

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 Environment, Energy and Climate Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Clean Car Upgrade: Final Design Decisions for the Trial

Portfolio Transport

On 23 November 2022, the Cabinet Environment, Energy and Climate Committee:

The level of the Clean Car Upgrade's grants

- 1 **noted** that in August 2022, the Cabinet Environment, Energy and Climate Committee (ENV) agreed that the Clean Car Upgrade's grants would be set by applying a multiplier to the current Clean Car Discount rebate schedule for new vehicles, and agreed in principle to this multiplier being 1.4, subject to a report back from the Minister of Transport (the Minister) with a final recommendation by 30 November 2022 [ENV-22-MIN-0031];
- 2 **noted** that the grant levels resulting from a multiplier of 1.4 have been tested to a limited extent, suggesting that the grants will make low-emission vehicles a realistic choice for some, but not all, New Zealanders with low- to moderate incomes;
- 3 **noted** that the multiplier of 1.4 times new car rates applied to all vehicles results in an effective grant rate of 1.4 times the Clean Car Discount rebate (as at 1 November 2022) for a new car and approximately 3.5 times the Clean Car Discount rebate for a used car;
- 4 **agreed** to proceed with a multiplier of 1.4 to set the grants for the trial of the Upgrade and address the lack of sufficiency for some households by allowing participants to combine their grants and collectively purchase replacement transport;

Mixing the use of the Clean Car Upgrade's grants

- 5 **noted** that in August 2022, ENV agreed in principle that participants can mix the use of the grants across replacement transport options (e.g. using \$6,000 towards two e-bikes and \$6,075 towards an EV), subject to a report back from the Minister with a final recommendation by 30 November 2022 [ENV-22-MIN-0031];
- 6 **noted** that interviews with representatives of low-income communities indicate that most people are likely to opt replace their scrapped vehicles with other vehicles and are not likely to use the ability to divide their grants across different options;
- 7 **agreed** that notwithstanding the views of interviewees in paragraph 6 above, participants have the choice to divide their grants across more than one replacement option;

The trial will use participant advisers to facilitate uptake by households on low incomes

- 8 **noted** that in August 2022, ENV agreed in principle that the Clean Car Upgrade would operate with participant advisers whose role would be to facilitate uptake by households with low incomes, especially by Māori and Pacific peoples, subject to a report back from the Minister by 30 November 2022 [ENV-22-MIN-0031];
- 9 **noted** that feedback from representatives of low-income communities indicates that it would be desirable to have a participant advisory function, which may be a person or a partner community organisation;
- 10 **agreed** that the trial of the Clean Car Upgrade proceed with a participant advisory function, noting that New Zealand Transport Agency (Waka Kotahi) will decide the level of support and whether it is provided by individuals, or organisations, or a mixture of both;

Further safeguards to reserve use of the Clean Car Upgrade to people who require assistance to shift to low-emission transport

- 11 **agreed** that the Clean Car Upgrade be closed to applications from organisations and commercial entities, such as companies, charities, trusts, incorporated societies, and partnerships;
- 12 **agreed** that, to prevent people buying end-of-life vehicles to participate in the Clean Car Upgrade, that applicants must have owned their vehicle to be scrapped for at least 2 years prior to applying;
- 13 **agreed** that the criteria defining eligibility for a vehicle to be scrapped include an additional criterion that the vehicle must be at least 10 years old;
- 14 **noted** that Waka Kotahi will verify income information with Inland Revenue (IR), but this verification may take place through some mechanism other than the IR Gateway platform;

The process for scrapping a vehicle and securing replacement transport

- 15 **noted** the generic process for the upgrade, shown in figure one on page 8 of the submission under ENV-22-SUB-0050, that Waka Kotahi will refine, if needed, following detailed discussions with vehicle dealers, scrappers, iwi and community groups in the three trial locations;
- 16 **agreed** that the Gisborne trial location should be expanded to include the broader Gisborne/Tairāwhiti region;
- 17 **noted** that if, upon further consultation with the community, Waka Kotahi determines that the Gisborne/Tairāwhiti trial location is not immediately viable, then the agency will report back to the Minister of Transport by 17 February 2023, proposing alternative solutions;

Limited delegation of authority to take decisions on the trial

- 18 **authorised** the Minister to make decisions relating to the trial for the following matters:
- 18.1 trial length;
 - 18.2 warrant of fitness and scrapped vehicle eligibility;
 - 18.3 individual income eligibility;

- 18.4 multi-generational household eligibility;
- 18.5 eligibility of higher-priced vehicles under limited circumstances;
- 19 **noted** that officials from Te Manatū Waka and Waka Kotahi will provide the Minister with a paper to support decisions in relation to the matters in paragraph 18 no later than 17 February 2023;

The evaluation of the trial Upgrade

- 20 **noted** the evaluation framework in Appendix Two, attached to the submission under ENV-22-SUB-0050, that will be used in an independent evaluation of the trial to be commissioned by the Ministry of Transport;
- 21 **noted** that the evaluation framework is preliminary and will be refined once Waka Kotahi finalises the details of the trial;

Financial implications

- 22 **noted** that due to the longer timeline for the trial and evaluation, if Cabinet decides to implement a national Clean Car Upgrade, the tagged contingences presently planned for 2024/25 and 2025/26 would be required a year later (i.e. for 2025/26 and 2026/27);
- 23 **noted** that at the end of the first trial, the Minister may seek to draw down the tagged contingency in order to allow any trials that finish in the 2024/25 budget year to continue or be scaled up using funds from the 2025/26 year (i.e. from the current tagged contingency for 2024/25);
- 24 **noted** that there is the potential for payments to be received from vehicle scrappers for the vehicles they receive, and these payments will be transferred into the consolidated fund;

Communications

- 25 **noted** that the Minister intends to announce decisions relating to the matters in the paper under ENV-22-SUB-0050, and the ones by Ministers made on 28 July 2022, in a media release following Cabinet confirmation.

Rebecca Davies
Committee Secretary

Present:

Hon Grant Robertson
Hon Kelvin Davis
Hon David Parker (Chair)
Hon Damien O'Connor
Hon Michael Wood
Hon Dr Ayesha Verrall
Hon Phil Twyford
Rino Tirikatene, MP

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Officials Committee for ENV