

Living Streets Aotearoa



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Submission from **Living Streets Aotearoa**
on **Draft Eco-efficient Motor Vehicles Strategy**¹

Introduction

This submission is from Living Streets Aotearoa, an organisation with a keen interest in improved transport systems, air quality and living environments, and reductions in greenhouse gas emissions.

Living Streets Aotearoa² has, inter alia, the following objectives

- To promote walking as a healthy, environmentally-friendly and universal means of transport and recreation.
- To promote the social and economic benefits of pedestrian-friendly communities.
- To work for improved access and conditions for walkers, pedestrians and runners e.g. walking surfaces, traffic flows, speed and safety.
- To advocate for greater representation of walker and pedestrian concerns in urban and regional land use and transport planning and, as appropriate, at a national level.

Overall comments on the Draft Eco-efficient Motor Vehicles Strategy

- The Draft Strategy is a welcome contribution to improving a number of sustainable development outcomes which we support. In particular, the Strategy could, if strengthened and combined with other effective policies, make a tangible contribution to improving local air quality and reducing greenhouse gas emissions. We also consider that most of the measures in the Draft strategy are necessary to improve the functioning of markets (such as vehicle markets) in which there is a lack of critical information

¹ http://www.eeca.govt.nz/content/Whats_new/EEMV_Dstrategy.pdf

² <http://www.livingstreets.org.nz/about.htm>

Living Streets Aotearoa



www.livingstreets.org.nz

and distorted price signalling which takes insufficient account of the major negative social and environmental externalities of vehicle operation.

- However, we are concerned that by itself, the Strategy will make only a modest contribution to the government's sustainability goals, and the outcomes we seek. Its main risk is that it could convey the impression that significant gains in environmental quality may be achievable with efficiency measures, and this impression could undermine more substantive policy actions. We see a high likelihood that gains 'per vehicle' will be overwhelmed by a growth in vehicle numbers, the weight of vehicles, and vehicle kilometres travelled – i.e. by volume growth.
- We are aware that other government 'work streams' will be addressing many of these wider and related policy issues. However, we emphasise the importance of highlighting that eco-efficiency in vehicle transport is a small part (and by itself an inadequate part) of the larger picture of policies for sustainability in transport and urban systems.
- Accordingly we consider that the Government should give urgent consideration to complementary and effective policies to curb traffic volume growth and tackle the root source of negative environmental externalities. Options for urgent consideration include economic instruments such as road user charges, congestion charges and charges based on carbon emissions ('carbon taxes'), for introduction *before* 2007. An important counterpart to measures to make eco-efficient vehicles more attractive will be policies to penalise heavy, fuel-inefficient private vehicles, such as SUVs. Such policies will yield important social (safety) gains as well as economic savings.
- Along with economic instruments, policies which should be progressed include improved urban design strategies to enhance urban environments, particularly their walkability, assistance to public transport, and assistance for walking and cycling (all of these are consistent with the Government's Sustainable Development Programme of Action and the recently released Transport Strategy). The latter are strongly supported on a range of grounds, such as health and urban quality, and would act as a corrective to the historic and continuing heavy subsidisation of the vehicle transport system.

Specific comments on the Draft Strategy

Living Streets Aotearoa



Labelling (Section 7.1)

- We strongly support fuel efficiency labelling of vehicles imported into New Zealand.
- We also support mandatory fuel efficiency labelling of all relatively new vehicles sold within New Zealand (i.e. new *or used*), subject to an assessment of the consumer information and efficiency awareness benefits, as well as the compliance costs, of such a policy.³
- We see a case for fuel efficiency being a mandatory part of standard new vehicle advertising (print or television), as in the UK.
- We also support introduction of the Dutch system of mandatory colour coded labelling of vehicles according to fuel efficiency (and correspondingly differentiated vehicle taxation).⁴

Pricing (7.2)

- As noted above, we strongly support work on pricing of transport fuels and vehicles to address environmental externalities, work on travel demand management (TDM) and work on alternative modes support.
- We support the introduction of a carbon charge before 2007, since we consider action to level off and turn down the upward trajectory of New Zealand's emissions is timely, necessary and justified by the global risks of climate change and the need for a precautionary policy approach.

