

BRIEFING

24 June 2021

OC210459; T2021/1526

Hon Grant Robertson
Minister of Finance

Action required by:
Tuesday, 29 June 2021

Hon Michael Wood
Minister of Transport

FUNDING APPROVALS FOR THE CLEAN CAR DISCOUNT

Purpose

This report seeks your agreement to enter into a Funding Deed on behalf of the Crown with Waka Kotahi NZ Transport Agency to administer the Clean Car Discount scheme (including a float, implementation and operation costs).

Key points

- On 19 April 2021 and 31 May 2021 Cabinet agreed to proceed with the Clean Car Discount scheme (the Discount scheme), a fiscally-neutral 'feebate' to provide for consumers to receive a discount on the first New Zealand registration of zero- and low-emission vehicles from 1 July 2021 or to pay a charge on the first New Zealand registration of high-emission vehicles from early 2022 [CAB-21-MIN-128.01; CAB-21-MIN-0186 refer].
- Through Budget 2021, \$301.8 million was provided through a tagged capital contingency for Waka Kotahi NZ Transport Agency (Waka Kotahi) to administer the Discount scheme (including a float, implementation and operation costs) and authorised you (the Minister of Finance and the Minister of Transport, together, Joint Ministers), to draw down the tagged capital contingency.
- Although the Discount scheme was intended to be funded through a Crown loan, officials consider an operating grant to be more appropriate to achieve the policy objectives of the Discount scheme, as liability for the scheme is intended to sit with the Crown and there is considerable uncertainty around timing and the ability of Waka Kotahi to repay any loan on commercial terms. The level of charges of the Discount scheme are intended to be set such that the operating grant will be recouped in full over the lifetime of the scheme (i.e., the Discount scheme is still intended to be fiscally-neutral to the Crown).
- This report therefore seeks your agreement to enter into a Funding Deed with Waka Kotahi, on behalf of the Crown, to provide grant funding for Waka Kotahi's

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administration of the Discount scheme (including a float, implementation and operation costs). Agreement is also sought to the necessary financial recommendations to give effect to the proposed approach.

- Amendments to section 9 of the Land Transport Management Act 2003, through the Land Transport (Clean Vehicles) Amendment Bill, will provide for the ongoing funding of the Clean Car Discount scheme (based on revenue from charges on high emission vehicles), and will ensure grant funding may be recouped in full over the lifetime of the Discount scheme.
- Talking points are provided to support the Minister of Transport taking an oral item to Cabinet on Monday 28 June 2021, to update your colleagues on the proposed approach and ensure the drawdown conditions of the tagged contingency are satisfied.

Recommendations

We recommend you:

- 1 **note** that, on 19 April and 31 May 2021, Cabinet agreed to proceed with the Clean Car Discount scheme [CAB-21-MIN-128.01; CAB-21-MIN-0186 refer]
- 2 **note** that a \$301.8 million tagged capital contingency was established through Budget 2021 to provide funding for the Clean Car Discount scheme to Waka Kotahi NZ Transport Agency (Waka Kotahi) to implement the system and to manage cash flow timing differences between the issues of rebates and the collection of fees [CAB-21-MIN-0116.30 refers]
- 3 **note** that, although the Clean Car Discount scheme was intended to be funded through a Crown loan, officials consider an operating grant to be more appropriate to achieve the objectives at recommendation 2 above, as liability for the scheme is intended to sit with the Crown and there is considerable uncertainty around timing and the ability of Waka Kotahi to repay any loan on commercial terms
- 4 **note** that the level of charges of the Clean Car Discount scheme are intended to be set such that the operating grant will be recouped in full over the lifetime of the scheme and that charges and rebate levels will be regularly reviewed by the Ministry of Transport in consultation with Waka Kotahi and the Treasury
- 5 **agree** to enter into a Funding Deed with Waka Kotahi, on behalf of the Crown, to provide grant funding for Waka Kotahi's administration of the Clean Car Discount Scheme (including a float, implementation and operation costs)

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

- 6 **agree** to take an oral item to Cabinet on Monday 28 June to provide an update on the change in approach at recommendation 5 above

Minister of Transport
Agree / Disagree

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- 7 **sign and send** the attached Funding Deed to the Chair of Waka Kotahi NZ Transport Agency to give effect to recommendation 5 above

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

- 8 **agree** to delegate to the Secretary for Transport and the Secretary to the Treasury, respectively, the authority of the Minister of Transport and the Minister of Finance to receive, review and approve Funding Requests and agree on an amount of administrative costs, in accordance with the Funding Deed

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

- 9 **note** that the Minister of Transport has provided a direction to Waka Kotahi to administer the Clean Car Discount scheme under sections 112 and 114 of the Crown Entities Act 2004
- 10 **note** that the Funding Deed will be revised later this year to include clauses on the revenue from charges and on repayments of surplus balance from Waka Kotahi to the Crown, once these mechanisms have been agreed and legislation passed

Financial implications

- 11 **note** that, on 12 April 2021, Cabinet [CAB-21-MIN-0116.30 refers]:

- **agreed** to provide funding for the Clean Car Discount to Waka Kotahi to implement the system and to manage cash flow timing differences between the issues of rebates and the collection of fees
- **agreed** to establish a tagged capital contingency of up to the amounts as follows in Vote Transport to provide for the Clean Car Discount:

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & outyears
Clean Car Discount – Capital Contingency	-	301.800	-	-	-

- **authorised** the Minister of Transport and the Minister of Finance jointly to draw down the tagged capital contingency funding above (establishing any new appropriations as necessary), subject to Cabinet agreement to core design parameters for the Clean Car Discount

- 12 **note** that the tagged contingency in recommendation 11 above was charged against the multi-year capital allowance through Budget 2021
- 13 **note** that, if you agree to recommendation 5 above, this will result in an operating expense to the Crown

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14 **agree** to swap \$301.800 million of capital funding established by Cabinet [CAB-21-MIN-0116.30 refers] to operating funding to give effect to recommendation 5 above

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

15 **note** that, if you agree to recommendation 14 above, the capital to operating swap does not impact net core Crown debt but there will be corresponding impacts on the operating balance

16 **agree** to establish the following new multi-year appropriation, to run from 1 July 2021 to 30 June 2026:

Vote	Appropriation Minister	Title	Type	Scope
Transport	Minister of Transport	Clean Car Discount – Administration	Non-Departmental Other Expenses	This appropriation is limited to rebates under the Clean Car Discount scheme and the expenses of implementing and administering that scheme.

