

**Ashurst**

**Potential actions to support  
e-mobility in Vanuatu**

Presented by Ashurst Australia

For presentation only, preliminary findings subject to change



# Agenda

1 Purpose

---

2 Background

---

3 Legal framework

---

4 Traffic legislation

---

5 Roads legislation

---

6 Customs Duty legislation

---

7 Energy legislation

---

8 Other potential actions

---

## Ashurst team



**Dale Gill**

Partner

Projects & Energy Transition



**Nicole Dicker**

Counsel

Pro Bono (Asia Pacific)



**Thomas Blokland**

Lawyer

Projects & Energy Transition

# Purpose

## Potential actions to support e-mobility in Vanuatu

|   |   |
|---|---|
| ✓ | <b>Existing laws and policies</b><br>Analysis of certain existing laws and policies relevant to EVs and charging infrastructure   |
| ✓ | <b>Potential actions to support e-mobility</b><br>Potential actions identified, including through reference to other markets to inform EV policy development in Vanuatu |
| ✗ | <b>Fuel taxes and revenue issues</b>  |
| ✗ | <b>Road use taxes</b>   |
| ✗ | <b>Public transport &amp; municipal fleets</b>  |
| ✗ | <b>Requirements for new buildings</b>   |
| ✗ | <b>Sustainable e-mobility</b>   |
| ✗ | <b>Bilateral and multilateral support</b>   |
| ✗ | <b>Waste management</b>   |

# Background

## Potential actions to support e-mobility in Vanuatu

### Adoption of Electric Vehicles

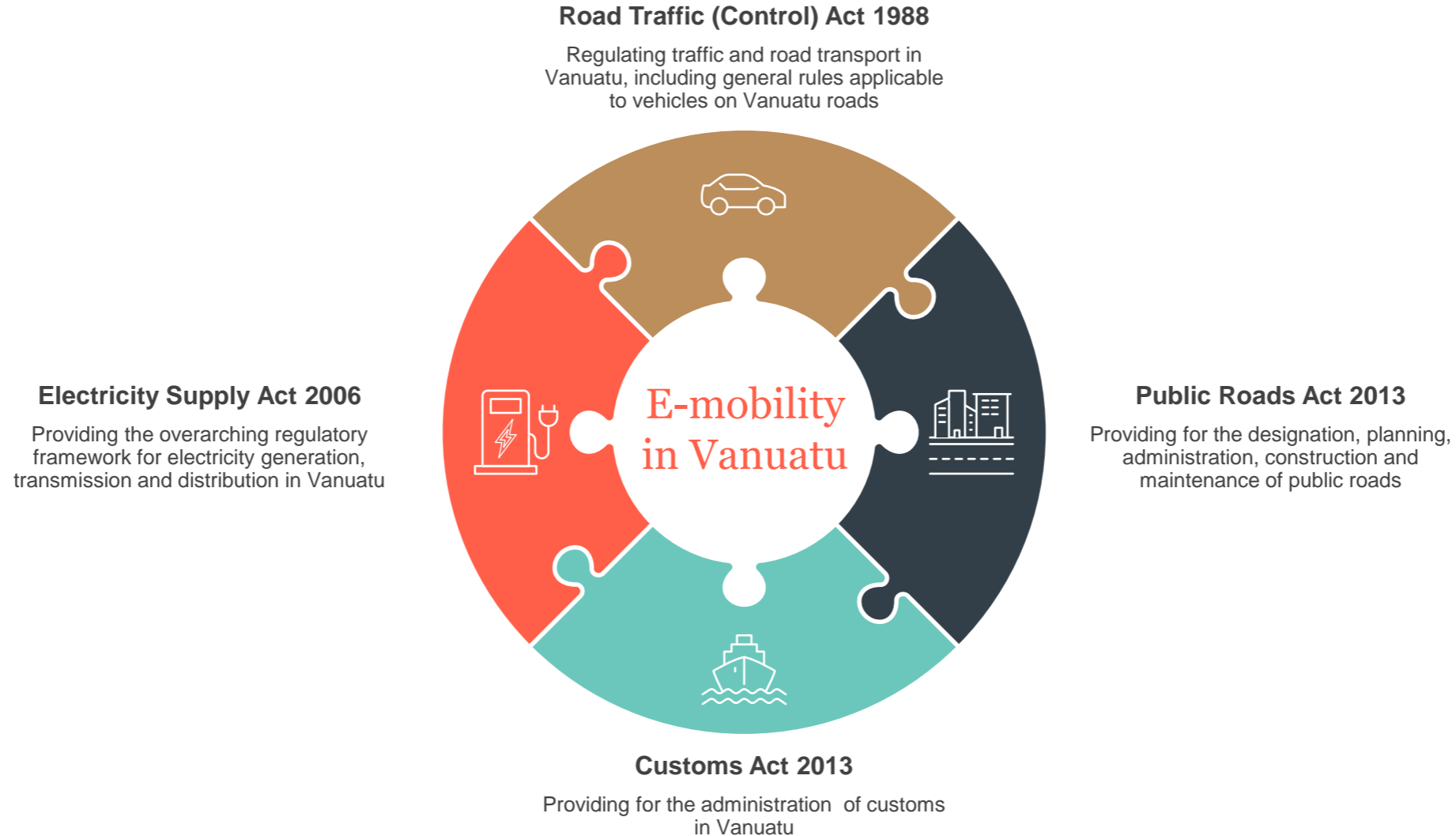
- Vanuatu's Contribution Plan sets out a target for:
  - 10% of public buses and government fleet to be electric
  - 1,000 two- and three- wheel electric vehicles
- Benefits of adoption:
  - Reduction of reliance on diesel-operated vehicles and resulting CO2 emissions
  - Improve resilience to fuel supply issues and management of foreign exchange reserves
- Challenges to adoption:
  - Higher tax on electricity than liquid fuel
  - Majority diesel electricity generation

