully stocked with supplies and this ownership model assures there is incentive to leave it as clean as it was when they arrived.

Conclusion

These families are part of **a future New Zealand where travel choices have evolved**, reflecting a fusion of convenience, low carbon impact, and the greater good of the environment. It's a landscape where housing density, public transport expansion, and consumer behaviour shifts have transformed the way families move through their daily lives, minimizing harm to both transport users and the environment.

The Continued Need for Private Vehicles

We can see from these experiences that, even in a landscape with an array of transport options, **a private vehicle remains a valuable and pragmatic choice for various aspects of their lives**, reflecting the everyday reality of many New Zealand families.

These families will need to retain the ability to purchase affordable, lower carbon, and safe vehicles. They might even opt for two vehicles: a family 5-seater for the big trips, and a smaller vehicle for quick trips during the week or the occasional work commute.

What if we do nothing?

The vision above relies on consumer behaviour change and government policy action.

But what if we do nothing?

If no actions were taken to support a transition to sustainable transport options, the daily life and various activities of our average families would likely suffer a significant negative impact:

Increased Vehicle Kilometres Travelled (VKT):

The families might find themselves increasing their VKT and facing congestion due to the continued reliance on only private vehicles. This would be driven by the lack of accessible and efficient public transportation and the unavailability of safe cycling and walking options.

High Carbon Emissions:

Based on the trend of the last couple of decades, their cars would probably be bigger and heavier, and not be low carbon, as government policies and incentives for cleaner vehicles would be lacking. Even though the vehicles will likely be more efficient for their size, the continued increases in sizes will lead to a gross increase in emissions. As a result, their transportation choices would contribute to higher carbon emissions, increasing the family's carbon footprint.

Increased Congestion:

The lack of alternatives for transport lead to a continued dependence on private vehicles that means the daily commute, even if people work remotely occasionally, would still be affected by increased congestion and longer commute times. This could lead to stress and time wasted in traffic.

Health Impacts:

The poor air quality resulting from continued fossil fuel usage and traffic congestion would have negative health implications. The families, especially the children, might face a higher risk of respiratory problems and other health issues associated with air pollution.

Reduced Mobility Options:

With limited investment in public transportation and active transport infrastructure, cyclists and pedestrians might find it challenging to use their electric bicycles or walk as safely and frequently as desired. The lack of dedicated cycling lanes would pose safety risks for them (especially their children) and has meant that the risk of cycling prevents more people using it as a serious transport option even for short distances.

Increased Costs:

The families' transportation costs, including fuel expenses and maintenance for increased kilometres travelled, would be higher. This financial strain might affect their quality of life and limit their ability to invest in other areas.

Less Family Time:

With longer commutes and more time spent in traffic, our families might find themselves with less quality time together as a family. The increased travel needs, and traffic congestion, could further limit family interactions.

