

Proactive Release

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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 23 November 2022

Paper Title: Final design decisions for the trial of the Clean Car Upgrade

Portfolio: Transport

Background

- This paper seeks agreement on the remaining policy design decisions needed for the trial of the Clean Car Upgrade (the Upgrade). The trial and its evaluation will inform the final design of any subsequent expansion of the Upgrade.
- Cabinet would consider the results of the evaluation and decide on any expansion by June 2025.

Talking points

- The Clean Car Upgrade responds to the risk of low-income New Zealanders being locked-in to high-emission and high running cost vehicles.
- The Upgrade is a scheme designed to accept older, higher emitting and less safe vehicles for scrappage, while providing a grant towards alternative, low emitting, or zero emitting transport options.
- The Upgrade will contribute to an equitable transition by making cleaner vehicles and low-emission alternatives more affordable for households on low- and moderate-incomes.
- In August, Cabinet agreed to key aspects of the Upgrade's design and a schedule for tagged contingency drawdown. Cabinet also agreed that I would report back to the Cabinet Committee in November on the remaining design issues.
- In this paper I address: the remaining policy design decisions, certain decisions I propose Cabinet delegate to me, the Upgrade process and evaluation framework, as well as financial implications of these proposals.
- The remaining policy design decisions are:
 - Setting the Upgrade's grants for both used and new vehicles at a multiplier of 1.4 times the new vehicle rebate in the Clean Car Discount.
 - Allowing participants to combine their grants to collectively purchase replacement transport.
 - Allowing participants to divide their grants across more than one replacement transport option. This "mix and match" feature enhances flexibility.
 - Using participant adviser support, to facilitate uptake by households on low incomes. California's experience illustrates the importance of this support.

- Requiring applicants to have owned their vehicle for at least 2 years prior to applying for the programme as an added protection against scheme misuse.
- Adding the eligibility requirement that a scrapped vehicle be at least 10 years old.
- I am seeing delegation from Cabinet to make specific adjustments to agreed decisions.
 - This is necessary because Cabinet previously decided to keep details of the Upgrade confidential. As a result, Waka Kotahi has not yet been able to consult with stakeholder about important aspects of the Upgrade.
 - If consultation shows that current settings for five specific items would undermine trial success, officials would submit a report in February 2023, providing evidence and recommended changes. I would then decide on these recommendations before trial launch.
- I am seeking delegation in five areas.
 - To support acceptance of trials, trial length may need to be extended. Trials would not be longer than 15 months, nor would overheads significantly increase.
 - Waiving the Warrant of Fitness requirements for scrapped vehicles may enhance scheme uptake. If we can guarantee that this will not undermine the outcomes of the scheme by being used to get rid of that would have been scrapped anyway, I would approve this modification for one trial location only.
 - A higher income threshold for individuals may be needed so the Upgrade is accessible to people who still have moderate incomes, but will be better situated to purchase vehicles without financial hardship.
 - A higher income threshold may be required to encourage participation by multi-generational households.
 - A higher price cap may be needed when multiple households scrap a vehicle and pool funding. This would support the purchase of a larger vehicle that suits multiple households.
- When deciding whether to approve any of these changes, I would need to be satisfied that any changes are the minimum necessary, are agreed ahead of the trial launch, and meet the intent of the scheme.
- I would receive a briefing from Te Manatū Waka and Waka Kotahi in February specifying any proposed changes and providing evidence supporting the change.
- This paper also outlines the process for the Upgrade, and a framework for an independent evaluation of the trial. This evaluation framework includes estimation of emissions impacts. This extends the timeline for the evaluation. Both the process and evaluation may need refinement following stakeholder consultation.
- As I discussed, I am seeking delegation from Cabinet to decide if trials may extend to 15 months. If the trial is extended to 15 months, the report back to Cabinet would be delayed until June 2025 instead of the previous proposal of April 2024.

- Based on this extended timeline, the use of tagged contingency funds for a nation-wide Upgrade would be shifted out one year.
- If any trials finish in the 2024/25 budget year, I may seek to bring forward funding from outyears to scale up completed trials in anticipation of a national roll-out.
- Effectively, this would be returning to the originally proposed funding plan.

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Back pocket Questions

1) *The Cabinet paper says that the support rate is 1.4 times the Clean Car Discount, but also that it's 3.5 times. Could you explain?*

The support level is 1.4 times the rebate the Clean Car Discount provides for a new vehicle. But this level of support is provided for both new and used vehicle, while the rebate the Clean Car Discount varies depending on whether a vehicle is new or used. So, the support provided by the Clean Car Upgrade on a used vehicle is 3.5 times the Clean Car Discount rebate on a similar used vehicle.

2) *Why should we delegate decisions to you? Why not come back to Cabinet again?*

In August, Cabinet decided to keep important design elements of the Clean Car Upgrade confidential. As a result, Waka Kotahi has not been able to have in-depth discussions with communities and stakeholders. Delegating these decisions to me would best support Waka Kotahi to deliver a trial best suited to community needs on a tight timeframe. Returning to Cabinet again would introduce delays that would put at risk the timeline of an April launch in at least one location.

3) *One of the decisions you are seeking delegation for is raising the individual income threshold. Why should we do this? It's already pegged to median income. If we raise it, will this still be a low- and moderate-income programme?*

Waka Kotahi's preliminary small-scale research suggests that the intended participants in are unwilling to take out loans beyond what they normally would in order to access the Clean Car Upgrade grant. Before starting trials, Waka Kotahi needs to do further engagement to better understand how people would interact with the programme and whether a higher income limit could support greater uptake of the programme. I would need to be confident that any adjustment in income threshold would still restrict participation to people with moderate incomes.

4) *Why would funding be extended out a year? And under what circumstances would you want to start spending money early?*

If trials of the Clean Car Upgrade are extended to 15 months, then Cabinet's decision on whether to progress the Upgrade to a nationwide programme would also be delayed up to June 2024. This means that funding for a nationwide programme may not be needed until a year later than originally planned. This is why funding is extended through 2026/27. This is not an increase in funding, just shifting when it would be spent out by a year.

Because extended trials may happen in only one or two locations, I am also proposing that, if a trial finishes using the original timeframe in the 2024/25 financial year, I may seek to use funds that would be in the 2025/26 year to scale up or run an expanded trial there, while the extended trials continue in other regions.