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

17 **approve** the following changes to appropriations to give effect to the decisions in recommendation 5 and 14 above, with a corresponding impact on the operating balance:

	\$m – increase/(decrease)		
	2020/21	2021/22 to 2025/26	2026/27 & outyears
Vote Transport Minister of Transport Non-Departmental Other Expenses: Clean Car Discount - Administration	-	301.800	-

IN CONFIDENCE

18 **note** that the indicative spending profile for the new multi-year appropriation described in recommendation 16 above, and therefore the corresponding impact on the operating balance, is as follows:

	\$m – increase/(decrease)						
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears
Vote Transport							
Minister of Transport							
Non-Departmental Other Expenses:							
Clean Car Discount - Administration	-	90.000	112.800	63.800	25.200	10.000	

19 **agree** to the following condition of use on the new appropriation at recommendation 16 above:

Appropriation	Condition on use
Clean Car Discount – Administration	The funding from this appropriation is to be provided to Waka Kotahi on the following basis: \$40 million in advance at any time and the remainder to be reimbursed in arrears.

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

20 **agree** that the proposed changes to appropriation for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

21 **agree** that that the expenses incurred under recommendation 18 above be charged against the funding established from the proposal in recommendation 14 above

Minister of Finance
Agree / Disagree

Minister of Transport
Agree / Disagree

22 **note** that any surplus balance of the Clean Car Discount scheme to be repaid to the Crown by Waka Kotahi would have a corresponding impact on net debt

Personal Information



Ewan Delany
Manager, Environment, Emissions and
Adaptation, Ministry of Transport

24 / 06 / 2021



Hon Grant Robertson
Minister of Finance

..... / /

Personal Information



David Taylor
Manager, National Infrastructure Unit,
Treasury

24 / 06 / 2021

Hon Michael Wood
Minister of Transport

27.6.21.

Minister's office to complete:

- Approved
- Declined
- Seen by Minister
- Not seen by Minister
- Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Ewan Delany, Manager, Environment, Emissions and Adaptation, Ministry of Transport		✓
Jemima de Lacey, Senior Adviser, Environment, Emissions and Adaptation, Ministry of Transport		
David Taylor, Manager, National Infrastructure Unit, Treasury		
Lauren Holloway, Analyst, National Infrastructure Unit, Treasury		✓

Personal contact details

FUNDING APPROVALS FOR THE CLEAN CAR DISCOUNT

Background

- 1 On 19 April 2021 Cabinet agreed to proceed with the Clean Car Discount scheme (the Discount scheme), a fiscally-neutral 'feebate' to provide for consumers to receive a discount on the first New Zealand registration of zero- and low-emission vehicles from 1 July 2021, or to pay a charge on the first New Zealand registration of high-emission vehicles from early 2022 [CAB-21-MIN-128.01 refers]. The Discount scheme will be administered by Waka Kotahi NZ Transport Agency (Waka Kotahi).
- 2 Through Budget 2021, \$301.8 million was provided through a tagged capital contingency for Waka Kotahi to administer the Discount scheme (including a float, implementation and operation costs) and authorised you (the Minister of Finance and the Minister of Transport, together, Joint Ministers), to draw down the tagged capital contingency subject to [CAB-21-MIN-0116.30 refers]:
 - 2.1 Cabinet agreement to core design parameters for the Clean Car Discount;
 - 2.2 agreement by the Minister of Finance to, on behalf of the Crown, make a loan under section 65L of the Public Finance Act 1989; and
 - 2.3 approvals from the Ministers of Finance and Transport, pursuant to section 160(1) and 162 of the Crown Entities Act 2004.
- 3 On 31 May 2021 Cabinet agreed to final proposals on outstanding policy decisions for the Discount scheme, including initial rebate and charge levels [CAB-21-MIN-0186 refers]. The Discount scheme was then publicly announced on 13 June 2021.

Officials now recommend funding be provided to Waka Kotahi for the Discount scheme through a grant, managed through a funding deed, rather than a Crown loan

- 4 The Discount scheme is intended to be fiscally neutral to the Crown such that, over the lifetime of the scheme, revenue from charges will meet costs of rebates, and administration (including a float, implementation and operation costs). The funding provided through Budget 2021 therefore serves two key purposes:
 - 4.1 Bridging the initial cash flow deficit due to the rebate aspect commencing ahead of the charge aspect.
 - 4.2 Manage cash flow timing differences on a monthly basis, unless otherwise required.
- 5 The April Cabinet and Budget 2021 decisions noted that funding would be provided to Waka Kotahi for these purposes through a Crown loan [CAB-21-MIN-0116.30; CAB-21-MIN-128.01 refers]. This was proposed on the basis that the Crown should not incur costs associated with implementing the scheme.
- 6 However, officials from the Ministry of Transport (the Ministry), Treasury and Waka Kotahi now recommend that funding instead be provided through a grant, managed

IN CONFIDENCE

through a Funding Deed between Waka Kotahi and the Crown (the Funding Deed is attached at Annex One).

- 7 The rationale for this, and key terms and conditions of the Funding Deed is discussed below.