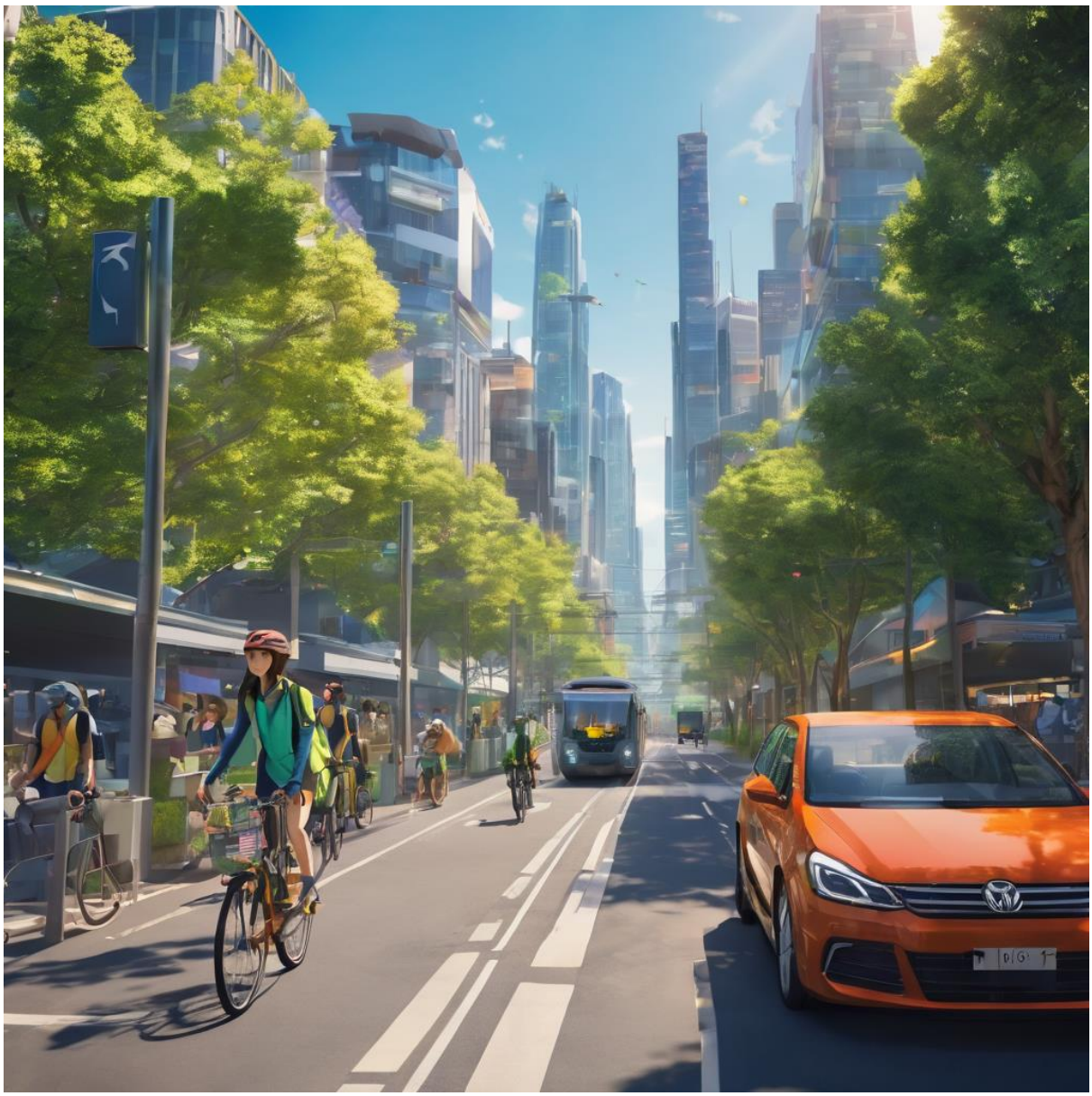
Limited Access to Green Spaces:

The lack of investment in green spaces and active transportation infrastructure, and the continued need for roads for transport, would limit access to parks, recreational areas, and opportunities for outdoor activities.

In summary, in this scenario, daily life would be marked by challenges associated with increased VKT, increased carbon emissions, health impacts due to air pollution, higher transportation costs, and reduced quality of life. While some have been able to access EVs (despite the likely ongoing cost and supply issues), the lack of policies and focus on infrastructure for electrification may lead to rolling brownouts in some areas, which in turn has made EVs a potentially undependable mode of transport, further militating against efforts to decarbonise. Their ability to make low-carbon choices and enjoy a harmonious transportation ecosystem would be severely constrained, resulting in a less sustainable and less healthy way of life.

Getting from Here to There

Action needs to be taken in a range of policy spaces to move toward this vision of a transport future.



Total Vehicle Strategy

Many of the necessary actions have overlapping purposes and may **require coordination between many Government agencies**, including the Ministry of Transport, New Zealand Transport Agency, Ministry for the Environment, and the Ministry for Innovation Business and Employment.

The **total vehicle strategy** would have three limbs to it: developing a **whole-of-fleet management** approach that enables **embracing a harm-based view of safety** and **progressing decarbonisation** across the vehicle fleet. The actions to achieve these outcomes can be categorised in three areas (with potential overlap between these):

- the **types of transport** we choose,
- the **environment** in which we travel, or
- the **marketplace** for transport decisions.

