CANTERBURY
Mayoral Forum

A strong regional economy with resilient, connected communities and a better quality of life, for all.

Transport Emissions
Ministry of Transport
PO Box 3175
Wellington 6140

by email: transportemissions@transport.govt.nz

Canterbury Regional Transport Committee and Canterbury Mayoral Forum joint submission on *Hīkina te Kohupara*

1. The Canterbury Regional Transport Committee (RTC) and the Canterbury Mayoral Forum (CMF) thank the Ministry of Transport for the opportunity to make a joint submission on *Hīkina te Kohupara – Kia mauri ora ai te iwi – Transport Emissions: Pathways to Net Zero by 2050*.

2. In this submission the RTC and CMF provide comment on the key issues for Canterbury in the consultation document.

Summary of key points

- Overall support for the avoid, shift, improve approach taken to identify emissions reduction opportunities.
- Support for both pathways one and four as the most impactful and cost-effective, noting that the pace and scale of change required is challenging under all scenarios.
- Note that success under any pathway requires strong, consistent direction from central government, backed by the mechanisms, funding and resourcing to deliver.
- While we support initiatives that disincentivise private vehicle use and encourage mode shift, we need to first invest significantly in increasing accessibility and travel choice to enable this mode shift.
- Support in principle for much greater use of pricing mechanisms, provided their use and application is considered spatially and accounts for local inequities in access.
- Improving public transport requires an additional source of PT funding.
- Consider that long-distance public transport could have a greater role in a low-emissions transport system serving and linking smaller rural communities.

- Support further investigation into:
    - the use of biofuels in heavy vehicles,
    - urban consolidation centres, and
    - electrification of short-haul freight tasks.
- Support for greater investment in rail.

Background and context

Canterbury Regional Transport Committee

3. The Canterbury Regional Transport Committee (RTC) is comprised of one representative from each of the Road Controlling Authorities (RCAs) in the Canterbury Region plus two regional councillors and Waka Kotahi. The committee was established pursuant to s106 of the Land Transport Management Act 2003 (LTMA). The principal responsibilities of the RTC are to:
    - develop a Regional Land Transport Plan for the Canterbury Region
    - ensure coordination of transport activities across road controlling authorities, and
    - represent and advocate for the transport interests of the Canterbury Region

4. The Canterbury Regional Council is also the secretariat for the South Island Regional Transport Committee Chairs group.

Canterbury Mayoral Forum

5. The CMF comprises the Mayors of the ten territorial local authorities in Canterbury and the Chair of the Canterbury Regional Council (Environment Canterbury), supported by our Chief Executives. The purpose of the Forum is to promote collaboration across the region and increase the effectiveness of local government in meeting the needs of Canterbury's communities.

6. All Canterbury councils actively participate in the Forum: the Kaikōura, Hurunui, Waimakariri, Selwyn, Ashburton, Timaru, Mackenzie, Waimate and Waitaki District Councils, the Christchurch City Council and the Canterbury Regional Council (Environment Canterbury).

7. The CMF published the *Mayoral Forum's Plan for Canterbury* in September 2020[1], which sets out the CMF's five key priorities in this local government term:
    - **Sustainable environmental management of our habitats** (land, air, water and ecosystems), focusing on land use and freshwater management.
    - **Shared economic prosperity –** through sustainable, value-added primary production, high-value manufacturing, high-value tourism, growing attracting and retaining a skilled workforce and attracting new businesses.
    - **Better freight transport options –** mode shift to optimise movement of long-distance freight by rail and coastal shipping to improve road safety, decrease carbon emissions and reduce wear and tear on the region's roads.

[1] The Plan for Canterbury is available here: https://canterburymayors.org.nz/forums/plan-for-canterbury/

- **Climate change mitigation and adaptation –** reducing our carbon footprint, building community resilience and making our infrastructure as strong as it can be.
- **Three Waters services –** securing safe drinking-water supplies, and ensuring that infrastructure, institutional arrangements and regulation enable the sustainable management of drinking water, wastewater and stormwater in Canterbury.