Why the Funding Deed is being proposed as opposed to a loan

- 8 Although debt financing can be an appropriate mechanism to advance funding to Crown agencies on a time-limited basis to bridge a gap between expenditure and revenue, officials consider the provision of grant funding through the Funding Deed to be best for the Discount scheme for the following reasons:
- 8.1 Should the Discount scheme not be fiscally-neutral, there would be limited recourse for the Crown to recoup any sums loaned to Waka Kotahi without tapping into general land transport revenue through the National Land Transport Fund, which would not align with the policy intent of the scheme. Therefore, risk and liability should not sit with Waka Kotahi.
- 8.2 There remains considerable uncertainty about the effect the Discount scheme will have on the vehicle market and, therefore, the cash flow profile and when any loan could be repaid by Waka Kotahi. This would have made it difficult for the Waka Kotahi Board to approve signing up for any loan, as there was no guarantee of being able to repay it. It is possible the Board would have considered that Waka Kotahi entering into such a loan was not in the best interests of the entity.
- 8.3 The uncertainty around the Discount scheme extends to achieving agreement on the key terms and conditions of any loan such as the drawdown and repayment profiles; the maturity date; and the pricing.
- 8.4 The two contracting parties to any Crown loan for the Discount scheme (the Minister of Finance and Waka Kotahi) do not have decision making rights on the charge and rebate levels, decisions which determine the fiscal neutrality of the scheme and the repayability of any loan. In particular, Waka Kotahi's role in the Discount scheme is administrative in nature in that it will be responsible for paying rebates and receiving charges.
- 8.5 A Crown loan administered by the Treasury requires significant administrative oversight and monitoring. The Funding Deed has been drafted to provide a more straightforward approach to providing funds to Waka Kotahi from the Crown, with Waka Kotahi utilising an existing framework for making Funding Requests (discussed further below).
- 9 Officials consider that a more appropriate way to fund the Discount scheme, recognising what is being asked of Waka Kotahi by the Crown, would be through a grant intended to fund the administration of the scheme (including, the float, rebates, implementation and operation) until such point that revenue received from charges enable the scheme to be self-sustaining.
- 10 The revenue from charges received through the Discount scheme is intended to, over its lifetime, fully cover the costs associated with administration of the scheme (including, the float, rebates, implementation and operation costs). This means that

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the level of charges will be set such that all grant funding provided from the Crown to Waka Kotahi will be recouped.

- 11 This proposal therefore meets the objectives outlined in paragraph 4 above without the same uncertainties and challenges associated with any Crown loan as set out at paragraph 8 above. Officials therefore consider that a grant is a more appropriate way to fund the Discount scheme as it provides flexibility to adapt to the policy uptake and sets out sufficient parameters for Waka Kotahi to operate within and manage risk.

The attached Funding Deed sets out the terms on which grant funding will be provided to Waka Kotahi

- 12 The Funding Deed (attached at Annex One) details how the grant funding will be provided to Waka Kotahi, and for what purposes.
- 13 The key terms of the Funding Deed are as follows:
- 13.1 Waka Kotahi will administer the Discount scheme in accordance with the Funding Deed, any related direction from the Minister of Transport (including the direction given on 20 June 2021, attached at Annex Two), and any related legislation (clause 3.1).
 - 13.2 The Crown will provide up to \$301.800 million of grant funding to Waka Kotahi over the lifetime of the Discount to administer the scheme (clauses 3.2 and 4.1).
 - 13.3 The Funding Deed states that the Crown will provide an initial payment of \$40.000 million on 1 July 2021 (clause 4.3(a)). This amount will serve as a float and enable Waka Kotahi to begin administration of the scheme.
 - 13.4 Waka Kotahi can request further grant funding from the Crown through a Funding Request (clauses 4.3 to 4.5). A Funding Request can be made every 10 business days, if required, to ensure there are sufficient funds available to administer the Discount scheme. The information to be provided with a Funding Request will include costs incurred by Waka Kotahi to determine the amount of funding requested as well as forecast expenditure.
- 14 The Deed states that Waka Kotahi is not entitled to retain any balance of the scheme for its own account (clause 2.1(e)). Clauses regarding obligations on Waka Kotahi in relation to charges and repayments of any surplus balance to the Crown will be worked through and the funding deed will be amended agreed once the legislation has passed.
- 14.1 Waka Kotahi will provide Quarterly Reports to the Ministry and the Treasury on the opening balance of the specific reserve used to manage Discount scheme cash flows; float level, grant funding received, rebates paid, and charges received by Waka Kotahi; and the forecast position of the Fund over the next quarter (clause 9.1).
- 15 Officials consider that the Funding Deed achieves the objectives of the Discount scheme as set out in paragraph 4 above.

IN CONFIDENCE

This briefing seeks your agreement to enter into the attached Funding Deed, on behalf of the Crown

- 16 Should you agree, we recommend that you sign and send the attached Funding Deed to the Chair of Waka Kotahi Board. Waka Kotahi will operate and administer the Discount from 1 July 2021.
- 17 We also recommend that you delegate authority to the Secretary for Transport and the Secretary to the Treasury, respectively, to review and agree to Funding Requests in accordance with the Funding Deed. A delegation instrument is attached at Annex Three.

Officials are drafting provisions within Section 9 of the Land Transport Management Act 2003 (LTMA) to direct the revenue of the Clean Car Discount Scheme

- 18 As previously advised, new legislation is required to fully implement the Clean Car Discount scheme. Amendments to the LTMA will provide for the funding mechanism required to support the Discount scheme, and new regulations will be introduced to impose charges on the first New Zealand registration of high emission light vehicles. The attached Funding Deed therefore goes hand in hand with proposed amendments to section 9 of the LTMA, which will be included in the Land Transport (Clean Vehicles) Amendment Bill, expected to be introduced in August 2021.
- 19 Proposed amendments to section 9 of the LTMA will treat the revenue from charges received under the Discount scheme as land transport revenue and direct it through to Waka Kotahi. Unlike the current treatment of funding for search and rescue activities under section 9(1) of the LTMA, there will not be a requirement for Joint Ministers to approve the amount.
- 20 This approach will ensure expenditure for the purposes of implementing and administering the Discount scheme is limited to the amount received from charges on high emission vehicles, as per the Funding Deed. The inflows and outflows against this funding mechanism will be tracked and administered by Waka Kotahi and monitoring and assurance carried out by the Ministry.
- 21 Officials also intend to create a Permanent Legislative Authority within the new section 9 provision so that there is no need for an annual appropriation to incur expenses or capital expenditure for the purposes of the Discount scheme.

Risks and mitigations

- 22 Modelling by the Ministry demonstrates that the Discount scheme is likely to be fiscally neutral over its lifetime at the agreed levels of rebates and charges.
- 23 Regular review of the levels of rebates and charges by the Ministry, in consultation with the Treasury and Waka Kotahi, will also be important to ensure the scheme is self-sustaining over its lifetime. Review of the charges and rebates under the Discount scheme must happen at least every 24 months and will require Cabinet agreement.

Policy intent is that discounts cease temporarily

- 24 However, if demand is too high and the scheme does not become self-sustaining before the \$301.8 million envelope is drawn down in full, further Crown funding would be needed to continue the scheme.
- 25 If the scheme is not fiscally neutral over its lifetime, some of the grant may not be repaid. This risk holds regardless of the funding mechanism (i.e., loan or grant).

