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SUBMISSION ON

Low-emissions Economy - Productivity Commission Draft Report

ON BEHALF OF THE FEDERATION OF MOTORING CLUBS (NZFOMC)

***The NZFOMC represents approximately 125 member clubs covering heritage collector and recreational vehicles spanning all years of production and including cars, motorcycles, commercial and military vehicles, motor caravans, traction engines, tractors and farm machinery. Our member clubs represent more than 78,000 individuals. Thank you for the opportunity to provide this submission.***

It is of serious concern to the membership of the FOMC that in the preparation of strategies to achieve the benefits of a low-emissions economy there appears to have been little direct consideration given to the potential impact on a large and valuable constituent of the existing economy. Almost exclusively dependent on fossil fuels, New Zealand's heritage transport fleet comprises a multi-billion dollar asset. From just an initial cursory survey the total value of the accumulated heritage collections of just the FOMC's membership can be conservatively estimated at somewhere in excess of \$5 Billion. And there are hundreds of other recreational motoring clubs not yet members of the FOMC as well as thousands of individual enthusiasts and collectors. Unlike our historic buildings, films, art, technology etc. New Zealand's priceless and largely irreplaceable transport heritage is being stored and preserved almost entirely by private owners at no cost to the State or impost on the community.

**If all those cherished vehicles effectively became obsolete, unusable and perhaps largely valueless as a result of the curtailment of our current access to fossil fuels the provisions that would be made to compensate the owners is not adequately addressed in the draft report.**

A comprehensive survey by the Federation of British Historic Vehicle Clubs, our sister organisation in the United Kingdom, found that the contribution heritage motoring makes to their economy exceeds \$10 Billion annually and had grown almost 28 per cent in the previous five years. It provides jobs for 35,000 people and generates more than NZ\$1 Billion in overseas revenue.

While precise data is not yet available here in New Zealand there is a wide range of currently successful firms which rely on the repairing or restoring of New Zealand's fleet of heritage vehicles to provide jobs for many thousands of highly skilled and valued workers. Beyond the bounds of the restoration industry there are also a vast number of other commercial operators such as magazine publishers, holiday resort owners and restaurateurs who depend on the steady flow of business from motoring enthusiasts to maintain their viability.

**How all those hundreds of firms and thousands of workers directly dependent on the heritage motoring industry will be compensated for the loss of their previously active role in the economy is also not addressed in the draft report.**

To achieve the objective of net zero carbon emissions by 2050 the commission is proposing to convert our vehicles to electricity and phase out fossil fuels. But research by the Swedish Environment Institute, and confirmed by similar studies in China, has shown just the manufacture of a Tesla battery produces more CO2 than driving an average New Zealand petrol-fuelled vehicle for nearly 100,000kms or approximately eight years. If lithium ion batteries continue to have a useful life of only two to three years, forcing many of our private vehicle owners to replace their Suzuki Swifts or Toyota Corollas with Nissan Leafs would effectively more than double the actual CO2 emissions generated by those vehicle users.

Interestingly the commission's report does confirm that the manufacture of lithium ion batteries can generate much higher CO2 emissions than building and using fossil-fuelled vehicles; but it contends that as all the batteries are made overseas there is no reason for New Zealand to be concerned as the CO2 emissions created to power our electric vehicles will just be added to the totals of other countries. As the whole world is being equally affected by the CO2 emissions surely that approach is both immoral and impractical.

**In some instances conversion to electric vehicles will have the effect of increasing CO2 emissions.**

At this point the obvious impracticalities of replacing the nearly four million internal combustion vehicles in the New Zealand fleet with electric-powered alternatives by 2050 would appear to be insurmountable. With less than 8000 electric vehicles on the road so far and new or used fossil-fuelled imports being introduced to our fleet at around 300,000 a year it would take a much greater economic upheaval than the commission apparently envisions to achieve anywhere near the net zero carbon target by 2050.

Enthusiast-owned collector vehicles of any age generally travel much lower annual mileages than the rest of the New Zealand vehicle fleet and make only minimal contributions to total CO2 emissions. The percentage of the New Zealand fleet aged between 30 and 40 years is less than 2%. With a few exceptions, only car buffs continue to drive and maintain vehicles more than 30 years old, and the distances travelled annually are generally small. A survey of our members showed 90 per cent drove their collector vehicles less than 3000kms per year. And a high proportion of the 30-40 years fleet are covered by classic vehicle insurance which restricts the owners to no more than 5000kms a year.

**As the total environmental impact of continuing to use our heritage vehicles would be so slight and the economic impact of some of the changes proposed in the draft report so limiting we submit that they should be exempted from any legislative and regulatory changes which could restrict their ongoing use on New Zealand roads.**

Thank you for considering our submission.

Kindest regards



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***Representing the responsible special interest and heritage motoring enthusiast***