



FINANCIAL SERVICES FEDERATION

17 December 2021

Energy Markets Policy
Ministry of Business, Innovation and Employment
PO BOX 1473
Wellington 6140

By email to: energymarkets@mbie.govt.nz

Dear Sir/Madam

Re: Options to provide Clean Vehicle information to consumers

The Financial Services Federation (“FSF”) is grateful to the Ministry of Business, Innovation and Employment (“MBIE”) for the opportunity to provide this submission on the discussion document: Options to provide Clean Vehicle information to consumers (“the paper”) on behalf of FSF’s members.

By way of background, the FSF is the industry body representing the responsible and ethical finance, leasing, and credit-related insurance providers of New Zealand. We have over 85 members and affiliates providing these products to more than 1.7 million New Zealand consumers and businesses. Our affiliate members include internationally recognised legal and consulting partners. A list of our members is attached as Appendix A. Data relating to the extent to which FSF members (excluding Affiliate members) contribute to New Zealand consumers, society, and business is attached as Appendix B.

The FSF membership consists of many motor vehicle finance providers together with the majority of fleet leasing providers operating in Aotearoa, all of whom understand and accept their collective responsibility in helping to reduce climate emissions in their industry.

The FSF’s finance company members finance the purchase of vehicles for both consumers and businesses. Our leasing members lease vehicles fleets to Government (both central and local), large corporates, and large, medium, and small businesses. However, FSF members are not importers of motor vehicles.

As directed to previously, Appendix A, attached to this submission, lists the FSF’s finance and leasing company members, which represent the vast majority of motor vehicle finance and fleet leasing providers operating in New Zealand.

The FSF will address relevant questions outlined in the paper on behalf of these finance and leasing members, as their outreach and weight in the industry warrants this submission to be considered carefully.

Question 1. Which option do you think is the best way to make Clean Vehicle information visible to consumers at the point-of-purchase through clear labelling on the vehicle, and through electronic labelling if the vehicle is advertised online?

It is quite clear which option MBIE prefers. The unequivocal position that MBIE has announced in the paper also alludes to there not being a great deal of choice for readers of this paper.

Although there is significance in the Ministry signalling their preference for policy development during the consultation process, in recent times (particularly with rushed and urgent legislation) it feels as though this initial position taken by the MBIE is often taken all the way through, without proper and serious consideration to other opinions, defying the purpose of consultations altogether.

Although urging caution for MBIE to consider alternative views during important consultation processes, the FSF aligns with MBIE's preferred option in this instance and concurs that Option 1 is preferred.

The FSF submits that transparency of information is of utmost importance for the efficacy of this scheme to be optimised. Because of the nature of this technical information, plain, clear labelling in the form of Option 1 is likely to ensure the same critical data for consumers to consider is issued on every vehicle.

Question 2: Why do you prefer that option?

The information presented through Option 1 is done so through a well established and efficient labelling format.

The FSF concurs that the existing infrastructure is comfortable, effective and removes costs associated with other options described in the paper, the existing labelling has not been brought into question previously by the FSF or an FSF member, and therefore, there are no contentions to requiring this additional information in this form.

The assessment of Option 1 against the predetermined assessment criteria has been well received by the FSF, and the conclusion has been appropriately drawn.

Question 3: What are our views on the example label?

The example label has been well received by FSF members, and we have no further feedback to give on the actual label.

Question 4: Does it effectively communicate Clean Vehicle information?

The FSF has no further amendments to propose to the format of the label itself. However, the FSF has been notified of some remaining confusion in the industry regarding to the usage of CO² emission measurements.

Members are not certain as to how Australian Design Rules (“ADR”) can be converted to Worldwide Harmonised Light Vehicles Test Procedure (“WLTP”), and sufficient guidance on this conversion has yet to be provided.

Further, the FSF is not certain as to whether WLTP3 or WLTP4 is most appropriate to be used for measurements in Option 1. These two versions are based on differing and various factors and are provided from various European manufacturers.

The versions are also dependent on the speed limit of that European country from which the vehicle originates, correlating to either WLTP3 or WLTP4. Further research suggests the WLTP system is further complicated as each class has further subtypes into which vehicles can be categorised.

Therefore, this rules out the possibility of dealers in Aotearoa being able to simply rely on the information provided to them by European manufacturers, and this complicates compliance as they will be required to undertake their own full conversions. As a result, the FSF membership seeks further guidance and clarification on the conversions required and the expectations both MBIE and the Ministry for the Environment have on the carrying out of this process.

The FSF has concerns that an understanding of emissions ratings and what they actually mean, is not an easy task. The biggest concern surrounds the data required, and the assurance that it is all valid and accurate. The location of the source is of most importance to ensure the efficacy of the scheme, and therefore, the FSF urges that assistance be provided to dealers with respect to this so that appropriate information to help ensure compliance is assured.

Question 5: If not, what changes would you suggest?

Additional comments

An issue of concern requiring immediate attention is the incorrect penalties listed on the rightcar.govt.nz website. It has come to the attention of FSF members that the penalties listed under ‘new car’ are actually only half of what they should be.

