

MINISTERIAL BRIEFING NOTE

Subject	Clean Car Discount - Quarterly Update
Date	21 April 2022
Briefing number	BRI-2455

Contact(s) for telephone discussion (if required)				
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Action taken by Office of the Minister

☐ Noted

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21 April 2022

Minister of Transport

Clean Car Discount Quarterly Update

Purpose

1. The following briefing provides an update on the Clean Car Discount for the January to March 2022 Quarter, and commentary on the scheme since its inception on 1 July 2021.

Background and context

2. As of 1 April 2022, the expanded Clean Car Discount with rebates and fees based on CO₂ emissions is now in force and will be reported on in the quarterly briefing for April to June 2022 quarter. Please refer to the weekly briefing (Weekly Report #282 refers) for a summary of the performance of the expanded Clean Car Discount. This update is limited to the Clean Car rebate for EVs.
3. It should also be noted that global events have impacted the supply chain of vehicles entering the New Zealand market this quarter, which is echoed by our engagement with industry who also note the supply chain constraints.

January - March 2022 Quarter update

4. The average processing time for the quarter has increased from three to five days as the number of applications have increased. A total of 103.3 percent of applications were processed this quarter (as the team processes the backlog of applications from the previous quarter).

January to March Quarterly statistics

	This quarter	Scheme to date
	January to March 2022	July 2021 to 31 March 2022
Total \$ Paid	\$31,521,500	\$76,801,000
Vehicles Registered	5,446	14,745
Applications Received	5,010	12,834
Applications Processed*	5,174	12,367

*Applications Processed include applications from previous quarter. Application status Approved, Declined and Under Investigation are included in Applications Processed

5. There have been 193 applications declined this quarter. Seven applications were declined due to the sales price being over \$80,000. Most applications are declined due to errors and are usually approved once corrected.
6. The number of enquiries about the Clean Car Discount have increased significantly towards the end of this quarter. This corresponds with the Waka Kotahi awareness campaign that commenced on 14 March 2022 to inform car purchasers of the expanded Clean Car Discount.

January to March Contact Centre Enquiries

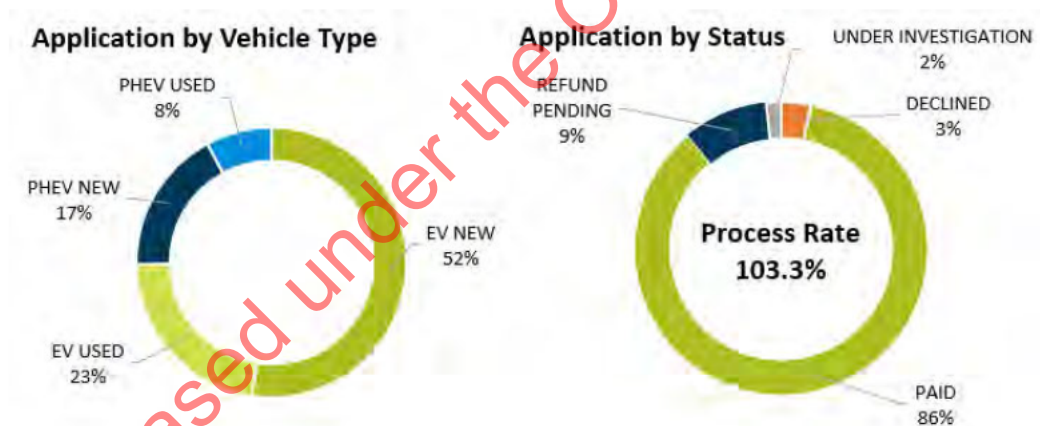
Third Quarter (January 2022 - March 2022)

Year	Month	# Enquiry	Monthly Var (%)
2022	January	216	↓ -0.9%
2022	February	189	↓ -12.5%
2022	March	575	↑ 204.2%

*Contact Centre enquiries include emails and contact centre calls

7. New EVs continue to be the highest number of applications for the quarter compared to used EVs and PHEVs. We may expect changes to the types of applications received in the next quarter as the expanded Clean Car Discount comes into effect. The processing rate remains high for the quarter as the team manages increased workloads.

