

## Decarbonising the land transport system

Jennifer Caldwell

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The daily commute has taken on a whole new meaning in these pandemic times, but it's set to be unrecognisable by the end of the decade.

For the Government's ambitious net carbon zero target to be met, the Climate Change Commission has said that transport emissions need to "fall quickly, and significantly". In the Commission's May 2021 report delivered to the Minister of Climate Change, James Shaw, two broad areas of focus were identified: firstly, phasing out imports of internal combustion engine light vehicles by the early 2030s, and secondly, reducing New Zealanders' reliance on cars.

Right now, New Zealand's transport sector accounts for around 20 percent of our total greenhouse gas emissions. Most of the sector's emissions come from road transport, with our light vehicle fleet making up 67 percent of that number. For this reason, the Government is trying to build momentum by increasing investment in alternative modes of transport, such as rail, public transport, walking and cycling networks.

For instance, in May 2021, Transport Minister Michael Wood released *Hikina te Kohupara – Kia mauri ora ai te iwi – Transport Emissions: Pathways to Net Zero by 2050*, a Ministry of Transport report outlining potential policies and pathways to a net zero emission transport sector. The Land Transport (Clean Vehicles) Amendment Bill puts these principles into practice, establishing a legal framework to drive down emissions and increase uptake of electric vehicles. The Government has also sought to incentivise behaviour change by providing rebates for electric and plug-in hybrid vehicles.

However, integration of transport with land use planning requires a longer-term horizon, and much of what is possible will be shaped by the new legislative framework expected to emerge from the reform of the Resource Management Act 1991 (RMA).

Three core pieces of legislation will replace the RMA. Drafting of the Natural and Built Environments Act (NBA) is well advanced, with an early purpose and principles Exposure Draft released for comment in early 2021 (and recently reported back from Select Committee). The Strategic Planning Act (SPA) and a new Climate Adaptation Act (CAA) will follow closely behind.

### **Where does a low-carbon land transport system fit into this new framework?**

The NBA Exposure Draft provides an early glimpse. The Resource Management Review Panel recommended that emissions-reduction outcomes be included in the NBA purpose and principles to ensure the promotion of land and resource use activities that mitigate emissions or sequester carbon. The NBA Exposure Draft (at section 8) would deliver on that direct recommendation, as well as seeking urban form outcomes that support emissions reduction.

Other provisions enable the proposed new National Planning Framework (NPF) to prescribe environmental limits, requiring inclusion of provisions that "direct" the outcomes listed in section 8. If these provisions survive the final drafting process, they will hand the Minister for the Environment (who develops the NPF) extensive powers to mandate urgent, far-reaching land use and emissions control regulation.

The key challenge is that, while the land transport system is dynamic, evolving in response to performance deficiencies and changing policy drivers, evolution is the product of complex, lengthy processes that will not yield easily without further legislative change.

Whether for roads, or climate-friendly modes such as shared use paths and rapid transit corridors, planning for land transport infrastructure commences with a Treasury-mandated business case process. These business cases identify network needs, building the case for investment by setting investment objectives, identifying constraints, developing corridor options, undertaking multi-criteria analyses, and ultimately selecting preferred alignments. Climate change resilience and low-emissions outcomes can be infused into this process. As it stands, there are signs that these factors are already influencing investment decisions.

The investment decision-making process occurs within the planning and funding cycles established by the Land Transport Management Act 2003 (LTMA). Under this system, national and regional land transport plan processes identify long-term priority funding requirements. However, reaching the implementation phase is not always straightforward. This is because it can sometimes take years for compelling business cases to have their funding confirmed. The problem is that those priorities have already started to shift in the wake of clear commitments to low-carbon transition. So, to give greater impetus in the short to

medium term, some amendments to the LTMA may also be required.

## **Introduction of new spatial plans**

The introduction of spatial planning under the Strategic Planning Act should assist with transport and land-use integration. The Act will integrate functions under the RMA, Local Government Act 2002, Land Transport Management Act 2003, and the Climate Change Response Act 2002 - enabling more efficient decision-making and investment. One of the Act's stated benefits is bringing about a longer-term planning focus. Significantly, new regional spatial strategies (RSSs), which would replace all district and regional plans, would have multi-agency input, including feedback from Government.

For land transport infrastructure, the benefit of an RSS lies not so much in where infrastructure corridors or locations are indicatively shown, but in the process of building consensus around the need for them and their strategic importance. Once everything is "on the board", the key players are then able to agree relative priorities, and the work of integrating land transport networks with smart urban growth can begin in earnest.

This has never been more important. As we gather momentum towards a zero net carbon future, business case processes will need to ensure timely delivery of inputs to regional spatial plans. Infrastructure providers will also need to lead and anticipate, rather than respond, to changing community priorities.

The Climate Change Commission believes we are well-equipped to face the challenge:

*Our analysis shows the transition can begin in earnest. The technology and tools the country needs to get there exist today – Aotearoa does not need to rely on future technologies. The evidence has shown the transition is affordable, brings many other benefits, and opens up new economic opportunities. Our consultation demonstrated that the transition has broad support from people across Aotearoa.*

The land transport system has a critical role to play in our transition to a low-emissions, net zero carbon future. The impending reform of the statutory framework used to plan for, authorise, and deliver transport projects has the potential to deliver real momentum to that transition.

### **Auckland**

**188 Quay Street  
Auckland 1010**

**PO Box 1433  
Auckland 1140  
New Zealand**

**P: +64 9 358 2555  
F: +64 9 358 2055**

### **Wellington**

**Aon Centre  
1 Willis Street  
Wellington 6011**

**PO Box 2694  
Wellington 6140  
New Zealand**

**P: +64 4 499 4242  
F: +64 4 499 4141**

### **Christchurch**

**83 Victoria Street  
Christchurch 8013**

**PO Box 322  
Christchurch 8140  
New Zealand**

**P: +64 3 379 1747  
F: +64 3 379 5659**