Further, in the ‘Dealer Resources’ section of the website, the fees imposed for fossil fuel vehicles are also wrong.

Providing that these changes are made to the rightcar.govt.nz website are made, and further clarity is provided regarding the WLTP emission ratings, the FSF submits that Option 1 is most appropriate and has no further comments to make for this submission.

The FSF once again thanks MBIE for the opportunity to comment on this discussion document and is happy to talk further to any points made if so required.

Yours sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a vertical stroke, likely representing the name Diana Yeritsyan.

Diana Yeritsyan
Legal and Policy Manager
FINANCIAL SERVICES FEDERATION

Appendix A



FINANCIAL SERVICES FEDERATION
FSF Membership List as at 1 December 2021

Non-Bank Deposit Takers, Insurance Premium Funders,	Vehicle Lenders	Finance Companies/ Diversified Lenders	Finance Companies/ Diversified Lenders, Leasing Providers	Credit Reporting, Debt Collection Agencies, Insurance Providers	Affiliate Members
<p>XCEDA (B)</p> <p>Finance Direct Limited ➤ Lending Crowd</p> <p>Gold Band Finance ➤ Loan Co</p> <p>Mutual Credit Finance</p> <p><u>Credit Unions/Building Societies</u></p> <p>First Credit Union</p> <p>Nelson Building Society</p> <p>Police and Families Credit Union</p> <p><u>Steelsands Credit Union Inc</u></p> <p>Westforce Credit Union</p> <p><u>Insurance Premium Funders</u></p> <p>Elantis Premium Funding NZ Ltd</p> <p>Financial Synergy Limited</p> <p>Hunter Premium Funding</p> <p>IQumulate Premium Funding</p> <p>Rothbury Instalment Services</p>	<p>AA Finance Limited</p> <p>Auto Finance Direct Limited</p> <p>BMW Financial Services ➤ Mini ➤ Alpha Financial Services</p> <p>Community Financial Services</p> <p>European Financial Services</p> <p>Go Car Finance Ltd</p> <p>Honda Financial Services</p> <p>Kubota New Zealand Ltd</p> <p>Mercedes-Benz Financial</p> <p>Motor Trade Finance</p> <p>Nissan Financial Services NZ Ltd ➤ Mitsubishi Motors Financial Services ➤ Skyline Car Finance</p> <p>Onyx Finance Limited</p> <p>Toyota Finance NZ</p> <p>Yamaha Motor Finance</p>	<p>Avanti Finance ➤ Branded Financial</p> <p>Basalt Group</p> <p>Basecorp Finance Ltd</p> <p>Blackbird Finance</p> <p>Caterpillar Financial Services NZ Ltd</p> <p>Centracorp Finance 2000</p> <p>Finance Now ➤ The Warehouse Financial Services ➤ Southsure Assurance</p> <p>Humm Group</p> <p>Future Finance</p> <p>Geneva Finance</p> <p>Harmony</p> <p>Instant Finance ➤ Fair City ➤ My Finance</p> <p>John Deere Financial</p> <p>Latitude Financial</p> <p>Lifestyle Loans NZ Ltd</p> <p>Metro Finance</p> <p>NZ Finance Ltd</p>	<p>Pepper NZ Limited</p> <p>Personal Loan Corporation</p> <p>Pioneer Finance</p> <p>Prosopa NZ Ltd</p> <p>Smith's City Finance Ltd</p> <p>Speirs Finance Group ➤ Speirs Finance ➤ Speirs Corporate & Leasing ➤ Yoogo Fleet</p> <p>Thorn Group Financial Services Ltd</p> <p>Turners Automotive Group ➤ Autosure ➤ East Coast Credit ➤ Oxford Finance</p> <p>UDC Finance Limited</p> <p><u>Leasing Providers</u></p> <p>Custom Fleet</p> <p>Fleet Partners NZ Ltd</p> <p>ORIX New Zealand</p> <p>SG Fleet</p>	<p>Baycorp (NZ) ➤ Credit Corp</p> <p>Centrix</p> <p>Collection House</p> <p>Debtworks (NZ) Limited</p> <p>Equifax (prev Veda)</p> <p>Illion (prev Dun & Bradstreet (NZ) Limited</p> <p>Intercoll</p> <p>Quadrant Group (NZ) Limited</p> <p><u>Credit-related Insurance Providers</u></p> <p>Protecta Insurance</p> <p>Provident Insurance Corporation Ltd</p>	<p>Buddle Findlay</p> <p>Chapman Tripp</p> <p>Credisense Ltd</p> <p>Credit Sense Pty Ltd</p> <p>Experian</p> <p>EY</p> <p>FinTech NZ</p> <p>Finzsoft</p> <p>Green Mount Advisory</p> <p>Happy Prime Consultancy Limited</p> <p>HPD Software Ltd</p> <p>KPMG</p> <p>LexisNexis</p> <p>PWC</p> <p>Simpson Western</p> <p>Verifier Australia</p> <p>Total 84 members</p>

Appendix B



FINANCIAL SERVICES FEDERATION

The Financial Services Federation (FSF) is the non-profit industry association for responsible and ethical finance, leasing and credit-related insurance providers operating in Aotearoa New Zealand.

