

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. *Note - N/A (see below)

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

N/A - Document released in full. No information has been withheld for this proactive release

<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)

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Office of the Minister of Transport
Office of the Minister for Energy

Cabinet Expenditure and Regulatory Review Committee

Changes to appropriations to implement concessionary loans for public electric vehicle charging**Proposal**

- 1 This paper seeks Cabinet's agreement to appropriation changes to implement concessionary loans for public electric vehicle (EV) charging infrastructure.

Relation to government priorities

- 2 The Government is committed to meeting New Zealand's 2050 net zero climate change targets. Remaining on track to meet the 2050 target and achieving the first two emissions budgets is one of the nine Government targets. The proposals in this paper will help meet these targets, alongside the Coalition Government's target of 10,000 public EV charge points by 2030.

Executive Summary

- 3 On 14 April 2025, Cabinet agreed to move from grants to concessionary loans to co-invest in public EV charging infrastructure [CAB-25-MIN-0121 refers]. Concessionary loans will be relatively quick to implement and are likely to achieve the objectives for public EV charging infrastructure with less complexity, cost and risk than other alternatives.
- 4 Cabinet agreed the concessionary loans will be administered by National Infrastructure Funding and Financing Limited (NIFFCo), shifting this function away from the Energy Efficiency and Conservation Authority (EECA). Appropriation changes are needed to:
 - 4.1 transfer \$0.788 million of existing operating funding from EECA and \$3.914 million from the existing pool of grant funding to NIFFCo, to provide \$4.702 million to administer the loans scheme over 2025/26 to 2037/38
 - 4.2 convert the remaining \$66.145 million of grant funding into capital funding. This will be provided to NIFFCo via a capital injection through Vote Transport.

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- 5 The change from grants to loans will have a positive impact on OBEGALx over the forecast period. Repaid capital can either be used for new loans, if Cabinet agrees there remains a need, or allocated to other initiatives.

Background

- 6 The Coalition Government's priorities include the commitment to supercharge EV infrastructure with a comprehensive, nationwide network of 10,000 public EV charge points by 2030. To achieve this target, Cabinet agreed the *Supercharging EV Infrastructure* work programme in April 2024 [CAB-24-MIN-0123 refers], which included updating the co-investment model for public EV charging infrastructure.
- 7 On 14 April 2025, Cabinet agreed to update the co-investment model by moving from providing grants to concessionary loans [CAB-25-MIN-0121 refers]. Concessionary loans will bring forward private investment in public EV charging infrastructure by lowering the cost of capital. They will also provide better value for money as the repaid loans could be reinvested in more charge points, or other initiatives.
- 8 Changes to appropriations are required to implement concessionary loans. We agreed to bring recommendations for these changes to the Cabinet Expenditure and Regulatory Review Committee following the Budget 2025 moratorium, including recommendations to transfer EV charging operating funding from EECA to NIFFCo and any other transitional matters [CAB-25-MIN-0121 refers].
- 9 NIFFCo's shareholding Ministers (Infrastructure and Finance) have jointly given approval for NIFFCo to administer the loans and for it to be able to enter into financial products and derivatives under sections 161 and 164 of the Crown Entities Act 2004.¹ NIFFCo's Board has formally agreed to assume responsibility for administration of the loan scheme.

Financial Implications

- 10 We propose that \$66.145 million of existing grant funding for public EV charging infrastructure be converted into a capital injection into NIFFCo through Vote Transport. Funding will be provided to NIFFCo in the form of share capital. The total amount of funding available is lower than previously advised due to \$3.914 million being reprioritised for administration of the loans.
- 11 There are non-cash expenses associated with delivering concessionary loans as the Crown will forgo interest revenue (fair value write down expense) and there is a risk that some of the loans will not be repaid (impairment of loan asset expense). It is estimated that these expenses will be around \$27 million over the maximum loan tenure of 13-years, with a negative impact on the total Crown Operating Balance Before Gains and Losses (OBEGALx). The expenses will be incurred by NIFFCo and result in a reduction of NIFFCo's equity over time.

¹ This will allow NIFFCo to acquire financial products under section 161 of the Crown Entities Act 2004 and enter into an agreement constituting a derivative, or amend the terms of that agreement, under section 164, relating to concessionary loans for public EV charging infrastructure. The exemption does not constitute approval for NIFFCo to actively engage in additional hedging products as a consequence.

