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Ministry of Transport

Wellington

Wellington City Council Submission on Hīkina te Kohupara – Transport Emission Pathways to Net Zero by 2050

The Wellington City Council (WCC) welcomes the opportunity to provide feedback on Hīkina te Kohupara.

Strong central government policy, complementing the work we are doing at a local level, is essential to decarbonising transport in Aotearoa in the limited time we have left, and we are pleased to see the government considering a wide range of policy tools to achieve the necessary transformation in how we people and goods move around their local areas and across New Zealand.

WCC declared an ecological and climate emergency in June 2019 placing climate action front and centre of our decision-making. We supported our declaration with the release of *Te Atakura - First to Zero* maps, which outlines actions to support the capital city to be net zero by 2050.

Emissions reductions need to occur at speed (roughly halving local and global emissions in this decade) with transport likely carrying the bulk of the effort. Road transport accounts for ~35 percent of Wellington City emissions, and we have a variety of initiatives underway that aim to support Wellington residents and businesses to change the way they move around the city:

- The Let's Get Wellington Moving programme, which has carbon reductions from mode shift as a key objective, reallocating road space from cars to public transport, cycling and walking in the Central City.
- Reducing travel distances through a Spatial Plan that enables densification and prioritises alternative transport modes.
- An ambitious cycleways investment programme to improve cycling access and safety along the main routes into and out of the Central City.
- Support for car sharing services and alternative mobility modes like e-scooters and e-bikes
- Infrastructure to support the uptake of electric cars, installing 60 or more public chargers on Council land over the next five years.

We firmly believe the responsibility to act on climate change lies with this current generation.

Future generations are already going to have to cope with the physical impacts of climate change due to the lack of action to reduce emissions up until now. For this reason, we strongly support the Ministry's principle of making early, deep reductions in transport emissions. We would also like to see further investigation of more aggressive decarbonisation scenarios, like pathway 4.

We would recommend that the Ministry reflect on the fact that **public communication of the change required will be essential to achieving these decarbonisation pathways**. Decarbonising transport will require a transformational shift, within a very short space of time, in the way people travel. It will be difficult for councils to implement many of the changes proposed in this paper unless they are clearly understood by the public to be part of a nationwide strategy to prevent climate change and improve our way of life. This will require central government to clearly articulate the risk of inaction, forecast the change that is necessary, and provide a compelling vision of the better future this change can deliver. This is particularly necessary in transport where the transition to a decarbonised transport sector will require a significant change in many peoples'

day-to-day life. If this communication challenge is left to 78 different local councils it will be confusing, contradictory and unlikely to succeed.

The transport sector is well placed to support behaviour change messaging given its decade long experience in road safety behaviour change. Likewise, lessons can be learnt for the efficacy of COVID-19 public communications. We are of the view that a public communications campaign of a similar scale to COVID-19 (albeit over a longer period) will be necessary to ensure there is a strong understanding of why such significant changes to our way of life is needed and worthwhile. Our commentary on specific proposal in this green paper is outlined in the question-and-answer format on the next page.

Please feel free to get in touch with our staff at WCC if you would like to discuss any of the comments in this submission or if you require further information. You can contact the Manager of the WCC Climate Change Response team via alison.howard@wcc.govt.nz.

Yours sincerely,
Andy Foster
Mayor of Wellington

WCC response to consultation questions in Hīkina te Kohupara

Q1. Do you support the principles in Hīkina te Kohupara? Are there any other considerations that should be reflected in the principles?

We are broadly supportive of the principles.

We support the intent of principle 1. We think the text underneath this principle could more clearly define what is meant by playing a “lead role” or making “early, deep reductions”. Such terms are relative and therefore could easily be interpreted differently by stakeholders. We suggest the Ministry clarify this guiding principle by defining a minimum level of emission reduction in transport over the next three emission budgets. We recommend this minimum level align with the level of emission reduction proposed in Climate Commissions’ demonstration pathway for transport.

Principles 6 and 7 could be clearer about the role government plays in determining transition pathways and enabling innovation. The current text gives the impression the Ministry is of two minds about the role government does/should play in shaping transport investment and enabling innovation. Some of the wording suggests the government should play an active role in shaping transport, while other wording (e.g. “Government does not usually ‘pick winners’”) suggests the opposite. In our view, central government cannot take a neutral position on decarbonisation pathways for transport. Government funding and regulatory decisions already constrain what transition pathways and innovation is possible in New Zealand. Central government needs to be clear about the transition pathway it is planning to regulate for and co-fund so that local governments can make long term decisions about urban form and transport investment.

Q2. Is the government’s role in reducing transport emissions clear? Are there other levers the government could use to reduce transport emissions?

Yes.

Q3. What more should Government do to encourage and support transport innovation that supports emissions reductions?