We recommend the Minister of Transport take an oral item to Cabinet on Monday 28 June 2021

- 26 We recommend the Minister of Transport take an oral item to Cabinet on Monday 28 June 2021 to update your colleagues on the proposed approach and ensure the drawdown conditions of the tagged contingency are satisfied.
- 27 Talking points for this are provided at Annex Four.

The Minister of Transport has issued a direction to Waka Kotahi under sections 112 and 115 of the Crown Entities Act 2004 to administer the Discount scheme

- 28 Section 112 of the Crown Entities Act 2004 (the Act) enables the responsible Minister to direct the entity to perform an additional function that is so added and that is consistent with the entity's objectives.
- 29 As noted above, the Minister of Transport, as the Minister responsible for Waka Kotahi, provided a direction under the Act to Waka Kotahi on 20 June 2021 to administer the Discount scheme as one of Waka Kotahi's functions under section 95 of the LTMA.
- 30 The direction has been published in the Gazette and presented to the House of Representatives, as per section 115 of the Act. This is attached at Annex Two.
- 31 Going forward, the Discount scheme will need to be included in the Letter of Expectations from the Minister of Transport to Waka Kotahi, as well as Waka Kotahi's Statement of Intent and Statement of Performance Expectations.

Financial implications of the proposed approach

- 32 Funding for the Clean Car Discount scheme through Budget 2021 was originally provided through a tagged capital contingency and therefore charged against the multi-year capital allowance [CAB-21-MIN-0116.30 refers]. However, as noted above, officials consider an operating grant to be more appropriate.
- 33 This report therefore seeks your agreement to a capital to operating swap, with a corresponding impact on the operating balance, as the funding is intended to offset the deficit between the rebates and the charges incurred by Waka Kotahi. There is no further impact on allowances.
- 34 This report also includes financial recommendations to establish a new multi-year appropriation to administer the funding to Waka Kotahi and to draw down the tagged contingency established through Budget 2021.

IN CONFIDENCE

- 35 Waka Kotahi will be recognising the underlying revenue and expenses associated with administering the Discount scheme.
- 36 As noted above, the Funding Deed confirms that payments to Waka Kotahi will be managed through Funding Requests. We expect these to be front-loaded due to the rebates aspect of the Discount scheme commencing ahead of the charges aspect.
- 37 The Funding Deed also sets out the mechanism for Waka Kotahi to return any surplus balance to the Crown through each Quarterly Report and when the scheme is terminated (refer clause 8). These are expected from years 4 or 5 of the scheme and will be recognised as a cash return to core Crown and managed through a capital withdrawal to the Crown from Waka Kotahi. There are no appropriation impacts associated with this transaction but it will improve net core Crown debt.

Next steps

- 38 Should Ministers agree to sign the Funding Deed, the Chief Executive Officer of Waka Kotahi will countersign and provide a copy to Treasury and Transport officials by 30 June 2021 to signal acceptance of the Funding Deed in accordance with its terms and conditions.
- 39 Following this, the Ministry will provide Waka Kotahi with an initial float of \$40 million on 1 July 2021 per clause 4.3 of the Funding Deed. This funding will enable Waka Kotahi to initiate the Discount scheme.
- 40 The Scheme is on track to begin offering rebates on 1 July 2021. Charges are expected to be imposed from early 2022, once legislation has been passed.
- 41 The Land Transport (Clean Vehicles) Amendment Bill is expected to be introduced to the House of Representatives in August 2021, and passed by the end of the year. The Bill will provide for the amendments to section 9 of the LTMA, being the funding mechanism required to support the Discount scheme, and will empower regulations to impose charges on the first New Zealand registration of high emission light vehicles.

ANNEX ONE: FUNDING DEED

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT

Clean Car Discount Scheme – Funding Deed

Waka Kotahi New Zealand Transport Agency
(*Waka Kotahi*)

Her Majesty the Queen in right of
New Zealand acting by and through the
Minister of Finance and the Minister of
Transport (*Crown*)

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT



CONTENTS

1	DEFINITIONS AND CONSTRUCTION	3
2	PURPOSE OF THIS DEED AND ITS TERM	6
3	ADMINISTRATION OF THE CCD SCHEME	6
4	FUNDING OF THE CCD SCHEME	7
5	PAYMENTS OF GRANT FUNDING	8
6	REBATES	8
7	CCD CHARGES	8
8	PAYMENT TO THE CROWN	8
9	UNDERTAKINGS	9
10	REPRESENTATIONS AND WARRANTIES	10
11	GOODS AND SERVICES TAX	10
12	MISCELLANEOUS	10

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT



CLEAN CAR DISCOUNT SCHEME – FUNDING DEED

Date:

PARTIES

Waka Kotahi New Zealand Transport Agency (*Waka Kotahi*)

Her Majesty the Queen in right of New Zealand acting by and through the Minister of Transport and the Minister of Finance (*Crown*)

BACKGROUND

- A The Government of New Zealand has decided to introduce the CCD Scheme and wishes Waka Kotahi to administer the CCD Scheme.
- B The Crown will provide Grant Funding to Waka Kotahi to enable Waka Kotahi to administer the CCD Scheme.
- C Pursuant to sections 112 and 115 of the Crown Entities Act 2004 the Minister of Transport has directed Waka Kotahi to administer the CCD Scheme as a function of Waka Kotahi under section 95 of the Land Transport Management Act 2003.
- D This Deed sets out the terms on which the Crown will provide Grant Funding to Waka Kotahi for the purposes of Waka Kotahi administering the CCD Scheme.