- 12 Loan repayments could be used for more public EV charging infrastructure, if co-investment is still required at the time, or allocated to other initiatives. Repayments will commence once an agreed utilisation threshold or revenue metric is met, or in year 6 (i.e., 2031 for loans issued in 2025), whichever is sooner. At the relevant time, Cabinet would receive advice on the options, including any fiscal implications, and make decisions.
- 13 Treasury advice is that this approach will have a positive impact on OBEGALx and be fiscally neutral to net core Crown debt. The fiscal impact on OBEGALx will depend on the fair value write down and impairment expenses.
- 14 NIFFCo also requires funding to administer the loans. We propose that these costs are funded by fiscally neutral transfers, with no impact on the operating balance or net core Crown debt:
- 14.1 a transfer of \$0.788 million in existing operating funding for public EV charging infrastructure from EECA to NIFFCo in 2025/26
- 14.2 a reprioritisation of \$3.914 million from the existing pool of grant funding to meet NIFFCo's remaining costs in 2025/26 until 2037/38 (2037/38 is the final year of the maximum loan tenure (13 years) for loans issued in 2025/26).
- 15 The level of the administration costs will largely depend on the number of loans issued, when they are issued, and the complexity of the repayment terms negotiated with successful applicants. Given this uncertainty, the Ministry of Transport's monitoring will focus on ensuring administration of the scheme is cost-effective and the amount of funding provided in outyears is appropriate.
- 16 EECA has advised that further funding may become available due to underspends/cancellations from previously approved projects from its existing grant programme. We propose authorising Joint Ministers (Minister of Finance, Minister of Transport, Minister for Energy) to jointly agree how to utilise any further funding that becomes available for the purposes of the loan scheme. This could include increasing the amount of lending available.
- 17 As we signalled in April, more funding will be required to achieve our target of 10,000 charge points by 2030 [CAB-25-MIN-0121 refers]. We intend to discuss with the Minister of Finance when the best time to seek additional funding might be, and the options for its source.

Cost-of-living Implications

- 18 This paper does not have any direct cost-of-living implications.

Legislative Implications

- 19 There are no direct legislative implications from this paper.

Regulatory Impact Statement

- 20 A Regulatory Impact Statement (RIS) has not been prepared for this paper as it does not involve introducing or changing legislation or regulation.

Climate Implications of Policy Assessment

- 21 The Climate Implications of Policy Assessment (CIPA) team confirmed that the CIPA requirements do not apply to this policy proposal, as the threshold for significance is not met.

Population Implications

- 22 This paper does not have any direct population implications.

Human Rights

- 23 This paper does not have implications for human rights.

Use of external resources

- 24 No external resources have been used in the development of this paper.

Consultation

- 25 The following departments and agencies have been consulted: The Treasury, the Ministry of Business, Innovation and Employment, the Energy Efficiency and Conservation Authority, National Infrastructure Funding and Financing Limited, the Ministry for the Environment, the Ministry for Primary Industries, the Electricity Authority and the Commerce Commission. The Department of the Prime Minister and Cabinet has been informed.

Communications

- 26 The concessionary loans scheme has been publicly announced. No further media statement will be made as a consequence of the proposals in this paper.

Proactive Release

- 27 We intend to proactively release this Cabinet paper within 30 business days of confirmation of Cabinet's decisions.

Recommendations

The Minister of Transport and Minister for Energy recommend that the Committee:

1. **note** that on 14 April 2025, Cabinet agreed to move from grants to providing concessionary loans to co-invest in public EV charging infrastructure, and that these loans will be administered by NIFFCo [CAB-25-MIN-0121 refers]

2. **note** that we agreed to bring appropriation changes to implement concessionary loans to the Cabinet Expenditure and Regulatory Review Committee following the Budget 2025 moratorium, including recommendations to transfer EV charging operating funding from EECA to NIFFCo and for any other transitional matters

Financial implications

3. **note** that there is \$70.059 million of grant funding and \$0.788 million of operating expenditure appropriated for delivering co-investment in public EV charging infrastructure that is available to implement concessionary loans
4. **note** that \$9.633 million of the uncommitted grant funding is appropriated within 2024/25 in the Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028 multi-year appropriation and requires an early carry-forward confirmation to enable it to be reprioritised for implementing concessionary loans
5. **approve** the following change to the multi-year appropriation spending profile, with no impact on the operating balance and/or net core Crown debt across the forecast period:

	\$m – increase/(decrease)				
Vote Business, Science and Innovation Minister of Energy	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears
Non-Departmental Other Expenses: Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028	9.633	-	-	-	-

6. **agree** to establish the following new appropriations:

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Transport	Minister of Transport	Ministry of Transport	Support for transport electrification and decarbonisation projects	Non-Departmental Capital Expenditure	This appropriation is limited to capital injections to National Infrastructure Funding and Financing Limited to co-invest in electrification

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					and decarbonisation projects.
Transport	Minister of Transport	Ministry of Transport	Administration of loans for electrification and decarbonisation project co-investment	Non-Departmental Output Expenses	This appropriation is limited to operating expenses for electrification and decarbonisation projects.