Our context

8. Canterbury is the largest region in New Zealand by land area, extending from north of the Clarence River to south of the Waitaki, and from the main divide of the Southern Alps to the South Pacific Ocean. We comprise some of the largest and fastest-growing urban areas in New Zealand. Greater Christchurch is New Zealand's second most populous urban area and the decentralisation of people and jobs away from Christchurch's central city post-earthquakes has had a substantial impact on our transport networks.

9. However, outside of these main urban areas, Canterbury is sparsely populated, and our rural communities often need to travel significant distances to access even basic services. This is particularly the case in our least populated districts; Kaikoura, Hurunui and Mackenzie, which represent three of the five least populated districts in the country. There is effectively no transport choice in these areas other than private vehicle, which makes these parts of the region almost entirely dependent on improvements in our vehicle fleet to reduce transport sector emissions.

10. Moving forward, we recognise the need to transition to a low-emissions future. This is about more than just transport. Our recently adopted Regional Land Transport Plan 2021-31 (RLTP) begins to set the foundations for change, proposing an investment of over $330m of capital investment in public transport, walking and cycling, including stage two of a significant expansion of public transport in Greater Christchurch. We have also been trialling an on-demand public transport service in Timaru which has shown promising results for our smaller urban areas.

11. The headline targets in our RLTP seek a 30% reduction in transport emissions and a 100% increase in rail freight tonnage in Canterbury by 2030. Achieving these targets will require a transformation of our existing transport planning and investment system. We applaud our colleagues in the Ministry in putting forward this discussion paper and look forward to working more closely with central government in transitioning the transport system to a low-emissions future.

Our role in Aotearoa's transport planning system

12. We support the avoid-shift-improve approach taken to identifying opportunities to reduce transport emissions. We note that local government has control of, or at least some influence over, several of these interventions, including those related to accelerating mode shift, reallocating road space, reprioritising investment away from additional roading capacity, and shaping urban form.

13. These interventions almost exclusively sit within the 'avoid' and 'shift' space which the Ministry considers to be the most impactful and cost effective in reducing overall transport sector

emissions. However, our ability to successfully implement these interventions is often constrained by:

- availability of funding
- slow decision-making processes
- committed investments that do not support reducing emissions
- need to balance emissions reduction against other outcomes (such as road to zero)

14. These levers also often have a long lag time between policy intervention and their impact on emissions. Given the raft of levers available and the urgency and potential impact of climate change the best response will be to enable as many levers as possible, rather than a select few.

15. While we support initiatives that disincentivise private vehicle travel, such as making greater use of pricing mechanisms, we also need to correspondingly invest significantly in increasing accessibility and travel choice by modes other than private vehicle, particularly in established urban areas.

16. We also support the level of attention in the draft discussion document afforded to equity. The transition to a low-emissions transport system for Aotearoa, and particularly the greater use and application of pricing mechanisms, has the potential to exacerbate existing inequities in access in many of our communities.

17. Bringing a spatial lens over transport decision making that carefully considers the locations and groups in our community with the least access to opportunities and who experience the greatest marginalisation, will enable a more just transition.

Theme 1

Urban Form

18. NZ cannot meet its targets without transport and transport cannot meet its targets without a corresponding change to land use. Influencing urban form and travel demand is critical, particularly in the medium to long-term. We need better travel options, swift changes to reallocate existing road space toward alternative modes, and tactical use of tools such as parking management and demand management/pricing tools.

19. Spatial planning and the development of spatial plans are a key tool to enable greater integration of land use and transport, which will in turn reduce emissions. However, spatial planning in and of itself does not create good outcomes without the mechanisms to deliver. We are most interested in new mechanisms to deliver on spatial plans.

20. Spatial plans take time to develop and consult on and there are many functions of local and central government that sit outside of spatial planning. There will continue to be a need to make investment decisions outside of spatial planning processes, and these decisions can still contribute toward reductions in transport emissions. While we support in principle investment conditional on spatial planning, we note that this is a blunt instrument and careful consideration would be needed as to how and where it is applied, as well as the limited resource available in local and central government to input into spatial plan development.