BY THIS DEED the parties agree as follows:

1 DEFINITIONS AND CONSTRUCTION

1.1 Defined terms

In this deed, unless the context requires otherwise:

Business Day means a day (other than a Saturday, Sunday or public holiday) on which registered banks are open for general banking business in Wellington;

CCD Charge means any charge imposed at the time of first New Zealand Registration of a high-emission light vehicle in New Zealand, as provided for or set out in any CCD Legislation;

CCD Direction means:

- (a) the Direction dated 20 June 2021 in relation to the administration of the CCD Scheme as varied or replaced by any subsequent Direction; and
- (b) any other Direction in relation to the administration of the CCD Scheme from time to time;

CCD Fund means, at any time, the aggregate of the amount of Grant Funding and the amount of Land Transport Revenue appropriated to Waka Kotahi by the Crown for the purposes of the CCD Scheme in accordance with CCD Legislation (which must be equal to the amount of CCD Charges received by Waka Kotahi as at that time) held by Waka Kotahi;



CCD Legislation means any legislation or regulation in relation to the CCD Scheme in force from time to time;

CCD Scheme means the "Clean Car Discount Scheme" (publicly known as the Clean Car Discount Scheme) announced by the Government of New Zealand on 13 June 2021 and approved by Cabinet decisions on 19 April 2021 (per CAB-21-MIN-0128.01) and on 31 May 2021 (per CAB-21-MIN-186);

Communication has the meaning given to that term in clause 12.3;

Deed means this deed;

Direction means a direction from the Minister of Transport to Waka Kotahi in accordance with section 112 of the Crown Entities Act 2004;

Dispute has the meaning given to that term in clause 12.1(a);

Entitled Person means each person who is entitled to a Rebate in accordance with the CCD Scheme;

Financial Year means the financial year of Waka Kotahi, being the year ending 30 June;

Float means, at any date the amount of Grant Funding held by Waka Kotahi that is available for the Permitted Purposes;

Funding Date means the date for payment of the Grant Funding as specified in a valid Funding Request, which must be a Business Day;

Funding Request means the form of "NZTA Crown Funding Request" utilised by Waka Kotahi and the Ministry for appropriation and funding requests;

Grant Funding means the appropriated funding to be provided by the Crown to Waka Kotahi for the Permitted Purposes in accordance with this Deed and each CCD Direction;

GST means goods and services tax chargeable in accordance with the GST Act;

GST Act means the Goods and Services Tax Act 1985;

Land Transport Revenue has the meaning given to that term in the Land Transport Management Act 2003;

Maximum Grant Amount means:

- (a) \$301,800,000; or
- (b) such other amount agreed between Waka Kotahi and the Crown in writing from time to time;

Minimum Balance means:

- (a) \$0.00; or



- (b) such other amount agreed between Waka Kotahi and the Crown in writing from time to time;

Ministry means Ministry of Transport (Te Manatu Waka);

Permitted Purpose means:

- (a) making Rebate payments to Entitled Persons;
- (b) meeting and/or reimbursing Waka Kotahi's costs in administering the CCD Scheme in accordance with clause 3.2;
- (c) any payment required to be made by Waka Kotahi under or in order to comply with any CCD Legislation; and
- (d) any payment to the Crown in accordance with clause 8;

Quarter means each successive period of three months commencing on 1 July, 1 October, 1 January and 1 April in each Financial Year, with the first Quarter commencing on 1 July 2021;

Quarterly Report means a report to be provided by Waka Kotahi to the Ministry and Treasury in respect of each Quarter; and

Rebate means:

- (a) the rebate available at the time of first New Zealand Registration of a low-emission vehicle in New Zealand in accordance with the CCD Scheme; or
- (b) such other rebate notified by the Minister of Transport to Waka Kotahi from time to time;

Registration means registration of a motor vehicle under Part 17 of the Land Transport Act 1998;

Treasury means Te Tai Ohanga – The Treasury.

1.2 Interpretation

Unless the context otherwise requires, in this Deed:

- (a) headings are to be ignored in construing this Deed;
- (b) a reference to any monetary amount is to New Zealand currency;
- (c) a reference to a party to this Deed or any other document includes that party's personal representatives/successors and permitted assigns;
- (d) a reference to "written" or "in writing" includes all modes of presenting or reproducing words, figures and symbols in a tangible and permanently visible form;
- (e) to any legislation or to any provision of any legislation (including regulations and orders) includes that legislation or provision as from time to time



amended, re-enacted or substituted and any statutory instruments, regulations and orders issued under any such legislation or provision;

- (f) the singular includes the plural and vice versa, and words importing one gender include the other genders;
- (g) reference to clauses, sub-clauses, paragraphs, and sub-paragraphs are to clauses, sub-clauses, paragraphs and sub-paragraphs of this Deed;
- (h) the schedule forms part of the terms of this Deed; and
- (i) the Background forms part of the terms of this Deed.

2 PURPOSE OF THIS DEED AND ITS TERM

Purpose

2.1 This Deed has been entered into in order to record that:

- (a) Waka Kotahi has agreed to administer the CCD Scheme on behalf of the Crown;
- (b) the Crown has agreed to provide Grant Funding to Waka Kotahi to enable it to administer the CCD Scheme;
- (c) Waka Kotahi's obligations to administer the CCD Scheme are conditional upon the Crown providing the Grant Funding to Waka Kotahi;
- (d) Waka Kotahi is not intended to have any liability in its own right for the payment of amounts under the CCD Scheme; and
- (e) other than in respect of Waka Kotahi costs in administering the CCD Scheme as provided for in this Deed or as an Entitled Person (if applicable), it is not intended that Waka Kotahi will be entitled to retain any Grant Funding for its own account.

Term

2.2 This Deed commences on 1 July 2021 ("Effective Date").

2.3 The Crown may terminate this Deed at any time by six months' written notice to Waka Kotahi.

3 ADMINISTRATION OF THE CCD SCHEME

3.1 Waka Kotahi agrees that it will administer the CCD Scheme in accordance with this Deed, each CCD Direction and any CCD Legislation.

3.2 Waka Kotahi will be entitled to deduct from the CCD Fund amounts required to meet and/or reimburse its actual and reasonable costs (including overhead costs) in administering the CCD Scheme (including establishment costs), up to:

- (a) \$6,800,000 for costs incurred prior to 30 June 2022 in relation to any establishment costs and any operating costs in 2020/21; and



- (b) \$8,000,000 in respect of each subsequent Financial Year after 2020/21; or
- (c) such other amount agreed between Waka Kotahi and the Crown in writing from time to time.

3.3 Waka Kotahi must provide information in relation to its actual and reasonable costs (including overhead costs) in administering the CCD Scheme in accordance with this Deed and any CCD Legislation.

4 FUNDING OF THE CCD SCHEME

4.1 **Grant Funding:** The Crown agrees to provide Waka Kotahi with Grant Funding up to the Maximum Grant Amount.

4.2 **Purpose:** Waka Kotahi must only apply Grant Funding for a Permitted Purpose.