The three limbs of the **Total Vehicle Strategy** are:

Issue/Action	Commentary
Managing the Fleet	• Develop a **holistic long-term fleet management program** that encompasses defining fleet characteristics, policy development, **coordinated policy frameworks**, long-term business certainty, and vision-centric politics. • This approach minimizes risks and maximizes opportunities for businesses. • We believe that **developing visions for the future**, like those of the future families above, should be the foundation of fleet management.
Embracing Harm-Based View of Safety	• Shift from the conventional occupant protection safety rating system to a systemic **harm-based rating system.** • Develop a single harm-based rating system that **considers emissions *and* potential harm from crashes**. *(See recommendations on safety features and noxious emissions below).* • **Reduce harm from all externalities of the transport system, including crashes**, while also addressing environmental concerns, encouraging fair competition, reducing environmental impact, and empowering consumers.

Decarbonisation	• We support reducing carbon emissions through policies such as:
	  ○ **Weight-based levies or penalties** to incentivise the importation of more efficient vehicles.
	  ○ Continued efforts to **replace ICE vehicles with EVs**.
	  ○ "**Lightweighting**" – because international efforts predict up to 8% emission reductions per 20% decrease in average mass.
	  ○ Dealing with the existing fleet – through retrofitting low carbon technologies or through **scrapping older ICE vehicles**.
	  ○ Supporting[3] and encouraging **shared mobility options to reduce VKT**.

The policy recommendations here are summarised to create a starting point for conversations in the sector. Fuller descriptions of these policy positions are available from VIA upon request.

[3] Uber reports that their Total Cost of Ownership (TCO) modelling shows that a second-hand petrol hybrid is currently the most economical choice for drivers. The high upfront cost of an EV is a major barrier for drivers, creating lengthy payback periods when compared to second-hand hybrids. Ashleigh Cormack (Uber), *Transport Knowledge Conference 2023*.

THE TYPES OF TRANSPORT WE CHOOSE

These policies are aimed at influencing demand (consumer choice) and supply (the vehicles imported, whether new or used). They may impact the physical characteristics of a vehicle or provide value incentives that are ultimately realised in the "sticker price" for consumers.

VIA is committed to improving harm reduction to people and the environment. VIA remains committed to swift reductions in greenhouse gas emissions while ensuring the supply of essential goods and equitable public access to those goods. We believe in technology neutrality and the need for comprehensive policies (a total vehicle strategy for whole-of-life fleet management) to ensure efficient decarbonisation. VIA wants to see the following areas considered:

Issue/Action	Commentary
Balanced Safety Standards Implementation	• **Implementation of new safety standards in a phased approach** that considers supply, affordability, and efficacy (e.g., looking at mandating Lane Keep functions or similar). • An **evidence-based approach** will ensure effectiveness, efficiency, transparency, accountability, and adaptability.
Clean Car Programme	• VIA has expressed concern about the implementation of the elements of the Clean Car Programme. • **More emphasis is needed on influencing consumer behaviour at the point of purchasing fossil fuels**. • **Allow trading of Clean Car Standard credits between "new" and "used" credit account holders** at a ratio of 1:2 credits. • While not opposed to removing the Clean Car Discount, we recommend **considering other demand incentives** for low emission vehicle uptake.
Addressing Noxious Emissions	• **Reduce harmful emissions from vehicles** with Internal Combustion Engines (ICE) while maintaining equity and transparency. • Our sector is being harmonised with the new car industry on ALL vehicle standards. Used imports may be ready for Euro 7 before the new industry.
Lightweighting	• **Lightweighting** can enhance the reduction of harm from transport and improve environmental sustainability through fuel efficiency, reduced emissions, and reduction in harm when collisions do occur.
Telematics	• **Telematics have potential to improve road safety**, traffic management, and environmental impact. Privacy regulations must be considered in any proposal to monetize telematics data.
Quadricycles	• **VIA supports the introduction of electric quadricycles**, acknowledging the benefits and safety concerns, and calls for fair policies for all importers.