Application Details January to March Quarter



8. The most popular new vehicle applications received continue to be Tesla Model 3 (37.1 percent), with the most popular used vehicle being the Nissan Leaf (70.5 percent). Both the Tesla Model 3 and Nissan Leaf have more applications than the following top five combined.

Top Five Vehicles January to March Quarter

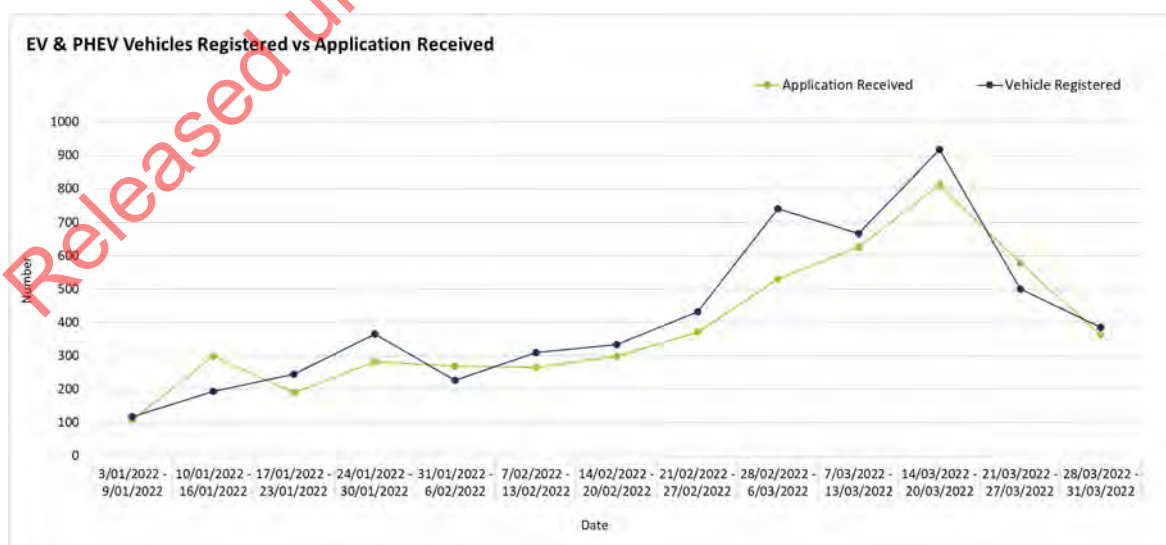
Third Quarter (January 2022 - March 2022)

Top 5 New Vehicles	# Applications	%
TESLA MODEL 3	1294	37.1%
MITSUBISHI ECLIPSE CROSS	347	9.9%
HYUNDAI KONA	275	7.9%
MG HS	174	5.0%
MG ZS	173	5.0%

Top 5 Used Vehicles	# Applications	%
NISSAN LEAF	1072	70.5%
MITSUBISHI OUTLANDER	192	12.6%
TOYOTA PRIUS	117	7.7%
BMW I3	27	1.8%
BMW 330E	22	1.5%

9. During this latest quarter the figures for registrations and applications increased significantly at the start of March 2022, with a total of 5,446 registrations (a 22.3 percent increase from previous quarter) and 5,010 applications received (a 15.6 percent increase from previous quarter). This is consistent with normal trends in vehicle sales and with the expectation that high emission vehicle registrations would increase in March 2022 to avoid the Clean Car fee from 1 April 2022.

