



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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Seed Funding to Establish a Social Leasing Scheme Trial

Portfolio **Transport**

On 1 September 2022, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that establishing a Social Leasing Scheme gives effect to the Emissions Reductions Plan's core principle of equity in the transition to the low-emissions economy and is relevant to transport focus area two – rapidly adopt low-emissions vehicles – and target two – increase zero-emissions vehicles to 30 per cent of the light fleet by 2035;
- 2 **noted** that Waka Kotahi New Zealand Transport Agency (Waka Kotahi) will be the delivery agency for the trial;
- 3 **noted** that as part of Budget 2022, and in detailed Budget 2022 financial recommendations agreed by the Minister of Transport and the Minister of Finance in April 2022, Cabinet and the Ministers of Finance and Transport:
 - 3.1 agreed to establish a tagged operating contingency of up to the following amounts to provide for the trial of the Social Leasing Scheme:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Cleaner Vehicles for Low-Income New Zealanders – Social Leasing Scheme – Tagged Operating Contingency	-	10.000	10.000	-	-

- 3.2 invited the Minister of Transport to report to Cabinet by September 2022 on the outcome of further work to confirm the design, location and delivery model for the trial;
- 3.3 agreed that the contingency may be drawn down by Cabinet (establishing any new appropriations as necessary), subject to Cabinet's satisfaction with the further work described in paragraph 3.2 above;
- 4 **noted** that due to resourcing constraints and competing priorities, the further work described in paragraph 3.2 above has been delayed, and that in the meantime some of the tagged contingency needs to be drawn down to fund Waka Kotahi to work on the design, locations, and delivery model of the scheme;

- 5 **agreed** to change the report back date to February 2023 to accommodate the additional time required to fully develop this initiative;
- 6 **invited** the Minister of Transport to report back to Cabinet in February 2023 to confirm the design, locations, and delivery model of the scheme and seek Cabinet’s agreement to draw down the remaining tagged operating contingency;
- 7 **noted** that it is intended that the social leasing scheme trial is commenced by April 2023;
- 8 **agreed** to draw down \$1.950 million seed funding from the tagged operating contingency to enable Waka Kotahi to work on the design, locations, and delivery model for the trial;
- 9 **noted** that \$0.250 million of the seed funding is tagged as a contingency which will require Waka Kotahi to advise Te Manatū Waka Ministry of Transport (Te Manatū Waka) in writing, of its intent to use the contingency and its purpose;
- 10 **agreed** to establish the following new appropriation:

11 **approved** the following changes to appropriations to provide for the decision in paragraph 8 above, with a corresponding impact on the operating balance:

Vote	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Minister of Transport					
Non-Departmental Output Expense: Social Leasing Scheme Trial	-	1.950	-	-	-
Total Operating	-	1.950	-	-	-

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Transport	Minister of Transport	Ministry of Transport	Social Leasing Scheme Trial	Non-Departmental Output Expense	This appropriation is limited to funding to Waka Kotahi NZ Transport Agency to meet the costs associated with implementing and operating a vehicle social leasing scheme trial.

- 12 **agreed** that the changes to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 13 **agreed** that the expenses incurred under paragraph 11 above be charged against the Cleaner Vehicles for Low-Income New Zealanders – Social Leasing Scheme tagged operating contingency described in paragraph 3 above;
- 14 **noted** that, following the adjustments detailed in paragraph 11 above, the remaining balances and indicative phasing of the operating contingency described in paragraph 3 above will be:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Cleaner Vehicles for Low-Income New Zealanders – Social Leasing Scheme – Tagged Operating Contingency	-	8.050	10.000	-	-

- 15 **noted** that the tagged operating contingency described in paragraph 3 above will expire on 1 February 2023, and that further decisions on the draw down of the tagged operating contingency will be made after this date;
- 16 **agreed** to extend the expiry of the tagged contingency to 30 June 2023 to allow for these future decisions;
- 17 **noted** that Te Manatū Waka will be responsible for the evaluation of the trial;
- 18 **noted** that following the draw down of seed funding, a funding agreement will be drawn up to formally establish the roles and responsibilities of Waka Kotahi and Te Manatū Waka.

Rebecca Davies
Committee Secretary

Present:

Hon Grant Robertson
Hon Dr Megan Woods
Hon David Parker (Chair)
Hon Stuart Nash
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