7. **approve** the following fiscally neutral adjustments to provide for NIFFCo's costs associated with administering the loans, with no impact on the operating balance and/or net core Crown debt:

	\$m – increase/(decrease)					
	2025/26	2026/27	2027/28	2028/29	2029/30	Until 2037/38
Vote Business, Science and Innovation						
Minister for Energy						
Non-Departmental Output Expenses:						
Energy: Energy Efficiency and Conservation	(0.788)	-	-	-	-	-
Non-Departmental Other Expenses:						
Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028		(3.914)		-	-	-

Vote Transport Minister for Transport Non-Departmental Output Expenses: Administration of loans for electrification and decarbonisation project co- investment	0.800	0.565	0.576	0.588	0.405	0.221
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8. **approve** the following changes to appropriations to give effect to recommendation 1 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears
Vote Business, Science and Innovation Minister for Energy Non-Departmental Other Expenses: Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028		(66.145)		-	-
Vote Transport Minister for Transport Non-Departmental Capital Expenditure: Support for transport electrification and decarbonisation projects	66.145	-	-	-	-
Total operating		(66.145)			
Total capital	66.145	-	-	-	-

9. **note** the multi-year appropriation described in recommendations 7 and 8 above decreases over the forecast period as follows:

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	\$m – increase/(decrease)				
Indicative annual spending profile	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears
	(70.059)	-	-	-	-

10. **agree** that the proposed changes to appropriations for 2025/26 above be included in the 2025/26 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply
11. **note** that the phasing of administration costs in recommendation 7 may vary across years
12. **authorise** the Minister of Finance and Minister of Transport jointly to make decisions to rephase the annual expenditure of the *Administration of loans for electrification and decarbonisation project co-investment* non-departmental output expense appropriation within Vote Transport, through expense transfers or bringing forward spending, as long as decisions are fiscally neutral across the forecast period
13. **note** that further funding may become available from underspends/cancellations for previously approved projects in EECA's grant programme within Vote Business, Science and Innovation
14. **authorise** the Minister of Finance, Minister of Transport and the Minister for Energy to jointly agree how to utilise any further funding that becomes available from EECA's grant programme for the purposes of the loan scheme (including making transfers between appropriations as required)
15. **agree** that any interest accrued by NIFFCo in administering the loans will be used to increase the amount of lending available
16. **note** that the concessionary loans are expected to have an associated non-cash expense of approximately \$27 million over the maximum loan tenure of 13-years, incurred by NIFFCo, which will result in a reduction of NIFFCo's equity over time
17. **note** that there is a fiscally neutral impact on net core Crown debt over the forecast period
18. **note** that the decision to change from grants to concessionary loans will have a positive impact on OBEGALx across the forecast period and does not require additional funding from allowances
19. **note** loan repayments could be used for more public EV charging infrastructure, if co-investment is still required at the time, or allocated to other initiatives. At the relevant time, Cabinet would receive advice on the options, including any fiscal implications, and make decisions.

[Authorised for lodgement]

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Hon Chris Bishop
Minister of Transport

Hon Simon Watts
Minister for Energy

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MINISTRY OF TRANSPORT TE MANATU WAKA

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Cabinet Expenditure and Regulatory Review 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.

Changes to Appropriations to Implement Concessionary Loans for Public Electric Vehicle Charging

Portfolios **Transport / Energy**

On 12 August 2025, the Cabinet Expenditure and Regulatory Review Committee:

- 1 **noted** that in April 2025, Cabinet agreed to move from grants to providing concessionary loans to co-invest in public electric vehicle (EV) charging infrastructure, and that these loans will be administered by National Infrastructure Funding and Financing Limited (NIFFCo) [CAB-25-MIN-0121];
- 2 **noted** that Cabinet agreed to bring appropriation changes to implement concessionary loans to the Cabinet Expenditure and Regulatory Review Committee following the Budget 2025 moratorium, including recommendations to transfer EV charging operating funding from the Energy Efficiency & Conservation Authority (EECA) to NIFFCo and for any other transitional matters;

Financial implications

- 3 **noted** that there is \$70.059 million of grant funding and \$0.788 million of operating expenditure appropriated for delivering co-investment in public EV charging infrastructure that is available to implement concessionary loans;
- 4 **noted** that \$9.633 million of the uncommitted grant funding is appropriated within 2024/25 in the *Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028* multi-year appropriation and requires an early carry-forward confirmation to enable it to be reprioritised for implementing concessionary loans;

- 5 **approved** the following change to the multi-year appropriation spending profile, with no impact on the operating balance and/or net core Crown debt across the forecast period:

Vote Business, Science and Innovation Minister of Energy	\$m – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears
Non-Departmental Other Expenses: Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028	9.633	-	-	-	-

- 6 **agreed** to establish the following new appropriations:

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Transport	Minister of Transport	Ministry of Transport	Support for transport electrification and decarbonisation projects	Non-Departmental Capital Expenditure	This appropriation is limited to capital injections to National Infrastructure Funding and Financing Limited to co-invest in electrification and decarbonisation projects.
Transport	Minister of Transport	Ministry of Transport	Administration of loans for electrification and decarbonisation project co-investment	Non-Departmental Output Expenses	This appropriation is limited to operating expenses for electrification and decarbonisation projects.