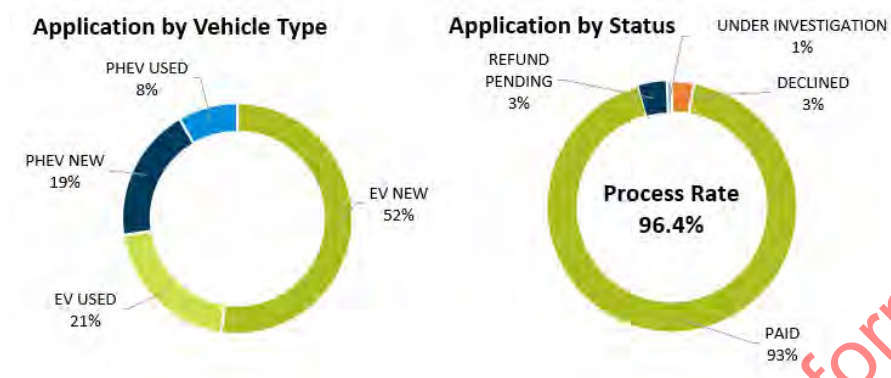
Clean Car Registrations vs Applications



Clean Car Discount Scheme - trends from July 2021

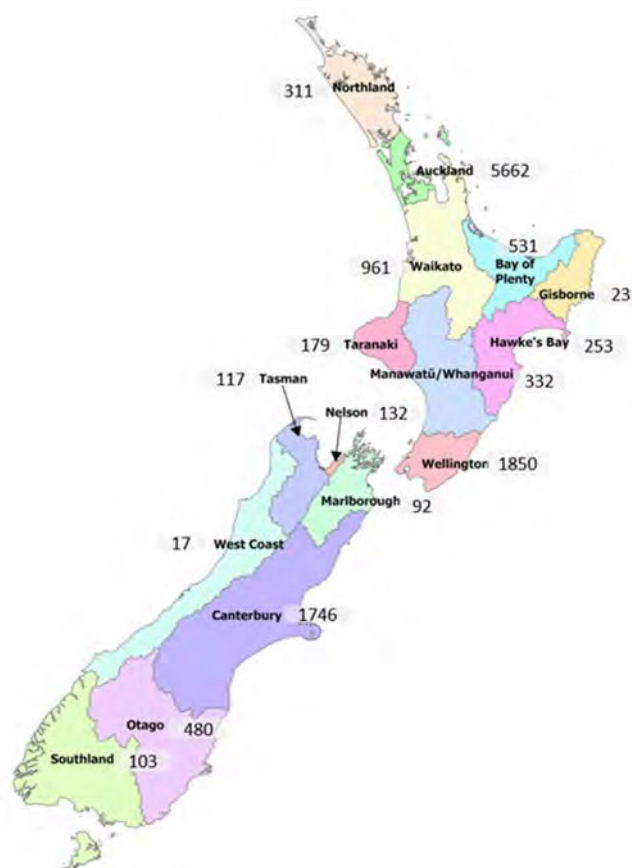
10. Cumulatively new EVs are the most popular application by vehicle type. There may be changes once more vehicle types are eligible under the expanded scheme from 1 April 2022. The number of declined applications includes applications with errors. Once corrective actions are taken, such as providing further information or selecting the correct application type, these are then processed and generally approved.

Application Details from July 2021 to March 2022



11. The Auckland region has the highest number of applications with 44.1 percent of all applications; followed by the Wellington (14.4 percent) and Canterbury (13.6 percent) regions. This is expected due to larger populations in these areas.

Applications by Region



12. The most popular new vehicle applications received from inception are the Tesla Model 3 (39.4 percent). The most popular used vehicle is the Nissan Leaf (66.1 percent). These may start to change once the expanded Clean Car Discount is in effect.

Top Five Vehicles from July 2021 to March 2022

Cumulative (July 2021 - March 2022)

Top 5 New Vehicles	# Applications	%
TESLA MODEL 3	3594	39.4%
MITSUBISHI ECLIPSE CROSS	1046	11.5%
MG ZS	788	8.6%
HYUNDAI KONA	718	7.9%
MITSUBISHI OUTLANDER	461	5.1%

Top 5 Used Vehicles	# Applications	%
NISSAN LEAF	2451	66.1%
MITSUBISHI OUTLANDER	586	15.8%
TOYOTA PRIUS	266	7.2%
BMW I3	67	1.8%
BMW 330E	58	1.6%

13. The graph below provides the number of new Clean Car registrations compared to all light vehicles registered. We can see Clean Car registrations was averaging approximately 2 percent prior to the Clean Car rebate and has continued to grow in uptake. The January to March 2022 quarter now averages 5.9 percent. In March 2022, there was a significant increase in all vehicle registrations prior to the expanded Clean Car Discount. Although there was an

increase in all vehicle registrations in March 2022, the percentage of Clean Car registrations remained high at 6.4 percent.