Vehicle standards (7.3)

- We note that the passive policy implicit in the Vehicle Exhaust Emissions Rule 2003 may be cost-effective, but it will keep New Zealand lagging behind European nations and Japan in terms of vehicle emissions. It is thus a low-cost but second-best policy, and should at a minimum be supplemented with stringent emissions screening at the border and screening of used vehicles on the roads in NZ.
- An emissions screening test at the border should employ stringent emissions standards.

³ It may be that a cut-off point such as 10 years should be included in such a policy, since the costs of mandatory fuel efficiency testing and labelling may be prohibitive relative to the benefits, for older cars.

⁴ The eco-labelling of cars was introduced in January 2001, complemented in January 2002 with a differentiated vehicle tax incentive of up to Euros 1000 for the most economical models. This initiative combines conformity with EU requirements for detailed fuel efficiency information for consumers – through 7-colour coded labelling (green through red) of new vehicles – with a fiscal incentive (a saving of up to 1000 Euros for buyers of the greenest cars): See **Third Netherlands' National Communication on Climate Change Policies**. VROM: The Hague; p98; and <http://www.anwb.nl/auto/brandstofetikettering/index.jsp>

Living Streets Aotearoa



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- Emission standard screening of used vehicles within NZ should be not an optional second stage measure but should be put in place *now* to remedy or retire badly tuned and maintained vehicles
- These policies are justified by the accumulating evidence linking vehicle emissions with poor air quality and adverse health outcomes, including substantial increased mortality (the 'invisible road toll'). Vehicle emissions appear to be responsible for much of the human health damage currently suffered by New Zealanders due to poor outdoor air quality.

Fleet management (section 8.1)

- We support strong government sector leadership action on fleet purchasing and management, including local government and the health and education sectors leading in running economical and efficient fleets, implementing travel plans, good driving standards etc. e.g. EECA's Econodrive.
- Contractors (above a certain size of contract) should also be asked to conform to these standards.
- Requirements should be mandatory (except perhaps for the smallest authorities) or at least authorities should have to justify deciding not to introduce the changes. We note that improved fleet management is likely to be cost-effective in terms of fuel savings over a certain period so it's not a case of central government imposing additional costs upon local government.
- Consideration should be given to providing incentives for taxi fleets to improve vehicle efficiency and economy, given the air quality gains from a reduction in taxi emissions. Taxis spend considerable time in high-pedestrian density areas and their emissions are thus comparatively important in terms of air quality impacts.
- Similarly, bus fleet fuel use is an important issue, because diesel emissions are a significant contributor to poor air quality in the downtown area.

Transport biofuels (section 9)

- The indicative target of 2 PJ for biofuels (representing just 1.2% of petrol and diesel used in road transport) by 2012 is extraordinarily unambitious and should be reviewed and increased. It is not a sufficient stretch given the potential for biofuels such as ethanol from whey, bio-diesel from tallow,

Living Streets Aotearoa



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and ethanol from forestry waste and crops. Currently the Recovered Materials Foundation⁵ is also examining the possibility of waste stream conversion to fuel. We are not starting from scratch.

- We also consider that GIF (Growth and Innovation Framework) objectives for innovation and industry development have not been given enough weight in formulating the goals in this part of the Strategy, and the goals should be urgently reconsidered and strengthened.

Contestable fund (section 10)

- We consider that the Climate Change Projects Mechanism outcomes should be reviewed after no more than 1 year to see whether renewable transport fuel projects have been funded. If they have not, a contestable fund for eco-efficient motor vehicles and low carbon fuels should be reconsidered. A factor to be considered is that the benefits of low carbon fuels go beyond simply achieving lower carbon emissions.

Hydrogen (section 11)

- We see any push for fossil-fuel derived hydrogen as undesirable, given the likely CO₂ emission risks.
- We see a switch to hydrogen as being likely to be cost-effective only after generation of electricity by renewables has expanded substantially. This, in our view, is all the more reason for strengthening the push for biofuel development and other forms of bio-energy generation (see above). It also underpins a case for expanding NZ's wind power capacity.

Thank you for the opportunity to make this submission.

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⁵ www.rmfmf.org.nz