- 7 **approved** the following fiscally neutral adjustments to provide for NIFFCo's costs associated with administering the loans, with no impact on the operating balance and/or net core Crown debt:

	\$m – increase/(decrease)					
	2025/26	2026/27	2027/28	2028/29	2029/30	Until 2037/38
Vote Business, Science and Innovation Minister for Energy Non-Departmental Output Expenses: Energy: Energy Efficiency and Conservation	(0.788)	-	-	-	-	-
Non-Departmental Other Expenses: Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028	(3.914)			-	-	-
Vote Transport Minister for Transport Non-Departmental Output Expenses: Administration of loans for electrification and decarbonisation project co- investment	0.800	0.565	0.576	0.588	0.405	0.221

- 8 **approved** the following changes to appropriations to give effect to paragraph 1 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears
Vote Business, Science and Innovation Minister for Energy Non-Departmental Other Expenses: Energy and Resources: Public Electric Vehicle Charging Hubs and Infrastructure 2023-2028		(66.145)		-	-
Vote Transport Minister for Transport Non-Departmental Capital Expenditure: Support for transport electrification and decarbonisation projects	66.145	-	-	-	-
Total operating		(66.145)			
Total capital	66.145	-	-	-	-

- 9 **noted** that the multi-year appropriation described in paragraphs 7 and 8 above decreases over the forecast period as follows:

	\$m – increase/(decrease)				
Indicative annual spending profile	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears
	(70.059)	-	-	-	-

- 7 **agreed** that the changes to appropriations for 2025/26 above be included in the 2025/26 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 8 **noted** that the phasing of administration costs in paragraph 7 above may vary across years;
- 9 **authorised** the Minister of Finance and Minister of Transport jointly to make decisions to rephase the annual expenditure of the *Administration of loans for electrification and decarbonisation project co-investment* non-departmental output expense appropriation within Vote Transport, through expense transfers or bringing forward spending, as long as decisions are fiscally neutral across the forecast period;
- 10 **noted** that further funding may become available from underspends/cancellations for previously approved projects in EECA's grant programme within Vote Business, Science and Innovation;

- 11 **authorised** the Minister of Finance, Minister of Transport and the Minister for Energy to jointly agree how to utilise any further funding that becomes available from EECA's grant programme for the purposes of the loan scheme (including making transfers between appropriations as required);
- 12 **agreed** that any interest accrued by NIFFCo in administering the loans will be used to increase the amount of lending available;
- 13 **noted** that the concessionary loans are expected to have an associated non-cash expense of approximately \$27 million over the maximum loan tenure of 13 years, incurred by NIFFCo, which will result in a reduction of NIFFCo's equity over time;
- 14 **noted** that there is a fiscally neutral impact on net core Crown debt over the forecast period;
- 15 **noted** that the decision to change from grants to concessionary loans will have a positive impact on OBEGALx across the forecast period and does not require additional funding from allowances;
- 16 **noted** that:
- 16.1 loan repayments could be used for more public EV charging infrastructure, if co-investment is still required at the time, or allocated to other initiatives; and
- 16.2 at the relevant time, Cabinet would receive advice on the options, including any fiscal implications, and make decisions.

Tom Kelly
Committee Secretary

Present:

Hon David Seymour (Chair)
Rt Hon Winston Peters
Hon Chris Bishop
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Judith Collins KC
Hon Mark Mitchell
Hon Brooke van Velden
Hon Shane Jones
Hon Casey Costello
Hon Chris Penk
Hon Andrew Hoggard
Hon Mark Patterson

Officials present from:

Officials Committee for EXP
Office of the Minister of Defence
Office of the Minister of Corrections



Cabinet

Minute of Decision

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Report of the Cabinet Expenditure and Regulatory Review Committee: Period Ended 15 August 2025

On 18 August 2025, Cabinet made the following decisions on the work of the Cabinet Expenditure and Regulatory Review Committee for the period ended 15 August 2025:

Out of Scope

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MINISTRY OF TRANSPORT TE MANATU WAKA

EXP-25-MIN-0077

**Changes to Appropriations to Implement
Concessionary Loans for Public Electric Vehicle
Charging**
Portfolios: Transport / Energy

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Out of Scope



Rachel Hayward
Secretary of the Cabinet

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