### Electricity sector

- Majority diesel generation
- Minority renewable generation, including hydro, biofuels, solar and wind
- Significant increases in energy demands
- High energy costs, exposed to fuel price fluctuations and exchange rate risks

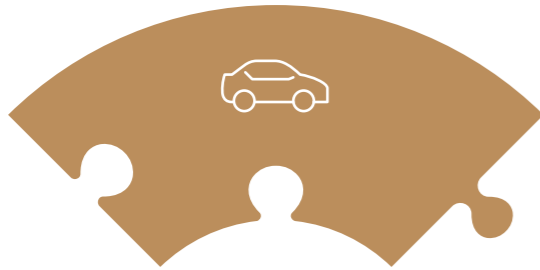
# Existing regulatory framework

## Potential actions to support e-mobility in Vanuatu



# Traffic legislation

## Potential actions to support e-mobility in Vanuatu



Road Traffic  
(Control) Act  
1988

### Review

This Act regulates traffic and road transport in Vanuatu, including the general rules that apply to vehicles on Vanuatu roads, registration and licensing of motor vehicles and the administration of traffic matters.

EVs appear to fall within the existing definition of “motor vehicle” which specifically includes vehicles driven by electrical power.

However, the annual motor vehicle tax under the Traffic Act is calculated based on the engine capacity of the vehicle in cubic centimetres or c.c. – this means there is no mechanism to impose the annual motor vehicle tax on an EV.

### Potential action

Amendment to include a mechanism to tax EVs, such as measuring engine capacity using kilowatts for electric motor power or kilowatt hours for battery capacity.

# Roads legislation

## Potential actions to support e-mobility in Vanuatu

### Public Roads Act 2013



### Review

This Act regulates the designation, planning, administration, construction and maintenance of public roads. It also provides a legislative basis for strategic planning and making policies for the public road network.

The Director General of the Ministry of Infrastructure and Public Utilities conducts planning in consultation with the Road Administrator, who have the power to design, construct, modify and maintain public roads, as well as exercise other functions conferred upon them.

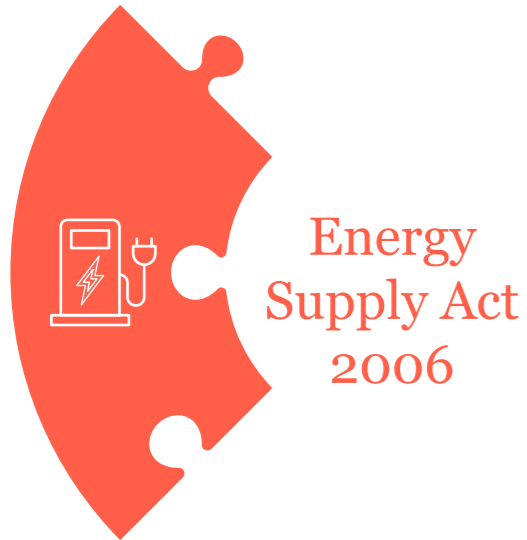
The term 'road' extends to infrastructure such as car parks, culverts, drainage structures and traffic control devices, but does not specifically capture EV charging infrastructure.

### Potential actions

Amending the Act to include EV charging infrastructure in the scope of the term 'road', or seek that the Director General includes the development of EV charging infrastructure in their road strategy.

# Energy legislation

## Potential actions to support e-mobility in Vanuatu



### Review

This Act provides the overarching regulatory framework for Vanuatu's electricity generation, transmission and distribution.

Its current formulation is well prepared for the introduction of EVs, including behind-the-meter solar charging.

However, for EVs which are capable of directing power back into the grid, the owner would be required to be licensed as an independent power producer.

### Potential actions

Consider introducing an exemption or licensing category for the supply of electricity from EVs to the concessionaires.



# Customs Duty legislation (amended following presentation)

## Potential actions to support e-mobility in Vanuatu

### Review

The Director of Customs is responsible for administration of customs under this Act.

The Harmonized Coding System HS2022 sets out specific custom tariffs for imported motor vehicles in Vanuatu. Tariff items 8703.70.00 and 8703.80.00 free hybrid electric and ICE vehicles and EVs respectively from import duties.

### Potential actions

No further actions identified.

Customs  
Act 2013



# Other potential actions

## Potential actions to support e-mobility in Vanuatu



### **Capital subsidies**

Examples include providing capital assistance to reduce upfront costs to residents and businesses for the purchase of EVs and EV charging infrastructure.



### **Financial Support Schemes**

Examples include assisting with financing of EVs and EV charging infrastructure by residents and businesses to reduce ongoing costs.



### **Soft incentives**

Examples include waiving vehicle registration and parking fees to encourage the adoption of EVs in Vanuatu.

These materials are for presentation purposes only and do not constitute legal advice (and should not be relied upon) as we are not qualified to advise on the policies and laws of Vanuatu. This report should be read in conjunction with your own legal advice and investigations and any other consultants' reports prepared in relation to the Purpose.