21. Of greater concern to us is the conflict between reducing transport emissions and the operation of competitive land markets. The NPS UD includes climate change as both an objective and a policy, yet it also requires councils to enable growth in greenfield areas and be responsive to out of sequence plan changes. This undermines the ability of local government to focus limited growth into locations that would support reducing transport sector emissions.

22. Delivering a quality, compact urban form is broadly consistent with the current policy direction in the Canterbury Regional Policy Statement. But it also requires upfront investment in infrastructure and addressing infrastructure funding and financing. Firstly, our ability to appropriately levy beneficiaries (primarily landowners) for the full cost of infrastructure, and secondly the balance sheet capacity of councils to carry the increased holding costs of greater investment in infrastructure.

23. Currently, to levy development contributions local councils need to have projects identified, costed, and included for funding in 10-year budgets. This is a significant constraint on our ability to respond to emerging needs and the pace and scale of change required. We need new mechanisms and support from central government to begin levying contributions on infrastructure 30 years in advance, and on projects where there is lesser certainty as to how, where and when the project will proceed.

24. Accordingly, we support the provision and deployment of new tools for councils, Kiwirail and Waka Kotahi to facilitate urban development outcomes that support transport-oriented development. In particular, land aggregation and assembly, plus infrastructure funding and financing mechanisms.

25. We support fast-tracked processes and new mechanisms to reallocate existing road space but note that this should be within environmental limits, and would require strong guidance on parking, specifically addressing how the removal of parking aligns with and delivers on higher-level outcomes. Reallocating road space and removing parking are very contentious interventions for our communities because they remove some options for people.

26. We support requiring transport emissions impact assessments in consenting/activity approval processes for high trip-generating activities. We note that this could be considered as part of resource management reform.

27. We strongly support an increased Funding Assistance Rate for walking and cycling improvements, road re-prioritisation and public transport improvements, however, note that this would require additional funding to the NLTF and/or new/additional funding sources.

28. We seek to work more closely with government on guidance and implementation of a ‘build back better’ approach to maintenance and renewals. We note that Tasman District Council have been taking a different approach to renewals that is promising, essentially reducing the width of sealed roads by removing shoulders, margins, berms and on-street parking when undertaking renewals. While this has little to no short-term cost saving, they claim it reduces future maintenance costs and it may have additional emissions benefits also. Maintaining and renewing our existing road networks forms the vast majority of our RLTP expenditure and we need to consider new approaches.

29. We note that urban form takes a long time to change, and the pace of change set out in pathways one and four are unlikely to be able to be achieved within the current regulatory framework. The resource management reforms may enable a faster pace of change.

Better travel options

30. We support further investment in public transport infrastructure, walking and cycling. We do not consider that there are significant regulatory barriers to increased uptake of walking and cycling, rather, a lack of incentives to reduce private vehicle use. The GPS on land transport is already strong in relation to supporting low emissions public transport, walking and cycling. The key issues are availability of funding and the onerous processes required to unlock that funding.

31. We suggest that Waka Kotahi should look at its existing business case tools and models and consider whether these remain fit for purpose in transitioning our transport system toward lower emissions. Currently these processes are largely based on historic measures and inputs in terms of journey time improvements, service elasticity and price elasticity etc. These may need reviewing and updating to ensure the right mix of projects are receiving funding.

Travel Demand Management and Pricing Mechanisms

32. We agree that pricing is a powerful tool to influence behaviour, and that we need more tools and better tools. However, the use and deployment of these tools needs to respond to local context to achieve its intended outcomes and avoid unintended consequences. We also think that behaviour change programmes have a significant role to play.

33. We note that pricing tools have the potential to support a range of transport outcomes, including enabling a shift to a more user-pays approach to funding road maintenance. Applying new pricing tools could allow a fairer allocation of costs, particularly for low volume, high value roads such as those used by forestry and quarrying operations.

