

## Effects of Clean Car Standard on Vehicle Enthusiast Sector

From Tony Johnson, Chief Executive Officer, LVVTA

### Introduction

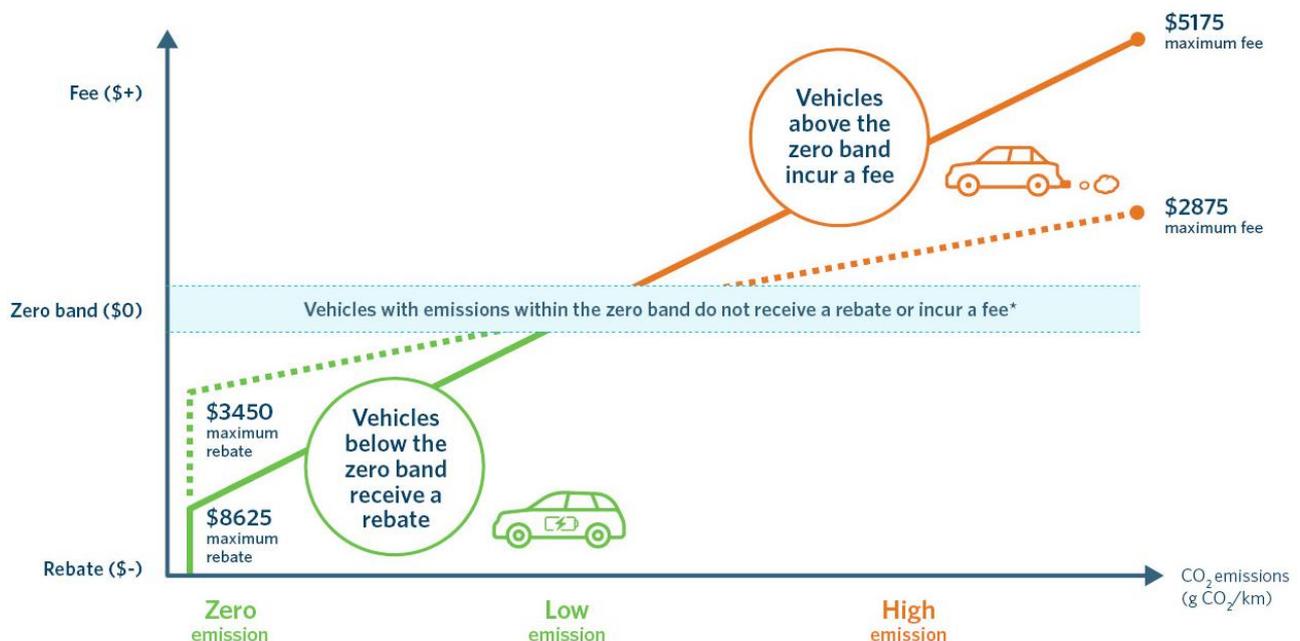
This information has been prepared to combat some misinformation circulating about how the new 'Clean Car Standard' and 'Clean Car Discount' will affect members of the classic and collectible vehicle enthusiast community.

### Overview of the new Clean Car Standard and Clean Car Discount

Most vehicle enthusiasts will be aware that the Government is introducing the 'Clean Car Standard'. The Clean Car Standard places obligations on importers to reduce CO<sub>2</sub> emissions from 2023. Under this policy, importers can offset high and low emission vehicles. For example, an importer might import five V6 petrol cars and five Nissan Leaf electric cars, and on average achieve their target and thereby pay no charge to the Government. Over time the emission-reduction target will strengthen.

Hand-in-hand with the Clean Car Standard, the Government is also introducing the Clean Car Discount (also known as the feebate scheme), which provides consumers with rebates, fees, or neither, depending on the level of CO<sub>2</sub> emissions on a vehicle.

The diagram below illustrates how this works. Note that the dotted lines represent used imports, which is where the main area of interest lies amongst the classic and collectible vehicle enthusiast community.



**Key**  
 — New imports  
 ... Used imports

GST included  
 Figures are indicative and subject to legislation  
 CO<sub>2</sub> emissions use the WLTP scale  
 \*Rebates end at 146 CO<sub>2</sub> and fees begin at 192 CO<sub>2</sub>

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## Circulation of misinformation

Some statements have been recently circulated via social media about the effects, for the classic and collectible vehicle enthusiast community, of the new 'Clean Car Discount' (also known as the 'feebate scheme') that the Government is introducing this year.

One statement published recently makes the following claims:

- there is a change which takes effect in November; and
- an imported car not certified by a certain date may not be able to be registered; and
- the new charge to register a classic car may be between \$8,000 and \$12,000; and
- if your classic car isn't registered before November, "...you're \*\*\*\*\*".