THE ENVIRONMENT FOR TRANSPORT

The choice of transport can also be affected by the environment in which those vehicles or transport choices will be deployed. We use "environment" here in the wider, strategic sense of the social, physical, financial, and political context in which actions are taken.

Issue/Action	Commentary
Road User Charges (RUC)	• Introduce **Road User Charges (RUC) for all light vehicles** with weight-based levy adjustments (i.e., heavier vehicles pay more). • This adheres to the market-friendly user-pays principle and weight-based RUC adjustments more adequately reflect a vehicle's impact on the road. • RUC for EVs in 2024 is a good first step towards a broader RUC regime.

Road Infrastructure and Logistics	• The **current setup of the Ports of Auckland provides stability and efficiency** to the vehicle import industry.
	• Any potential relocation of the Port would create massive disruption for businesses strategically positioned around the current arrangement.
	• Nonetheless, the storms of 2023 have highlighted the need for resilience in our transport infrastructure.
	  ○ We must consider developing **other entry channels** to provide risk mitigation and ensure a competitive marketplace.
	  ○ Developing further supply channels **is dependent** upon concurrent development of **adequate supporting transport infrastructure distribution networks** (roading, rail, coastal shipping, etc).

Electrification for Carbon Reduction	• **Electrification is the primary approach to reduce reliance on fossil fuels**. • To avoid any resulting strain on production and distribution, there must be renewable energy strategies and network balance.
Invest in Infrastructure	• NZ needs **increased and continued investment in charging stations** for electric vehicles and hydrogen fuelling stations to make alternative fuel options more accessible[4].
Alternate Modes of Transport	• **Diversifying personal transport options** is an important response to evolving technologies and social preferences. • This includes dedicated lanes for alternate forms of micro-mobility and cycling to **separate users from the risk of heavier cars**. • Alternate forms of travel are enhancements to the transportation system.

[4] The Infrastructure Commission has reported that the gap between the amount needed for fixing and maintaining infrastructure in New Zealand, and the amount currently planned to be spent, equates to around 5% of GDP (*Transport Knowledge Conference 2023*).

Issue/Action	Commentary
Education and Skills	• Take **an integrated approach to education** in the automotive industry, encompassing comprehensive curriculum development, practical training programs, equitable skill recognition and funding, and the empowerment of participants to earn recognized qualifications. • Workplace training should **recognise and compensate business who train** for providing their premises for education (the "forgotten classroom"). • NZ needs **greater use of micro-credentials across skillsets** currently viewed as "low skill" or that are not within existing recognised programmes of study.
Active Modes	• Walking and cycling are popular modes of transportation in urban areas. • **Investing in infrastructure such as bike lanes and pedestrian walkways** can make these modes of transportation safer and more accessible.
Shared Mobility	• In areas not well-served or well-suited to public transport, shared mobility services such as **ridesharing or car-sharing can be viable options**. • **Collaboration between government and private companies** to provide these services in such areas will facilitate reduced VKT.
Micro-Mobility	• **Micro-mobility options such as electric scooters, bicycles, and e-bikes** are widely available in urban areas. • Collaboration between government and private companies to provide these services can **ensure that they are accessible to urban residents**.

THE TRANSPORT MARKETPLACE

Markets need clear, coherent, and reasonable rules to ensure fair and efficient operation. These rules need to be accompanied by an adequate system of oversight and enforcement. VIA's vision for the future also encompasses market regulation, ensuring fair competition and consumer rights.

