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To the Ministry of Transport

Submission on Hīkina te Kohupara discussion document

The New Zealand Infrastructure Commission, Te Waihanga, welcomes the opportunity to provide input on the Ministry of Transport's Hīkina te Kohupara discussion document, which sets out potential paths to net-zero carbon emissions in the transport sector.

Our purpose is to co-ordinate, develop, and promote an approach to infrastructure that improves the well-being of New Zealanders and which responds to long-term trends including climate change.

Te Waihanga's consultation document for our 30-year Infrastructure Strategy notes that the need to reduce carbon emission and adapt to climate change will have significant impacts on infrastructure. As we are in the midst of consultation on this document, we have had limited capacity to develop an in-depth response to Hīkina te Kohupara, but we expect to consider its findings as we continue to develop the draft Infrastructure Strategy.

Pathways to reduce transport emissions

While we have not had capacity to engage with the details of the proposed pathways, we note the Ministry's finding that achieving required emissions reduction pathways will require large changes to how we travel, what vehicles we use, and how we move freight.

We emphasise that all pathways to reduce transport emissions will have significant infrastructure implications. Achieving 'Theme 1' reductions (changing the way we travel) will require new or improved public and active transport infrastructure, changes to pricing of transport infrastructure, and delivery of appropriate infrastructure to support urban intensification. Achieving 'Theme 2' reductions (improving passenger vehicles) will require significant increases to renewable electricity generation, transmission, and distribution and much greater adoption of smart network technology. Achieving 'Theme 3' reductions (freight improvements) will require changes to how supply chains function as well as appropriate improvements to transport and electricity infrastructure, including design standards that enable greater use of high productivity road and rail vehicles.

As an input to Infrastructure Strategy development, we would be interested in better understanding the Ministry's modelling of emission reduction pathways, noting that Appendix B only describes modelling assumptions in a high-level fashion. We would also be interested in understanding any analysis the Ministry has done on the financial costs of delivering these pathways, and any regulatory or non-regulatory barriers to implementing these pathways.

Links with the Infrastructure Strategy consultation document

Our consultation document includes some principles and proposed options that relate to the pathways outlined in Hīkina te Kohupara. These include:

- The need for new infrastructure to apply a consistent cost of carbon that is commensurate with New Zealand's international commitments in cost-benefit analysis.
- The need to prioritise non-built transport solutions that can address rising travel demands without supplying costly new infrastructure.
- The need to transition the entirety of the energy sector, rather than just the electricity sector, to renewable energy. This is likely to require a significant increase in renewable electricity supply to substitute for fossil fuels.
- Use of demand-side measures to manage pressure on infrastructure networks, including implementation of congestion pricing and/or road tolling to manage urban travel demands and improvement to alternative travel modes to make it easier for people to substitute away from driving. Demand-side measures, including pricing, are also likely to play a key role in achieving required transport emission reductions. However, different travel options are available in cities and rural areas, meaning that these measures cannot be applied in a 'one-size-fits all' way.
- Changes to urban planning rules to enable increased housing development in accessible areas and to ensure that issues associated with growth are efficiently mitigated.
- The need to understand whether transit-oriented development is being implemented successfully to make it easier for people to avoid car journeys.
- Use of regional spatial planning to better align infrastructure provision and provide for future urban development. If implemented well, this will improve the emissions performance of cities.

Our consultation document also highlights some broader issues that will have a significant impact on our ability to achieve net-zero emissions in transport. These include:

- The need for better-informed and more transparent infrastructure decision-making. Poor decision-making may lead to excessively costly solutions or solutions that are inconsistent with long-term requirements, which will in turn constrain our ability to efficiently achieve long-term goals such as transport emissions reduction. Options such as better uptake of cost benefit analysis, post-implementation reviews, and development of a priority list of projects and initiatives that have undergone a quality process may improve the decision-making environment.
- The need for a planning system that is more enabling for consenting new infrastructure. New or improved transport and energy infrastructure will be needed to reduce transport emissions. If it is not possible to consent the required infrastructure, or if the consenting process adds excessive cost to projects, this may not be viable.
- The need to understand and address the drivers of cost growth in infrastructure provision. The cost to build new transport infrastructure appears to be growing rapidly. Left unabated, this will make it difficult to supply new infrastructure that is required to drive transport emissions reductions.

Thank you for the opportunity to make our submission.

Yours sincerely
Ross Copland
Chief Executive