4.3 Availability of Grant Funding:

(a) The Crown will provide Waka Kotahi with initial Grant Funding of \$40,000,000 on 1 July 2021, which will be the amount of the initial Float. The Crown will pay this Grant Funding in accordance with clause 5 (as if a Funding Request had been validly received by the Crown for that amount of Grant Funding and 1 July 2021 was the Funding Date).

(b) Waka Kotahi may request additional Grant Funding by delivering to the Crown a Funding Request. The amount of Grant Funding requested in a Funding Request must not exceed the difference between:

- (i) the amount of the initial Float; and
- (ii) the amount of the Float that, as at the date of the relevant Funding Request, has been applied or incurred for Permitted Purposes since either 1 July 2021 (in the case of the first Funding Request) or the date of the previous Funding Request (in the case of the second and subsequent Funding Requests).

4.4 **Frequency of Funding Requests:** Waka Kotahi may deliver a Funding Request:

- (a) no less than 10 Business Days after the date of a previous Funding Request; or
- (b) at any other time by providing not less than 5 Business Days' notice if Waka Kotahi forecasts that the amounts required for Permitted Purposes would result in the balance of the CCD Fund being less than the Minimum Balance within the next 10 Business Days.

4.5 **Form of Funding Requests:** Waka Kotahi may request Grant Funding by delivering to the Crown a Funding Request no later than 5 Business Days prior to the proposed Funding Date. The Funding Request must:

- (a) be accompanied by evidence of the amounts applied or incurred for Permitted Purposes to support the amount of Grant Funding requested; and



- (b) confirm that the amount of Grant Funding requested complies with clause 4.3(b)(i) or 4.3(b)(ii).

5 PAYMENTS OF GRANT FUNDING

5.1 Following receipt of a valid Funding Request by the Crown, if the Crown is satisfied with the Funding Request and accompanying evidence, the amount stated in the Funding Request will be paid by the Crown:

- (a) on the Business Day specified as the Funding Date in the Funding Request; and
- (b) in cleared, freely available funds for value on the relevant Payment Date to the account as Waka Kotahi notifies the Crown in the Funding Request.

6 REBATES

6.1 Waka Kotahi will administer the payment of Rebates in accordance with each CCD Direction. The Crown and Waka Kotahi agree that all Rebates will be paid out of the CCD Fund, and not from any other source, and that Waka Kotahi is under no obligation to pay Rebates from any source other than the CCD Fund.

7 CCD CHARGES

- 7.1 Any obligations of Waka Kotahi in relation to CCD Charges will be specified in CCD Legislation.
- 7.2 Waka Kotahi will administer the collection of CCD Charges in accordance with the CCD Legislation.
- 7.3 It is expected that Waka Kotahi will receive funding from appropriations in accordance with the CCD Legislation, equivalent to the revenue received from CCD Charges (exclusive of GST), which will form part of the CCD Fund.

8 PAYMENT TO THE CROWN

8.1 **Mechanism for payments to the Crown to be agreed:** Waka Kotahi and the Crown agree that a regime for the periodic payment by Waka Kotahi to the Crown of amounts in the CCD Fund that are in excess of the amounts required to enable Waka Kotahi to administer the CCD Scheme in accordance with each CCD Direction, the CCD Legislation and this Deed (including making all payments for Permitted Purposes other than payments under the mechanism to be agreed under this clause 8.1) will be established at the time that any CCD Legislation is enacted. Waka Kotahi and the Crown will work together in good faith to determine a basis for the calculation and payment of any such amounts to the Crown while enabling Waka Kotahi to continue to administer the CCD Scheme in accordance with each CCD Direction, the CCD Legislation and this Deed.

8.2 **Limitation on payments:** Notwithstanding any mechanism agreed under clause 8.1, Waka Kotahi will have no obligation to pay any amount to the Crown unless Waka Kotahi is satisfied that, after making that payment, it will be able to meet its obligations under this Deed, each CCD Direction, the CCD Legislation (including



making all payments for Permitted Purposes other than payments under the mechanism agreed under clause 8.1).

8.3 **Other payments:** Subject to clause 8.1 and clause 8.4, the CCD Fund is not otherwise payable to the Crown by Waka Kotahi, and Waka Kotahi has no obligation to pay any other amount to the Crown, in any circumstance other than if the CCD Scheme or this Deed is terminated, payment to the Crown of any balance of the CCD Fund that Waka Kotahi determines is not required for a Permitted Purpose.

8.4 **Payment not for Permitted Purpose:** Notwithstanding clause 8.3, if, at any time, Waka Kotahi applies any amount of the CCD Fund for a purpose that is not a Permitted Purpose, Waka Kotahi must immediately reimburse the CCD Fund or the Crown for the amount applied other than for a Permitted Purpose.

9 UNDERTAKINGS

9.1 **Reporting:** Waka Kotahi will include the following information in each Quarterly Report:

- (a) the opening balance of the CCD Fund for the relevant Quarter;
- (b) the amount of all Grant Funding received by Waka Kotahi for the relevant Quarter;
- (c) the amount of all Rebates paid by Waka Kotahi to Entitled Persons during the relevant Quarter;
- (d) the amount of all CCD Charges received by Waka Kotahi in accordance with CCD Legislation during the relevant Quarter;
- (e) any amount payable to Crown under the CCD Scheme in accordance with clause 8; and
- (f) the forecast of position of the CCD Fund over next Quarter (including available information on the total amount of Rebates potentially payable to Entitled Persons who have not yet applied for Rebates, or had their applications for Rebates processed as at the end of the relevant Quarter); and
- (g) a breakdown, in reasonable detail, of the actual and reasonable costs (including overhead costs) incurred by Waka Kotahi in the relevant Quarter in administering the CCD Scheme.

9.2 **Records:** Waka Kotahi undertakes that it will maintain appropriate records (in its absolute discretion, acting reasonably, or as otherwise required under CCD legislation) in relation to the CCD Fund and the administration of the CCD Scheme.

9.3 **Copies:** Waka Kotahi undertakes that it will provide copies of any records or information in relation to the CCD Fund or the administration of the CCD Scheme reasonably requested by the Crown.

9.4 **Other information:** Waka Kotahi undertakes that it will provide any other information held by Waka Kotahi that the Crown reasonably requests to support the



Crown's ongoing consideration and policy decisions in relation to the CCD Scheme and the transition in New Zealand to the use of zero or low emissions vehicles.