Issue/Action	Commentary
Carbon Dividend Policy	• This is a comprehensive approach to address climate change and reduce greenhouse gas emissions. • **All sectors would pay a fair price for their pollution, without the use of offsets and credits**. • Introduce a tax on fuel and goods relative to the amount of carbon produced during manufacture and the amount that released upon use. • Traditional carbon taxes can be regressive, so make this **carbon tax progressive by distributing the revenue collected evenly as a dividend to all resident New Zealand citizens**. • This should maintain or improve economic vitality while speeding the transition to a sustainable energy economy. • This approach has been endorsed by economic experts globally.
Parallel Imports/ Defining "New" and "Used".	• Parallel imports are recognized as essential for a competitive market, providing quality goods at affordable prices. • A redefinition is needed (under NZTA regulations) of parallel imports and the criteria for determining if a vehicle is "new" (or 'like-new') or "used". • This shift promotes fair competition, eliminating monopolistic advantages, and safeguarding consumer rights.
Product Stewardship	• Support Product Stewardship Schemes that manage vehicle components. • VIA supports comprehensive stewardship schemes (for batteries, tyres, etc) that respect the autonomy of the vehicle owner who needs to make decisions about the treatment/disposal of end-of-life products.
Right to Repair/Choice of Repairer	• Consumers have a right to repair/modify the vehicle they own. • This requires fair access for independent repairers to technical documentation that is available in New Zealand. • This also requires that no entity should be able to use their market position to prevent competition in the repair or modify space. • Reasonable minimum standards that ensure proper use of information, as well as safeguarding vehicle owners' rights, are a part of this vision.

This comprehensive narrative sets out a multifaceted future for transportation in New Zealand, where safety, environmental sustainability, competition, and diverse transportation options are central to a prosperous and innovative transport ecosystem.

Final note

American businessman Max Depree[5] said, "***We cannot become what we want by remaining what we are***". this recognises that improvement, getting "better", requires change. However, change is rarely instantaneous; it takes time, and it requires following a path of smaller steps from where we are to where we want to be.

Our journey as a country towards net-zero carbon emissions has sometimes been described as a "just transition". There are two elements in that phrase: "***just***", which speaks to fairness, equity, and reasonableness; and "***transition***", which speaks to a progressive change over time (not an instant transformation). The path towards low-carbon is long, but it bends towards net-zero, and we will get there in time. A key step on that path is to ensure that New Zealanders have access to affordable, quality vehicles that progress them closer to that goal.

VIA is looking forward to working with the new Government on the issues we have identified in this document. We are happy to speak with the Minister and officials about these issues.

Greig Epps
Chief Executive Officer

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[5] Mr Depree is a well-respected voice on leadership practices: https://depree.org/about/max/.

Meet the VIA Team

Our small but dedicated team is available to talk about any aspect of the supply chain for imported used vehicles. We are also happy to arrange site visits with our members and connect the Minister or officials with those in the industry who are impacted by the policy decisions made in Wellington.

Greig Epps, Chief Executive Officer

Greig joined VIA in September 2023 and has spent 15 years in Wellington in roles focused on engagement with government ministers and officials. His background is a mixture of in-house legal and governance in a range of sectors, including energy (gas, electricity), university administration, health policy, and automotive. His automotive experience was built as the advocacy manager for MTA for eight years and he is keen to make an impact for VIA members in this role.

Contact Greig on 021 372 992 or greig@via.org.nz.

Kit Wilkerson, Head of Policy and Strategy

Kit, a scientist and business architect, specializes in identifying innovation trends for industry. Over the past decade, he's been a dedicated advocate and advisor for progressive transport policies, focusing on emerging technologies like electric vehicles and intelligent transport systems. Kit has contributed to senior governance committees and has represented New Zealand internationally in shaping standards for Intelligent Transport and Artificial Intelligence.

With a dual focus in Cognitive and Computer Sciences, Kit conducted original PhD-level research in Artificial Intelligence. His passion lies in finding creative solutions to technological, social, and environmental challenges.

Contact Kit on 0210 403 780 or kit@via.org.nz

Malcolm Yorston, Technical Advisor

Malcolm Yorston qualified with an Advanced Trade Certificate in Automotive Engineering (A Grade Mechanic) in the 1960s. He spent 22 years with the Ministry of Transport as Vehicle Inspector, Station Manager, and finally as Design Compliance Officer in the Vehicle Standards Section before joining VIA as Technical Manager 30 years ago. Malcolm has a broad knowledge of vehicle design and construction and legislative requirements.

Over the years with the association, he has been on technical committees for NZTA, MITO, Standards NZ, ACC, and many others and coordinated the industry response to the Brown Marmorated Stink Bug crisis.

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