34. We particularly support the greater use of pricing mechanisms in locations that are already well served by alternative transport modes, or in combination with investment in making alternative transport choices more attractive. Their use and application need to be considered spatially and account for local inequities in access.

35. We strongly support distance-based road pricing, particularly where this funding is directed into maintaining networks in lieu of reduced NLTF income as our vehicle fleet transitions to electric. This forms part of addressing the maintenance and renewals issue raised earlier in our submission.

36. We support in principle low emission zones in urban areas however note that this may result in behaviour counter to intended aims, by essentially incentivising development on the periphery and decentralisation of employment in established urban areas, particularly city centres.

37. We question the efficacy of congestion pricing, noting that if we are reliant on using congestion pricing as a tool to reduce transport emissions then we have essentially failed to effectively utilise other interventions. We note that Canterbury and Greater Christchurch does

not experience congestion levels akin to those experienced by Auckland and Wellington, and may not ever experience this if we can transition our transport system quickly enough.

38. We support the removal of maximum parking requirements to support compact urban development and the introduction of parking minimums, but only where their use and application is determined by local councils.

Theme 2

Improving our passenger vehicle fleet

39. Given the slow turnover of the vehicle fleet in Aotearoa, urgent action to accelerate the transition to light electric vehicles needs to happen immediately. Hīkina te Kohupara rightly focuses on addressing the primary barriers to electric vehicle uptake: purchase price and then supply. Pairing these with complementary interventions that increase the awareness of electric vehicles and their convenience (i.e. public fast chargers) can potentially support a swifter uptake.

40. We strongly support the introduction of a fuel efficiency standard to drive the supply of low emissions vehicle imports. We also support further investigation of a rolling age limit for used vehicles where it is accompanied with appropriate financial support mechanisms for lower income households, particularly in remote or rural areas.

41. We support the proposed feebate scheme as a short to medium term measure to plug the (albeit narrowing) price differential between fully electric and ICE vehicles. We would prefer a feebate scheme as opposed to a subsidy. We also support investigating a feebate or microloan scheme to support the take-up of electric bikes, particularly for the transport disadvantaged.

42. We are concerned about stewardship of used vehicles and the proportion of used vehicle materials that are recycled and/or reused. NZ needs to ensure that in making the transition to electric our used ICE vehicles are not simply exported overseas for use in less developed countries with poorer regulation and enforcement. In short, our ICE vehicles cannot become someone else's problem. We support a regulatory approach to this issue that focuses on the engine, not the vehicle.

43. We support government incentives and action to support the standardisation and further roll out of electric vehicle charging infrastructure. We look forward to working more closely with central government and other stakeholders in progressing this.

44. Canterbury has some of the highest rates of private vehicle use in Aotearoa. Many people in our rural districts are required to travel large distances to access employment and even basic services. We emphasise the importance of the shift to low emissions and electric vehicles for our rural communities, who are most reliant on private vehicle use for their livelihoods. Their needs need to be front-of-mind in making this shift because they have no other choice.

45. As an expansive rural farming and rural production area, suitable alternative fuelled vehicle options for our core rural industries (including agricultural machinery) are simply not available,

or likely to be available in the near future. Therefore, while the 2050 target is admirable, further work is required to make this target achievable.

46. We note that maintaining/retaining core services (such as banks) in our rural communities may have significant emissions benefits in terms of reduced vehicle kilometres travelled.

Public Transport fleet

47. We support the extension of the current Road User Charges (RUC) exemption for electric buses. We also consider that this should be expanded to include all zero-emission public transport (PT) vehicles, not just electric, e.g., hydrogen. We note that Environment Canterbury has already made significant commitments to transition its diesel bus fleet.

48. We strongly support further investment in rail. Over half of submitters on the Canterbury Regional Land Transport Plan expressed support for greater use of rail, for both passengers and freight, and we have recently extended an invitation to KiwiRail to appoint a representative to the Canterbury RTC.