These statements being circulated (paraphrased above) are incorrect, and I have provided some information below to summarise the actual situation.

## Previous LVVTA Press Releases contain detailed information

LVVTA issued a press release on 3 March 2021, called '*Effects of the '2025 Clean Car Standard' on Enthusiast Vehicles*', setting out some early information about the new 'Clean Car Standard' being developed by the Government, and how it might affect the enthusiast car community. The content of this press release is on the LVVTA website, and can be found by clicking [here](#).

LVVTA then issued a second press release on 29 April 2021, called '*Enthusiast Vehicle Sector Submission to the 2025 Clean Car Standard*', which contained more detailed information about the new 'Clean Car Standard', and explained the content of a submission made to the Ministry of Transport by LVVTA, together with the Federation of Motoring Clubs, the NZ Hot Rod Association, and the Vintage Car Club of NZ. The content of this press release is on the LVVTA website, and can be found by clicking [here](#).

The information contained in those two press releases has not changed, and should be read by anyone who wishes to learn more about the effects of the new Clean Car Standard on enthusiast vehicles.

## Brief outline of the facts

Rather than repeating the information contained in those press releases here, to follow are the basic facts that most vehicle enthusiasts will be interested in.

- Firstly, and least importantly, the date that the new Clean Car Standard takes effect is 1 April 2022. The date of November being mentioned has no relevance to the new Clean Car Standard.
- Secondly, and most importantly (as stated in the 3 March 2021 press release), the Ministry of Transport is well aware that the enthusiast vehicle community exists, it has consulted with LVVTA extensively about the enthusiast vehicle sector, and it has no intention whatsoever of adversely impacting our hobby. In fact, quite the contrary.
- There is nothing in the Clean Car Standard (or any other standard being introduced in the foreseeable future) that would prevent someone from importing and registering an enthusiast vehicle in New Zealand.
- From 1 April 2022, every high-emitting vehicle (other than vehicles which fall into an 'excluded vehicle group') being registered in New Zealand for the first time (known as 'entry certification') will be subject to a charge, which will offset the rebates that are being provided to purchasers of low-emitting vehicles. The charge is applicable only once (when the vehicle first enters New Zealand and is registered). The charge does not apply to vehicles already registered in New Zealand.

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- There is a maximum payable fee for the highest-emitting vehicles, which is:
    - \$5,175 (inc GST) for a new vehicle; and
    - \$2,875 (inc GST) for a used vehicle.
  - A 'used vehicle' will be defined as a vehicle which has previously been registered anywhere in the world.
  - There will be a number of 'excluded vehicle' groups (which will be exempt from paying any charge). The exact details of these groups are still being finalised by the Ministry of Transport, but will almost certainly include:
    - vehicles which are at least 40 years old, which means – currently – 1982 or earlier (note however that the 40-year cut-off is what the Ministry of Transport initially proposed, but LVVTA and some other national vehicle associations have suggested that the Ministry give consideration to making the cut-off 30 years old, in order to recognise 'modern classics'); and
    - scratch-built low volume vehicles; and
    - some vehicles modified to enable people with disabilities to self-drive and be transported in; and
    - legitimate motorsport vehicles (that meet the criteria for the issue of an LVV Authority Card).

### **In summary:**

In simplest terms, the key point for most people within the enthusiast vehicle community is that the charges incorporated within the new Clean Car Standard only apply to vehicles which are newer than either 30 years old or 40 years old, and even for those newer used vehicles which will attract a charge, the maximum payable fee will only be \$2,875. So, any 1982 or earlier vehicle will be exempt from any charge, and it's possible (depending on the Ministry's final outcome) that any 1992 or earlier vehicle could be exempt from any charge.

The final details of the policy, including the details around the excluded vehicle groups we've been discussing with the Ministry of Transport, are anticipated to be provided to us by the Government in the next few weeks.

A last point to keep in mind; this 'gas guzzler tax' was always going to come, and is already in place in many other parts of the world. It's just part of the big environmental 'operation clean-up', and there's no escape from it.

The good news, however, is that the Ministry of Transport – who LVVTA has a very close 33-year-long working relationship with – has been very measured and reasonable with respect to our much-loved enthusiast vehicles. Based on the many conversations we've had with the Ministry during the development of these new standards, we believe there is nothing for the New Zealand classic and collectible vehicle enthusiast community to be fearful of.

We will issue another update once the final outcome of the exempted vehicle groups becomes known.

Your sincerely



Tony Johnson  
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**Low Volume Vehicle Technical Association**