This section could more clearly explain how government policy, regulation and funding settings currently frame what innovations are possible in transport. The car-oriented nature of New Zealand's transport system is itself currently a barrier to many transport innovations that could support decarbonisation. For example, there has recently been an enormous amount of innovation in micro-mobility (i.e. shared mobility, e-bikes, e-scooter, e-skateboard), however, utilisation of these innovations is constrained by the lack of safe space on streets to use this technology. This section could include discussion on the role that ‘automation’ can play in public transport. Automated light rail and trains are already operating overseas. Presumably the barrier to this innovation here is more about funding and planning decisions.

This section should include greater consideration of the role e-bikes and other forms of micro-mobility can play in the ‘electrification’ of transport. E-bike sales are far outstripping electric car sales currently and are close to competing with new car sales.

Q4. Do you think we have listed the most important actions the government could take to better integrate transport, land use and urban development to reduce transport emissions? Which of these possible actions do you think should be prioritised?

We are very supportive of the proposals included in this section. We suggest following policies should be the highest priority in the Ministry's work programme:

- Set higher Funding Assistance Rates for walking and cycling investments and dedicated/priority bus lanes to strongly incentivise Road Controlling Authorities to prioritise and accelerate street changes.
- Set targets for councils to deliver public transport and active travel networks that require street changes (e.g. dedicated/priority bus lanes on some routes; connected cycling networks) by a specific date. There could be funding consequences if Road Controlling Authorities do not deliver these changes within these timeframes.
- Make changes to policy and funding settings to ensure Waka Kotahi and Road Controlling Authorities maximise opportunities to 'build back better' when doing street renewal.¹
- Prioritise the need to reallocate street space and to create connected networks for delivering transport mode shifts in the next GPS on land transport, and/or for any additional funding for active modes and public transport.
- Policy work on changes to fringe benefit tax exemptions.

In addition, we would suggest:

- Clarifying in the GPS that mode shift is necessary to reduce transport emissions and identifying clear mode shift and VKT reduction targets for Waka Kotahi to achieve through its investment programme. Waka Kotahi does not currently have a consistent position on whether mode shift is necessary to reduce emissions.
- Realigning Waka Kotahi's Funding Assistance Rates to reflect Government objectives in transport and climate change. Urban motorways, for example, should not be funded at a higher rate to transport projects that support more efficient, low-carbon transport.
- Establishing a purpose-built regulatory pathway for trialling street space reallocation (e.g. innovating streets). Trials are a very effective way of reallocating street space at scale and pace. The iterative design process also allows us to adjust streets changes to meet needs of residents and businesses. WCC has used Traffic Management Plans as a framework for piloting cycleways in the city, however, this is not fit for purpose as it creates some legal uncertainties which can constrain design and slow delivery.

Q5. Are there other travel options that should be considered to encourage people to use alternative modes of transport? If so, what?

It would be helpful if MoT could:

- include a breakdown of mode shift targets by urban centre/region
- quantify the estimated cost of delivering the key mode shift investments like bus priority and the connected urban cycling networks by urban centre/region
- set timeframes for delivering the infrastructure needed to achieve the mode shift required to meet emission budgets.

This would support councils to scale and sequence the necessary investments to meet national carbon budgets.

Q6. Pricing is sometimes viewed as being controversial. However, international literature and experiences demonstrate it can play a role in changing behaviour. Do you have any views on the role demand management, and more specifically pricing, could play to help Aotearoa reach net zero by 2050?

Please see our submission to MoT on the *Congestion Question* for our view on road pricing. Another relatively straight forward pricing tool is parking charges. Let's Get Wellington Moving has analysed the impact of a potential parking levy as part of the Travel Demand Management workstream. A parking levy could reduce vehicle trips into the CBD during the AM

peak and would be relatively equitable and simple to implement. However, it would require regulatory changes to implement.

The [Land Transport \(Offences and Penalties\) Regulations 1999 \(SR 1999/99\) \(as at 01 August 2020\)](#) [Schedule 1 Offence provisions and penalties – New Zealand Legislation](#) sets the penalties for parking offences. This schedule has not been updated since 27 February 2005 which means that 16 years of price inflation that has not been captured, and the penalty is now not much higher than some parking charges. This effectively creating an artificial cap on parking charges because paying the penalty could become cheaper than paying the fee. Local authorities should be able to amend this schedule.

Similarly cost recovery for providing parking to residents (resident's parking schemes) is limited to a simple cost recovery calculation under s 22AB(1)(o)(iii)(B) of the Land Transport Act 1998 [Land Transport Act 1998 No 110 \(as at 01 December 2020\)](#), [Public Act 22AB Road controlling authorities may make certain bylaws – New Zealand Legislation](#). This prevents the true opportunity cost, and externalities of parking to be captured and passed on to personal vehicle owners. Local authorities should be able to charge, for example, for land use as part of a residents' parking scheme.