49. We note an error in the report on page 75, Christchurch (unlike Auckland and Wellington) does not currently have an electrified metro passenger rail network, or any passenger rail network.

50. We note that the lack of an additional source of PT funding (other than the NLTF) is currently the biggest barrier to expanding the frequency and coverage of our public transport networks. Were additional sources of funding available we could consider significant improvements to our services in this area. We are currently trading off service improvements to invest in a zero emissions fleet.

51. We also consider that an enhanced national bus network that operates across regions and facilitates inter and intra-regional public transport, linking our smaller rural communities, is a critical part of a low emissions transport network. Inter-regional public transport services are currently treated as exempt under the LTMA, and the law may need to be changed to clarify this. Many contracted services would also require a heavy subsidy to operate, at least initially, which would necessitate the need for an additional funding source outside of what is currently available through the NLTF. However, we consider the existing public transport contracting, governance and operations framework/legislation is well-positioned for regions to collaborate on shared PT services. We understand the PTOM review may soon consider the issue of inter-regional services and whether they should remain exempt.

Theme 3

Freight

52. We support further use and deployment of intelligent transport systems. We think there is real value to be gained in transport planning from data generated by the freight network. Given the competitive nature of the road freight industry, we consider that a government-backed approach to enabling greater data collection, information sharing, and collaboration may be warranted.

53. In particular, we would like to see investigation of urban consolidation centres for first and last mile delivery. We also think further investigation into electrification of short-haul freight tasks is needed, particularly within major urban areas.

54. We recognise the need to invest in developing and rolling out greater use of biofuels given the slow turnover of our heavy vehicle fleet. Low carbon fuels will also have air quality benefits in our ports and urban areas. Heavy vehicles have a greater contribution to air pollutants than light vehicles. This would significantly reduce the emissions of nitrogen oxides, sulphur oxides and particulate matter which have known health impacts. The proposed response/pathway put forward for freight potentially positions the freight sector well to turn toward other energy sources (such as hydrogen) if these turn out to be a better alternative.

55. Stronger national guidance and direction is needed to regulate the location and mode of high trip-generating activities, for example quarrying, mining and extraction activities generating high volumes of heavy vehicle trips.

Conclusion

56. In summary, the RTC and CMF support pathways one and four. We consider these to be the most impactful and cost-effective. However, these two pathways will require a transformation of the existing transport planning and investment system. We need to effectively utilise a multitude of the available levers to shift our transport system at the pace and scale required. We would like to see commitments to some of the avoid and shift initiatives in governments' first emissions budget.

57. The pace and scale of change required is so great that alignment and integration becomes a significant issue, as is our capacity to deliver. We are already seeing examples of a lack of alignment across central government, even within individual policy statements (e.g. the NPS UD) and within ministries (e.g. the conflict between supporting competitive land markets and expressly providing for urban expansion in NPS UD versus the need to retain and protect elite and prime soils for food production in the proposed NPS HPL).

58. Success under any pathway requires strong, consistent direction from central government, backed by the mechanisms, funding and resourcing to deliver. Reforms across local government, resource management, housing and urban development need to be aligned and support collaboration across ministries. We will continue to work with the Ministry and with our colleagues in central government to ensure strong alignment and coordination through this transition.

59. Thank you once again for the opportunity to make a submission on this draft strategy.

60. The RTC and CMF secretariats are available to provide any further information or answer any questions the Ministry may have about this joint submission. Contact details are: Luke Carey, Senior Advisor – Transport, Environment Canterbury luke.carey@ecan.govt.nz 027 280 6318 or Maree McNeilly, Canterbury Mayoral Forum Secretariat, secretariat@canterburymayors.org.nz , 027 381 8924.

Ngā mihi

Peter Scott
Councillor Environment Canterbury
Chair, Canterbury Regional Transport Committee

Sam Broughton
Mayor, Selwyn District Council
Chair, Canterbury Mayoral Forum