



21 January 2025

NZ Automobile Association submission on:  
**EECA 2025-2026 Levy Consultation**



**SUBMISSION TO:** Energy Efficiency & Conservation Authority

**REGARDING:** EECA 2025-2026 Levy Consultation

**DATE:** 21 January 2025

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## Executive summary

The New Zealand Automobile Association (AA) welcomes the opportunity to provide comment on EECA's 2025-26 Levy Consultation.

The AA acknowledges that this round of consultation is seeking funds from three levies: Petroleum or Engine Fuel Monitoring Levy, the Electricity Industry Levy, and the Gas Safety, Monitoring and Energy Efficiency Levy. The AA's submission relates to the funding from the Petroleum or Engine Fuel Monitoring (PEFM) Levy only.

The AA is pleased that our previous Levy submissions calling for more funding for the installation of Electric Vehicle (EV) chargers have resulted in increased investment. The AA has always believed that a rollout of the EV charging network needs to be ahead of EV vehicle adoption to avoid talk of charging problems which becomes a disincentive to an EV purchase. We strongly support the funding of public EV chargers in remote areas or locations with seasonal population variances.

The AA notes that there have been recent changes to the Low Emissions Transport Fund (LETF), with its replacement encouraging greater private investment in EV charging infrastructure. We also note that a significant portion of the Demonstration and Diffusion programme is expected to support transport innovation that enables the transition away from fossil fuels, particularly in areas that are complex or hard to electrify (e.g. offroad and heavy transport).

We continue to support the Efficient and Renewable Transport Information Provision and the Vehicle Emissions and Energy Economy Labelling Programmes. Providing information and tools to the public allows our Members to make informed purchase decisions and there is a clear link between the PEFM and the programme deliverables.

However, the AA has not seen a clear business case to increase the PEFM levy from \$13.5m to the proposed \$14.62m, an increase of 8.3%. This increase is above the rate of inflation. As noted in the consultation paper, poor economic conditions impacted on the market's response to EECA transport programmes across the board last year. We see little evidence that these conditions will change in the 2025/26 levy period. We are also concerned about the tenuous link between the PEFM and the demonstration projects that were funded in the past and appear to be proposed for greater funding. This poor linkage risks contradicting the Government's levy principle that those who need or receive the benefit from activities should contribute to the cost of the activity.

## Comment

The AA is pleased that its advocacy to increase Government funding for public EV chargers has been heard and acted on. Research into the cost associated with delaying investment into this much needed infrastructure supported increased funding. We have previously supported the public EV charging component of the Low Emissions Transport Fund. We are pleased that a separate programme to provide funding support for the development of a network of EV charging outlets has been established and deployed.

The AA does not believe a priority for any PEFM levy funding is the purchase of electric vehicles, light or heavy as the technology is now well-proven. The AA sees little value in funding demonstration

electric vehicles anymore and by EECA's own statements these technologies are now widely adopted by the market. We do however see the benefit of continuing to support the provision of efficient and renewable transport information programme and the vehicle emission and energy economy labelling programme. We note however that while around 40% of the PEFM levy comes from petrol users and the balance from diesel users, the above two transport information programmes only account for 18.4% of the PEFM levy funds sought in the most recent funding round.

The AA does not support the use of the PEFM levy for non-transport related investments such as anaerobic wastewater biogas digestion systems and battery electric aerial spraying drones. The AA contends that this is not in the spirit of statements made previously by EECA, that Government levying principles state that those who generate the need for or potentially benefit from activities should be contributing towards the costs of the activity. In the PEFM levy context, the beneficiaries' should ideally be users of non-renewable energy where the greatest efficiency gains can be made.

Noting the imbalance, in recent times, of benefits accrued to those who contribute to the fund, we cannot support the proposed 8.3% increase in the PEFM levy. Further, the AA notes statements from EECA that it underspent funding last year due to economic conditions. The AA believes these economic conditions may not improve to a level where additional levy funding is required in this levy round.

## **About the New Zealand Automobile Association**

The NZAA is an incorporated society with over 1.8 million Members, representing a large proportion of New Zealand's road users. The AA was founded in 1903 as an automobile users' advocacy group, but today our work reflects the wide range of interests of our large membership, many of whom are cyclists and public transport users as well as private motorists.

Across New Zealand, the motoring public regularly come into contact with the AA through our breakdown officers, 36 AA Centres and other AA businesses. Meanwhile, 18 volunteer AA District Councils around New Zealand meet each month to discuss local transport issues. Based in Wellington and Auckland, our professional policy and research team regularly survey our Members on transport issues, and Members frequently contact us unsolicited to share their views. Via the AA Research Foundation, we commission original research into current issues in transport and mobility. Collectively, these networks, combined with our professional resource, help to guide our advocacy work and enable the NZAA to develop a comprehensive view on mobility issues.

Motorists pay over \$5 billion in taxes each year through fuel excise, road user charges, registration fees, ACC levies, and GST. This money is reinvested by the Government in our transport system, funding road building and maintenance, public transport services, road safety work including advertising, and Police enforcement activity. On behalf of AA Members, we advocate for sound and transparent use of this money in ways that improve transport networks, enhance safety and keep costs fair and reasonable.

Our advocacy takes the form of meetings with local and central government politicians and officials, publication of research and policy papers, contributing to media on topical issues, and submissions to select committees and local government hearings.

**Total Membership**

**2.1+ million New Zealanders belong to the AA**

Over 1.1 million are Personal Members

Over 1 million are Business Vehicle Memberships

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**% of licenced drivers**

At least 29% of licensed drivers are Personal AA Members  
(based on Class 1 licences for cars and light vehicles)

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**Gender split**

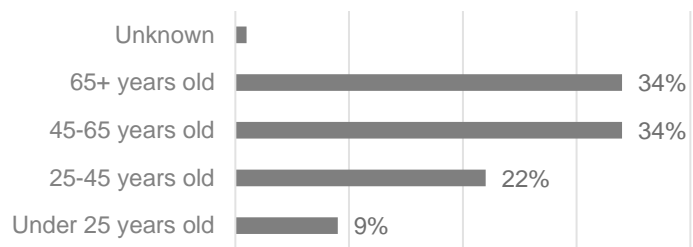
54% Female

46% Male

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**Age range & Membership retention**

**Age of AA Members**



53% of AA Members have been with us for over 10 years.

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