



Cabinet

Minute of Decision

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Additional Item: Clean Car Discount: Update on Funding Mechanism

Portfolio Transport

On 28 June 2021, Cabinet:

- 1 **noted** that as part of the Budget 2021 decisions Cabinet:
 - 1.1 agreed to a capital contingency of \$301.800 million in 2021/22 for implementation of the Clean Car Discount by Waka Kotahi New Zealand Transport Agency;
 - 1.2 noted that the Clean Car Discount was intended to be funded through a Crown loan;
 - 1.3 authorised the Minister of Transport and the Minister of Finance to draw down the tagged capital contingency funding (and establish any necessary appropriations), subject to final Cabinet decisions on the design of the scheme, the agreement of the Minister of Finance to the proposed Crown loan, and approval by the Ministers for Waka Kotahi to borrow;
- [CAB-21-MIN-0116.30]
- 2 **noted** that on 31 May 2021 Cabinet agreed to final proposals on the outstanding policy decisions on the Clean Car Discount scheme [CAB-21-MIN-0186];
- 3 **noted** the advice of the Minister of Transport that officials have now advised that it would be more appropriate for the funding to be provided to Waka Kotahi for the Clean Car Discount scheme to be by way of a grant, managed through a funding deed, rather than a Crown loan;
- 4 **noted** that the proposed grant will result in an operating expense to the Crown and that therefore the capital contingency previously agreed by Cabinet referred to in paragraph 1.1 above will need to be swapped to operating funding;
- 5 **authorised** the Minister of Finance and Minister of Transport to approve the necessary changes in funding and appropriations to give effect to the change in the funding approach for the Clean Car Discount scheme from a Crown loan to an operating grant to Waka Kotahi.

Michael Webster
Secretary of the Cabinet