10 REPRESENTATIONS AND WARRANTIES

Each party represents, warrants and undertakes that:

- (a) it has full power, capacity and authority to execute, deliver and perform its obligations under this Deed;
- (b) it has all the necessary consents, permissions, licences and rights to enter into and perform its obligations under this Deed; and
- (c) this Deed constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms.

11 GOODS AND SERVICES TAX

11.1 Unless otherwise expressly stated, all sums payable by the Crown to Waka Kotahi under this Deed are stated before the addition of any GST and are to be paid plus, GST, if any.

11.2 It is agreed that:

- (a) the payment of any Grant Funding will be consideration for a supply to which section 5(6) of the GST Act applies, and as a consequence, will be chargeable with GST; and
- (b) the Crown will pay Waka Kotahi an amount equal to the GST so payable by Waka Kotahi in respect of the supply referred to in clause 11.2(a), in addition to any Grant Funding payable to the Waka Kotahi; and
- (c) Waka Kotahi will issue a Funding Request to the Crown that will be a tax invoice in accordance with section 24 of the GST Act.

12 MISCELLANEOUS

12.1 Dispute resolution

- (a) The parties will attempt to resolve any dispute or disagreement that may arise under or in connection with this Deed (*Dispute*) amicably and in good faith, and will refer the Dispute to their respective senior managers if necessary.
- (b) If the parties' senior managers cannot resolve the Dispute within 10 Business Days of it being referred to them, the parties will refer the Dispute to the Chief Executive for Waka Kotahi and the Chief Executive for the Ministry of Transport, who will meet to discuss the Dispute in good faith with a view to resolving the matters between them in a constructive manner and who will take all reasonable steps to resolve the Dispute.
- (c) Subject to subparagraphs (d), a party to the Dispute may refer the Dispute for resolution by litigation only if the parties have not resolved the Dispute within 40 Business Days of it being referred to the Chief Executive for Waka



Kotahi and the Chief Executive for the Ministry of Transport under subparagraph (b).

- (d) Nothing in this clause 12.1 will preclude either party from taking immediate steps to seek urgent relief before a New Zealand court.
- (e) While any Dispute is being resolved, each party will continue to perform its obligations under the Deed.
- (f) The dispute resolution process set out above does not apply to the exercise of a statutory or regulatory power or decision-making process by either party.

12.2 Official Information Act

- (a) The parties acknowledge that each are subject to the Official Information Act 1982 (the *OIA*).
- (b) In the event that either of the parties are subject to a request for information under the *OIA* on matters the subject of this Deed, each party will wherever practicable consult with the other party in relation such request.
- (c) Each party acknowledges that the other party may release this Deed, if required following a request under the *OIA*, and with any redactions necessary on grounds available under the *OIA*.

12.3 Notices

- (a) Each notice, agreement and other communication (each a *Communication*) to be given, delivered or made under this Deed is to be in writing but may be sent by personal delivery, post or email.
- (b) Each Communication under this Deed is to be sent to the address of the relevant party set out below or to any other Communication address from time to time designated for that purpose by at least two Business Days' prior notice to the other party. The initial respective address details of the Waka Kotahi and the Crown are:

Waka Kotahi

Address: Private Bag 6995, Wellington 6141, New Zealand

Email: Official.Correspondence@nzta.govt.nz

Contact: Chief Executive

The Crown

Te Tai Ōhanga – The Treasury (on behalf of the Minister of Finance)

Address: PO Box 3724, Wellington 6140, New Zealand

Email: legal@treasury.govt.nz

Contact: Chief Executive and Secretary to the Treasury



Ministry of Transport (Te Manatu Waka) (on behalf of the Minister of Transport)

Address: PO Box 3175, Wellington 6140, New Zealand

Email: info@transport.govt.nz

Contact: Chief Executive

12.4 Parties may not assign

Neither party may assign or transfer all or any of its rights and obligations under or in relation to this Deed without the consent in writing of the other party.

12.5 Entire Agreement

This Deed constitutes the entire agreement, understanding and arrangement (express and implied) between the parties relating to the subject matter of this Deed and supersedes and cancels any previous agreement, understanding and arrangement relating thereto whether written or oral.

12.6 Further assurance

Each party will make all applications, execute all documents, and do all acts and things necessary to implement and to carry out its obligations under this Deed.

12.7 Costs

Each party will pay its own costs incurred in connection with the preparation, negotiation and entry into this Deed.

12.8 Counterparts

This Deed may be signed in counterparts, each of which when taken together will constitute one and the same instrument. Each party may enter into this Deed by signing any such counterpart copy.

12.9 Amendments

No amendment to this Deed will be effective unless it is in writing and executed by all the parties.

12.10 Delivery

For the purposes of section 9 of the Property Law Act 2007, and without limiting any other mode of delivery, this Deed will be delivered by each party (the *Delivering Party*) immediately on the earlier of:

- (a) physical delivery of an original of this Deed, executed by the Delivering Party, into the custody of the other party or the other party's solicitors; or
- (b) transmission by the Delivering Party or its solicitors (or any other person authorised in writing by the Delivering Party) of a pdf original of this Deed (if signed electronically) or a photocopied or scanned copy of an original of this Deed, executed by the Delivering Party, to the other party or the other party's solicitors.

12.11 Governing law

This Deed is governed by and will be construed in accordance with New Zealand law.



PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT

ANNEX TWO: DIRECTION FROM MINISTER OF TRANSPORT TO WAKA KOTAHI NZ TRANSPORT AGENCY TO ADMINISTER THE CLEAN CAR DISCOUNT SCHEME

New Zealand Transport Agency (Additional Functions) Direction 2021

Pursuant to section 95(1)(t) of the Land Transport Management Act 2003 and sections 112 and 115 of the Crown Entities Act 2004, the Minister of Transport gives the following Direction.

Direction

1. **Title** – This Direction is the New Zealand Transport Agency (Additional Functions) Direction 2021.
2. **Commencement** – This Direction comes into force on **1 July 2021**.
3. **Application** – This Direction applies to the New Zealand Transport Agency (which is a Crown Entity pursuant to section 93 of the Land Transport Management Act 2003) (the Agency).
4. **Background** – As part of the Government's commitment to decreasing carbon emissions in the transport sector, a clean vehicle discount scheme (Clean Car Discount) is being introduced. The Clean Car Discount will allow consumers to receive a discount on the first registration of zero- and low-carbon emission vehicles.