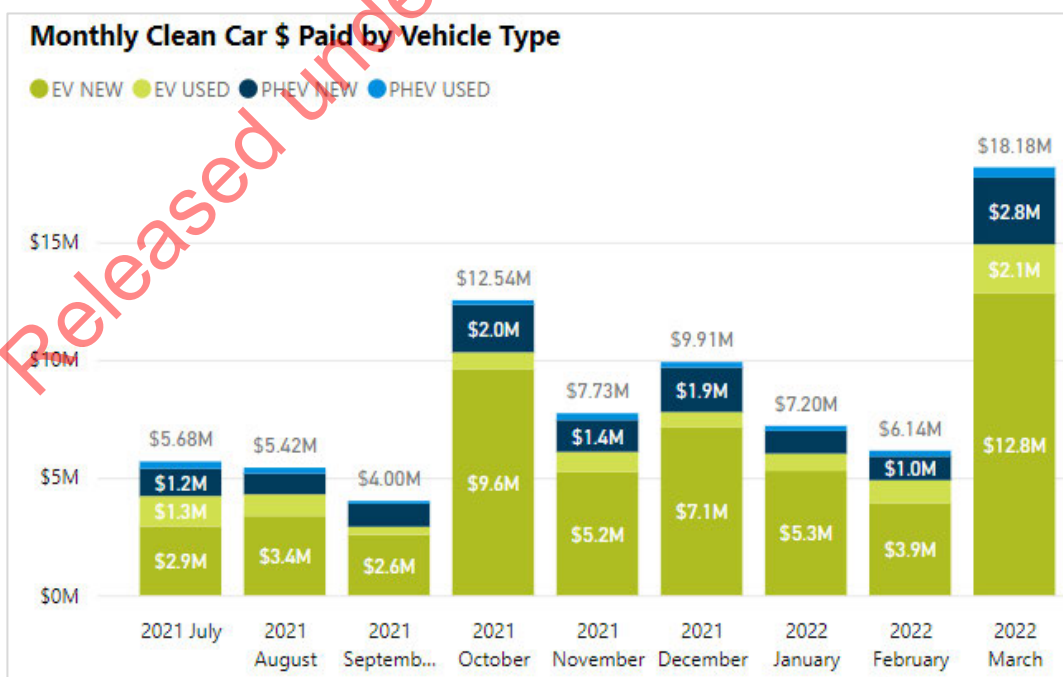
Percentage of Newly Registered Electric Vehicles Compared to all Light Vehicle Registrations

% EV/PHEV vs All Light Fleet Registrations



14. In total there has been over \$76 million payments made. Demand remains strong with over \$18 million worth of payments made in March 2022, which is by far the highest month for payments for the scheme. With the expanded Clean Car Discount available from 1 April 2022, we expect to see continued strong demand for payments as more vehicles are eligible for rebates.

Clean Car Monthly payments by vehicle type trend



Next steps:

15. The expanded Clean Car Discount is now in operation with fees and rebates based on CO₂ emissions.
16. There will be a cross over period where applications for the Clean Car rebate for EVs and PHEVs are being processed, and the expanded Clean Car Discount is in effect. This may change the form and structure of future reports.


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Recommendations

We recommend the Minister of Transport

- **Note** the contents of this briefing

Yes | No

Signed:  Date: 21 April 2022

Kane Patena, General Manager of Regulatory Services and Director of Land Transport

Signed: _____ Date: _____ 2022

Hon Michael Wood, Minister of Transport

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