

17 June 2021

OC210432

**Hon Michael Wood**  
**Minister of Transport**

**Action required by:**  
Friday, 25 June 2021

## **Ministerial Direction to Waka Kotahi to add function relating to Clean Car Discount**

### **Purpose**

We seek your agreement to issue the *New Zealand Transport Agency (Additional Functions) Direction 2021* under the Land Transport Management Act 2003 (the LTMA) and Crown Entities Act 2004 to allow Waka Kotahi New Zealand Transport Agency (Waka Kotahi) to administer the Clean Car Discount Scheme, which includes the issuing of rebates under the scheme.

### **Key points**

- On 19 April 2021, Cabinet agreed to the implementation of a Clean Car Discount scheme, which will allow consumers to receive a discount on the first purchase of New Zealand newly registered zero- and low-carbon emission vehicles.
- Cabinet agreed that Waka Kotahi would administer this scheme.
- Administering this scheme does not fall within Waka Kotahi's functions as outlined in the Land Transport Management 2003.
- Accordingly, we propose that you sign a Ministerial Direction to Waka Kotahi giving them the function of administering a clean vehicle discount scheme, and functions relating to the administration of this scheme as agreed between Waka Kotahi and the Ministry of Transport (as long as those functions are consistent with the parameters of the scheme).
- We ask you to sign the attached Ministerial Direction by 25 June 2021 to allow the Direction to be in force when the Clean Car Discount scheme commences on 1 July 2021.

### **Recommendations**

We recommend you:

- 1 **agree** to issue the *New Zealand Transport Agency (Additional Functions) Direction 2021* that directs the New Zealand Transport Agency (Waka Kotahi) to issue rebates related to the Clean Car Discount Scheme

Yes/ No

IN CONFIDENCE

- 2 **sign** the enclosed *New Zealand Transport Agency (Additional Functions) Direction 2021* Yes / No
- 3 **sign** the enclosed letter to the Chair of New Zealand Transport Agency confirming you have signed the *New Zealand Transport Agency (Additional Functions) Direction 2021* Yes / No
- 4 **authorise** the Ministry of Transport to publish a copy of the *New Zealand Transport Agency (Additional Functions) Direction 2021* in the *Gazette* and arrange presentation of a copy of the same Direction to the House of Representatives on your behalf. Yes / No

Personal details



*[Signature]*  
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Ewan Delany  
**Manager – Environment, Emissions & Adaptation**

Hon Michael Wood  
**Minister of Transport**

*16.6.21*

*20.6.21*

- Minister's office to complete:**
- Approved  Declined
  - Seen by Minister  Not seen by Minister
  - Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Ewan Delaney, Manager, Environment, Emissions and Adaptation		✓
Steph Gregor, Solicitor		

Personal contact details

## Ministerial Direction to Waka Kotahi to add function relating to Clean Car Discount

*Cabinet agreed that Waka Kotahi will administer the Clean Car Discount, beginning from 1 July 2021*

- 1 On 19 April 2021, Cabinet agreed to the Clean Car Discount policy with discounts available for vehicles registered from 1 July 2021. This will apply to electric and plug-in hybrid vehicles (with the full scheme coming into effect from the beginning of 2022 when legislation has been enacted). The rebates will be manually issued by Waka Kotahi [CAB-21-MIN-0128.01 refers].

*Issuing this rebate does not fall within Waka Kotahi's functions*

- 2 Waka Kotahi has a number of functions set out in section 95 of the Land Transport Management Act 2003 (the LTMA). This does not include a function relating to offering rebates for electric vehicles.

*This Ministerial Direction gives Waka Kotahi that function*

- 3 Section 95(1)(t) of the LTMA provides that a function of the Agency is "to carry out any other functions relating to land transport that the Minister directs in accordance with section 112 of the Crown Entities Act 2004".
- 4 We propose the attached Direction giving the Agency the functions:
  - to administer a clean vehicle discount scheme, including issuing rebates on zero and low carbon emission vehicles consistent with the parameters of the scheme as agreed by Cabinet or as notified by the Minister of Transport
  - to undertake any additional functions that may be agreed by the New Zealand Transport Agency and the Ministry of Transport for the purposes of performing the above function, provided that the function is consistent with the parameters of the scheme as agreed by Cabinet or as notified by the Minister of Transport.

*We intend to permanently add these functions in the upcoming Clean Vehicles Bill*

- 5 We are currently in the design stage of the Clean Vehicles Bill, which will provide for the Clean Car Discount scheme and the Clean Car Standard. We intend to add a function related to the Clean Car Discount scheme (including the issuing of rebates dealt with here) to the list of Waka Kotahi's permanent functions in the LTMA. Waka Kotahi will also have a number of functions related to the Clean Car Standard set out in the Land Transport Act.
- 6 If this function is permanently added to the LTMA, the Ministerial Direction will no longer be required. Accordingly, we have put an expiry date in the proposed Direction of 30 June 2022. This date is set well beyond the date that the Clean Vehicles Bill is anticipated to be in force to avoid the Direction expiring before the permanent functions are in place. You may also revoke the Direction at any time.

### Legislative authority

- 7 Section 95(t) of the LTMA provides for Waka Kotahi to carry out functions, relating to land transport, as directed by the Minister of Transport in accordance with section 112 of the Crown Entities Act.
- 8 Section 112 of the Crown Entities Act provides for a Minister to direct a Crown entity to perform additional functions consistent with the entity's objectives, when empowered to do so by another Act (in this case section 95(t) of the LTMA).
- 9 The objective of Waka Kotahi is outlined in section 94 of the LTMA. It is to undertake its functions in a way that contributes to an effective, efficient, and safe land transport system in the public interest. Administering the Clean Car Discount scheme is consistent with this objective.
- 10 Section 112 also provides that the procedure for making such a direction is set out in section 115 of the Crown Entities Act.
- 11 Section 115 of the Crown Entities Act provides that a Minister giving a direction, as specified in section 112, must:
- consult with the relevant Crown entity,
  - as soon as practicable after giving the direction:
    - publish it in the *Gazette*, and
    - present a copy of it to the House of Representatives.

### Consultation

- 12 Waka Kotahi has been consulted on this briefing, which fulfils the requirement for you to consult the relevant entity under section 115 of the Crown Entities Act.

### Next steps

- 13 We ask you to sign the Ministerial Direction enclosed by 25 June 2021 to allow the Direction to be in force when the Clean Car Discount scheme commences on 1 July 2021.
- 14 We also ask you to sign the enclosed letter to Sir Brian Roche, chair of Waka Kotahi, informing him of the issuance of this Ministerial Direction.
- 15 The Ministry can arrange for the publication of the Direction in the *Gazette*, as well as its presentation to the House of Representatives. We ask you to authorise the Ministry to do this on your behalf.