These discounts will be in the form of rebates available upon first registration of the vehicle in New Zealand. The discounts will be administered by the Agency.

The Agency has a number of functions outlined in the Land Transport Management Act 2003. This Direction adds the functions below to allow the Agency to administer the Clean Car Discount.

5. **Additional functions** – The Agency is directed to carry out the following additional functions:
 - a. to administer a clean vehicle discount scheme, including issuing rebates on zero and low carbon emission vehicles consistent with the parameters of the scheme as agreed by Cabinet or as notified by the Minister of Transport;
 - b. to undertake any additional functions that may be agreed by the New Zealand Transport Agency and the Ministry of Transport for the purposes of performing the above function, provided that the function is consistent with the parameters of the scheme as agreed by Cabinet or as notified by the Minister of Transport.
6. **Expiry** – This Direction expires with the close of 30 June 2022, but may be revoked at any time.

Dated at Wellington this 20th day of June 2021



Hon Michael Wood
Minister of Transport

**ANNEX THREE: DELEGATION INSTRUMENT FROM MINISTERS TO
THE SECRETARY FOR TRANSPORT AND THE SECRETARY TO
THE TREASURY TO REVIEW AND AGREE TO FUNDING REQUESTS
AND ADMINISTRATION COSTS UNDER THE FUNDING DEED**

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT

INSTRUMENT OF DELEGATION

DELEGATION BY THE MINISTERS OF TRANSPORT AND FINANCE TO THE SECRETARY FOR TRANSPORT AND SECRETARY TO THE TREASURY

AUTHORITY TO APPROVE FUNDING REQUESTS AND ADMINISTRATION COSTS UNDER CLEAN CAR DISCOUNT SCHEME FUNDING DEED

1. Delegation

PURSUANT to clause 5 of Schedule 6 of the Public Service Act 2020, and the Clean Car Discount Scheme Funding Deed between the Crown and Waka Kotahi dated June 2021 (the Deed), we, Michael Wood, Minister of Transport, and Grant Robertson, Minister of Finance, **do hereby delegate** to the people for the time being acting as the Secretary for Transport and the Secretary to the Treasury, the authority to jointly:

- a. receive, review and approve Funding Requests from Waka Kotahi, New Zealand Transport Agency, pursuant to clauses 4 and 5 of the Deed;
- b. agree with Waka Kotahi, if required under clause 3.2(c) of the Deed, on the amount required to meet Waka Kotahi's costs for administering the Clean Car Discount Scheme; and
- c. do anything incidental or necessary to a and b above.

2. Sub-delegation

We, Michael Wood, Minister of Transport, and Grant Robertson, Minister of Finance, **consent to the sub-delegation** of all or any of the authority delegated under this instrument.

3. Term of delegation

This delegation shall come into effect on the date of its execution and shall continue in force until revoked in writing.

SIGNED at WELLINGTON

this 27th day of June 2021

by **MICHAEL WOOD**

Minister of Transport



MICHAEL WOOD

In the presence of:

Name:

Tom James

Address:

Occupation: _____

SIGNED at WELLINGTON

this _____ day of June 2021

by **GRANT ROBERTSON**

Minister of Finance _____

GRANT ROBERTSON

In the presence of:

Name:

Address:

Occupation: _____

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT

ANNEX FOUR: TALKING POINTS FOR THE ORAL ITEM AT CABINET ON 28 JUNE 2021

On 19 April 2021 Cabinet agreed to proceed with the Clean Car Discount Scheme (Discount) and to fund it through a Crown loan

- Cabinet agreed to provide \$301.8 million through Budget 2021 in a capital contingency for the Discount and authorised myself and the Minister of Finance jointly to draw down the tagged capital contingency funding, subject to:
 - Cabinet agreement to core design parameters for the Clean Car Discount;
 - agreement by the Minister of Finance, on behalf of the Crown, to make a loan under section 65L of the Public Finance Act 1989 as described in paragraph 30 above;
 - approvals from the Ministers of Finance and Transport, pursuant to section 160(1) and 162 of the Crown Entities Act 2004, for Waka Kotahi to borrow.
- On 31 May 2021 Cabinet agreed to final proposals on outstanding policy decisions for the Discount, including initial rebate and fee levels.

Officials have concluded that a repayable grant, managed through a Funding Deed, will be a more appropriate funding mechanism than a loan

- The Discount is intended to be fiscally neutral to the Crown so that, over the lifetime of the scheme, revenue from charges will meet costs of rebates, implementation and administration.
- The \$301.8m bridges the initial cash flow deficit due to the rebates starting in July ahead of the charges in January 2022, and manages cash flow timing differences.
- Grant funding managed by a Funding Deed is the preferred approach because:
 - There is limited recourse for the Crown to recoup any loan from Waka Kotahi, should the Discount not be fiscally-neutral, without tapping into general land transport revenue. That is not the policy intent of the scheme and the risk should not lie with Waka Kotahi.
 - There is reasonable uncertainty about how the Discount will affect the vehicle market, the cash flow profile and when any loan could be repaid by Waka Kotahi. This would have made it difficult for the Board of Waka Kotahi to approve signing up for any loan, as there was no guarantee of being able to repay it.
 - The two contracting parties to the Crown loan for the Discount (the Minister of Finance and Waka Kotahi) do not have decision making rights on future charges and rebate levels, which determine the fiscal neutrality of the scheme and the repayability of any loan. These decisions will be taken by Cabinet at least every 24 months.
 - A Funding Deed has been drafted to provide a straightforward approach to providing funds to Waka Kotahi from the Crown.

IN CONFIDENCE

- The revenue from charges received through the Discount is intended to, over its lifetime, fully cover the costs associated with implementation, operation, and administration of the Discount scheme. This means that the level of rebates and charges should be set such that all grant funding provided from the Crown to Waka Kotahi will be recouped.
- This approach allows the Discount to operate in a fiscally-neutral way across the lifetime of the scheme, without the same uncertainties and challenges associated with any Crown loan.

The Funding Deed sets out the terms on which grant funding will be provided to Waka Kotahi

- The Funding Deed between Waka Kotahi, the Treasury and the Ministry of Transport, will lay out how the grant funding will be provided to Waka Kotahi, for what purposes it can be used, and how funds received will be returned to the Crown.

PROACTIVELY RELEASED BY
TE MANATŪ WAKA MINISTRY OF TRANSPORT