

Proactive Release

This document is proactively released by Te Manatū Waka the Ministry of Transport.

Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by <ul style="list-style-type: none"> (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Cabinet Committee Talking Points-Trial of the Clean Car Upgrade

Cabinet Committee: Cabinet Environment, Energy and Climate Committee

Meeting: Wednesday 27 July 2022

Paper Title: Trial of the Clean Car Upgrade

Portfolio: Transport

Background

- This paper seeks agreement to the key design aspects of the Clean Car Upgrade and approval to drawdown part of the tagged contingency to progress its trial. The trial and its evaluation will inform the final design of any subsequent expansion of the Clean Car Upgrade.
- Cabinet would consider the results of the evaluation and decide on any expansion by April 2024.

Talking points

- In May 2022 we released the Emissions Reduction Plan for the period to 2025. One of the new actions to flow from the Plan in transport is the Clean Car Upgrade.
- The Clean Car Upgrade will target assistance to lower- and middle-income New Zealanders so they can afford to switch to low-emission transport. In return their old vehicles will be scrapped.
- Targeted assistance is needed because for many families the cost of transitioning to cleaner vehicles is too expensive, even with the Clean Car Discount, and many areas are poorly served by public transport.
- Without a policy like the Upgrade, we risk low-income New Zealanders being locked-in to high-emission vehicles and the resultant likely increases in motoring costs. Costs will increase, not only because of oil prices but because decarbonisation policies will deliberately increase costs for high-emission transport.
- In comparison, New Zealanders who can afford to switch to low- or zero-emission vehicles make significant savings in running costs. Charging an EV at home, during off-peak hours, is equivalent to buying petrol at around 40c/litre. The Clean Car Upgrade will help ensure more low- and middle-income New Zealanders enjoy this tangible saving.
- To get the trial of the Clean Car Upgrade underway, I am proposing that Ministers approve the drawdown of the \$31.8 million contingency that was provided in Budget 2022 for the trial. I am also seeking agreement to the bulk of the Upgrade's policy design. The key aspects are:
 - targeting the Upgrade through income thresholds pegged to the adult annual median wage for vehicle owners who are single (\$56,836), and to the median annual household income for vehicle owners living with their partners (\$97,760). Both thresholds would increase by \$10,517 for each dependant child
 - seeking in principle agreement to the Upgrade's grants being set at 1.4 times the Clean Car Discount's rebates for new vehicles. This would mean an EV would attract

a grant of \$12,075. The sufficiency of the proposed grants would be stress-tested with low-income communities before Ministers are asked to take final decisions in November

- encouraging mode-shift by offering people the same level of finance assistance for opting for low-emission alternatives, as for an EV. This would enable households to meet their transport needs through, for example, purchasing a couple of e-bikes and using the remainder of their assistance for public transport
- basing the trial in Auckland, Christchurch and Gisborne. These locations will allow the Upgrade to be tested in a variety of settings. The trial will commence in April 2023 in at least one of these locations.
- Following these decisions, I will report back to the Cabinet Committee in November on the remaining design issues, including the process for scrapping a vehicle and securing replacement transport. At that time, I will also seek Ministers' final decisions on the level of the grants.
- The trial and its evaluation will inform the final design of any subsequent expansion of the Clean Car Upgrade. The evaluation will be completed by 28 February 2024. If the trial is successful, the design of the Upgrade would be reviewed and improved in light of the learnings from the evaluation.
- The timeline for the evaluation will enable me to report back to the Cabinet Environment, Energy and Climate Committee by 30 April 2024, on the outcomes of the evaluation, any changes to the Upgrade's design and recommendations for any expansion. Any expansion would then proceed from July 2024.

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