

# Synthetic Greenhouse Gas (SGG) levy on motor vehicles

## QUESTIONS AND ANSWERS

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### 1. WHAT ARE SYNTHETIC GREENHOUSE GASES?

Synthetic greenhouse gases are refrigerants used in air-conditioning systems of motor vehicles.

### 2. ARE THESE GASES HARMFUL?

Yes. These gases have very high global warming potential and impact on climate change.

### 3. WHAT IS NEW ZEALAND DOING TO REDUCE THE EMISSION OF SYNTHETIC GREENHOUSE GASES FROM VEHICLES?

The New Zealand Government has decided to collect a Synthetic Greenhouse Gas (SGG) levy when a motor vehicle is registered in New Zealand for the first time.

By placing an added cost on these gases, the government aims to encourage industry to use alternative low global-warming refrigerants, which don't impact on climate change.

### 4. WHICH GASES ARE SYNTHETIC GREENHOUSE GASES?

The synthetic greenhouse gases covered by the levy are:

- hydrofluorocarbons (HFCs)
- perfluorocarbons (PFCs)
- sulphur hexafluoride (SF<sub>6</sub>)

They are imported and exported in bulk and also contained in goods. They have specialist uses in:

- air conditioning and refrigeration systems
- aerosols
- electricity transmission.

### 5. WHO WILL COLLECT THE SGG LEVY?

The SGG levy in a vehicle's air conditioning unit will be collected by the NZ Transport Agency. The levy for other synthetic greenhouse gases will be collected by Customs NZ during the import of goods.

### 6. HOW WILL THE SGG LEVY BE CHARGED?

The new process requires additional vehicle information to be captured and recorded in the NZ Transport Agency's LANDATA system during entry certification. The additional data will be whether a vehicle has an air-conditioning unit and if so, what refrigerant the unit is gassed with.

LANDATA will use this information to automatically charge the levy with the registration fee when the vehicle is registered. This is similar to how an ACC levy is collected with a motor vehicle licence.

## **7. WHEN WILL COLLECTION OF THE LEVY START?**

The collection and recording of the additional information will be carried out from 1 July 2013.

The levy will be collected from 1 July 2013 for vehicles that are registered on or after that date.

The Government has granted an exemption for vehicles that have been entry certified before 1 July 2013 but registered afterwards. This is because during the initial months of the SGG levy, some vehicles will have already entered the fleet, but no information regarding the air-conditioning unit will be available.

## **8. WILL THE LEVY CHANGE OVER TIME?**

The levy is planned to be reviewed and updated annually, as carbon prices change.

The first review is expected to take place late 2013, with updates being effective from 1 January 2014.

## **9. WHERE CAN I FIND OUT MORE?**

Further information can be found on the [Ministry for the Environment website](#) and by viewing the [Ministry for the Environment questions and answers](#).

For questions relating to the levy charge, processes behind the charge and collection of information, call the NZTA contact centre on 0800 108 809.