Q7. Improving our fleet and moving towards electric vehicles and the use of sustainable alternative fuels will be important for our transition. Are there other possible actions that could help Aotearoa transition its light and heavy fleets more quickly, and which actions should be prioritised?

We support the actions listed in this section.

We are of the view that e-bikes should also be eligible for subsidies as part of any feebate scheme developed for vehicles. This would be consistent with the Ministry's mode neutral approach to transport. The subsidy considered for one electric car in the Clean Car Discount could cover the entire cost of between one to three new e-bikes. Research suggests e-bike have the potential to be used more like cars² and replace a significant proportion of a user's car trips (between 20%-86%)³. A subsidy would support the transition to mainstreaming e-bikes while people are hesitant to give up their car and therefore view e-bikes as an additional cost to a car, rather than a low-cost alternative. E-bike are also financially in reach of more people than electric cars.

Q8. Do you support these possible actions to decarbonise the public transport fleet? Do you think we should consider any other actions?

Yes

Q9. Do you support the possible actions to reduce domestic aviation emissions? Do you think there are other actions we should consider?

Yes

Q 10. The freight supply chain is important to our domestic and international trade. Do you have any views on the feasibility of the possible actions in Aotearoa and which should be prioritised?

Yes

Q 11. Decarbonising our freight modes and fuels will be essential for our net zero future. Are there any actions you consider we have not included in the key actions for freight modes and fuels?

No

Q12. A Just Transition for all of Aotearoa will be important as we transition to net zero. Are there other impacts that we have not identified?

Both existing and potentially new transport inequities are well described in the problem definition of this paper. We agree that this is a really critical consideration in policy design. The entire point of stopping climate change is to preserve and enhance people well-being. That needs to be forefront in our policy design.

In table 6 (which outlines the policy work programme) there does not appear to be a workstream/ or initiative focused on managing a just transition in transport. This creates a risk that distributional impacts in the Emission Reduction Plan are only considered on a policy-by-policy basis. This could result in the cumulative effect of policies being inequitable or lead to an unclear narrative about how policies work together to ensure a 'Just Transition'. We encourage the Ministry to undertake a focused piece of work to ensure that a 'Just Transition' is being delivered across workstreams, that any policy gaps are filled, and that the story of a just transition is clearly communicated.

Q. 13. Given the four potential pathways identified in Hikina te Kohupara, each of which require many levers and policies to be achieved, which pathway to you think Aotearoa should follow to reduce transport emissions?

In our view, all decarbonisation pathways considered by government should, at a minimum, align with the level of emission reduction required by the Climate Commission. Only pathway 4 appears to achieve this. It would be useful if the Ministry could model additional pathways/policy mixes which also achieve this level of emission reduction or greater.

In general, Wellington City Council, supports the focus in pathways 1 and 4 on 'avoid' and 'shift' measures to reduce transport emissions. This reflects the hierarchy of interventions that the Council has adopted in our emission reduction plan. The prioritisation of active, shared and public transport modes aligns with our commitment to the people of Wellington to enable a just transition. These modes can provide affordable and accessible transport for all. And there are wider benefits of encouraging active transport (improving health outcomes) and public transport (increasing transport efficiency).

It would also be helpful if further analysis of decarbonisation pathways could clarify the differences between the Ministry's 'Pathway 4' and the Climate Commission's proposed decarbonisation pathways for transport.⁴ It is currently difficult to understand how they compare as the two reports measure change differently. Compare, for example, table 7.3 on page 124 of the Commission's final advice and table 3 on page 111 of Hikina te Kohupara. The Commission measures EV uptake in terms of percentage of registrations, while the Ministry measures it by share of the total light fleet. Likewise the Ministry's estimated change in VKT uses a BAU baseline for 2030 while the Commission compares VKT reduction to 2019 levels.

There appear to be significant differences in the Ministry's assumptions about the level of EV uptake that is possible, and the level of VKT reduction that is required, to meet the climate commission's proposed level of emission reduction. It would be useful to know if this is based on a different understanding of the effectiveness of policies or simply a matter of counting the emission reductions using different denominators.

Q 14. Do you have any views on the policies that we propose should be considered for the first emissions budget?

We strongly support the selection of policies included in the first emission budget.

We recommend adding a workstream to consider inter-regional passenger rail. Page 46 of this document states that the economic viability and competitiveness of inter-regional rail needs to be tested against changes in our vehicle and aviation fleet to be low emissions. However, this work does not then appear as a policy initiative in any of the emissions budgets. Given the long lead-in time required for this kind of infrastructure we suggest it be investigated during the first emissions budget. This work is of importance to Wellington city given the population growth in satellite towns and the potential for this to increase vehicle travel around the region and into the city if viable alternatives do not exist.

Please also see our answer to question 12 regarding work on a 'Just Transition'.