








Waka Kotahi NZ Transport Agency Climate Emergency Response Fund (CERF) implementation programme

21 October 2022

CERF Programme	Comment
Overall programme summary	We consider the overall programme to be on track to meet the expectations in your letter dated 16 May 2022, subject to some risks to timing of delivery and effectiveness of the delivery. A CERF Director has been appointed to oversee delivery of the programme, reporting to the Chief of Staff (who is the programme sponsor). A steering group has been established to oversee the progress, reporting to the executive team. We are connected to cross-government processes for monitoring and reporting to Ministers on the wider CERF programme through Te Manatū Waka Ministry of Transport.
Access to funding	We continue to work with Te Manatū Waka to confirm funding agreements for each of the initiatives agreed in the May 2022 Budget. Funding is yet to commence for any of the initiatives that were to start in 2022/23. Our aim with the funding agreements is to ensure that funding gateways and criteria do not become a barrier for Waka Kotahi and our partners in delivering the programme effectively.
Local government capability	We are focused on ensuring that our local government partners have the capability and capacity needed to deliver on commitments under the programme. Implementing the Transport Choices package and (in time) the urban VKT reduction programmes will require new ways of working for Waka Kotahi and local government. We are focused on providing nationally coordinated support to councils to help them (as needed) to engage with their communities on difficult changes, e.g., road reallocation, parking removal, planning changes to mitigate VKT enabled by new urban developments. We are building our own capability to support and communicate these changes and are working with Te Manatū Waka to agree on appropriate funding for this work (e.g., as a key element of the \$348 million Transport Choices package).
Flexibility of design	We are working with senior leaders at Te Manatū Waka to provide for a level of flexibility in programme design and delivery, which we consider is needed to manage risks and delivery at a programme level and deliver the outcomes sought. This issue arises particularly in relation to: <ul style="list-style-type: none"> • Clean Car Upgrade trials: Te Manatū Waka has taken an approach, which locks in design elements of the Californian model; whereas Waka Kotahi has sought to leave room for other approaches or elements to ensure the trials are fit for purpose in Aotearoa, have community support and will deliver the outcomes sought. The community engagement we have undertaken indicates the lack of flexibility will hinder our ability to deliver effectively. We believe greater flexibility will improve the prospect of the Clean Car Upgrade trial being a success. • Transport Choices: Flexibility of approach for this programme is key to enabling management of the significant variation in councils' readiness, capability and capacity to meet design, delivery and community engagement needs for their projects.
Te Manatū Waka and Waka Kotahi roles and responsibilities	Waka Kotahi is continuing to work with Te Manatū Waka to align accountabilities and responsibilities between organisations in delivering the programme.

Delivery Programme	Status	Comment
Delivery Programme 1: [Light] Vehicle Kilometres Travelled (VKT) reduction planning	Current status  GREEN	<p>On track</p> <p>No update on last month's report, other than ongoing discussion between Waka Kotahi and Te Manatū Waka with regard to the leadership and delivery of the national VKT reduction plan.</p>
Delivery Programme 2: Transport Choices	Current status  AMBER Last month status  GREEN	<p>Overall, we consider work to be <i>on track</i> for meeting the milestones necessary to have the package delivered by mid-2024. While we are confident that the recommended investment programme will be delivered to joint Ministers, the status of amber reflects the level of risk across the programme and uncertainty around the timeframe for obtaining your approval of the indicative programme.</p> <p>We provided a joint briefing to you with Te Manatū Waka on 12 October 2022. This briefing includes details of recommendations for the indicative programme, funding for a package of support to councils, contingency funding and next steps.</p> <p>Whilst we were delighted with the level of interest and number of proposals received from councils, the limited time available to develop the programme means there is still a significant amount of risk to delivery. The various measures to mitigate this delivery risk are set out in paragraph 32 of our briefing are considered to be critical for this initiative to be a success.</p> <p>Work is now proceeding on preparing for your approval and announcement on the indicative programme, including resourcing for working with councils to develop projects and confirm the programme by March 2023; and advancing the content of funding agreements with Te Manatū Waka and an outline of the agreements to be established between Waka Kotahi and councils. Given we are nearly four months through the year and are yet to approve any projects (or receive the certainty of the funding to deliver), we would expect that delivery will continue well beyond June 2024.</p>

Delivery Programme	Status	Comment
Delivery Programme 3: Public Transport (Sustainable bus driver terms and conditions, Community Connect and Bus Decarbonisation initiatives)	Current status  GREEN	<p>Overall, we consider the Community Connect and Bus Decarbonisation initiatives to be on track.</p> <p>The Sustainable bus driver terms and conditions initiative remains behind schedule. Following the recent Cabinet decision on funding release and conditions of funding, we are engaging with councils, operators and unions on the next steps. Apart from not meeting bus driver terms expectations of our stakeholders, we are seeing industrial action (where wages have not moved) start to increase in some regions.</p>
	Last month status  GREEN	<p>The roll out of Community Connect on all public transport networks from 1 February 2023 remains on track.</p> <p>As part of the funding for the Bus decarbonisation initiative, we are in the early stages of commissioning development of a bus fleet transition plan and expect this work to take some months ahead of any later decisions about funding allocation.</p> <p>We have engaged with all of the public transport authorities and the larger bus operators and the Bus and Coach Association on their plans for decarbonisation and their thoughts on priority investment and barriers. This has confirmed that the significant changes that have taken place over the last 18 months in the bus industry have resulted in a different perspective than assumed at the time the CERF 22 budget bid was developed, with a very strong 'can do' theme coming through. The biggest barrier for operators is considered to be access to sufficient power, with difficulties engaging with electricity lines companies. Councils are keen to ensure investment in electricity transmission is appropriately managed in a way that doesn't negatively impact competition in the public transport market.</p>

Delivery Programme	Status	Comment
Delivery Programme 4: Vehicle Transition This is the internal Waka Kotahi name for the programme of work covering the Clean Car Upgrade and Social Leasing Schemes.	Current status  AMBER Last month status  AMBER	<p>Overall, we consider the Clean Car Upgrade (CCU) and Social Leasing (SL) projects remains <i>at risk of not meeting the milestones</i> necessary to have the trials commence by 30 April 2023.</p> <p>In addition to key risks that were raised in November's update, we have detailed further key risks for CCU below:</p> <ul style="list-style-type: none"> Community engagement in the three trial regions indicated a willingness to support the programme intent with a request that we work with communities to design and deliver the trial. The inability to reflect community feedback into the trial and stay agile to meet community needs poses a risk for Waka Kotahi and Government. Once full scheme details can be disclosed with communities, we may find we do not have the support of community entities to undertake trials in their region within the timeframes or parameters prescribed by Cabinet, which we believe may be the case in Gisborne. <p>Potential risk mitigation measures for CCU from last month's report are still valid. In addition, Waka Kotahi is actively seeking a flexible and outcome focussed approach in discussion with Te Manatū Waka. To date, the flexibility we need to co-design successful trials and stay agile has not been reflected in the November Cabinet Paper.</p> <p>Key risks for Social Leasing:</p> <ul style="list-style-type: none"> The short timeframe to develop the detail of the scheme (October – December) puts the quality of the design advice at risk, as well as the short timeframe from Cabinet approval (February / March) to scheme delivery (April) is very challenging for vehicle suppliers due to long lead times to source vehicles from overseas markets. Similarly, this short timeframe is likely to put resourcing pressure on any potential community and business partners who will likely need more time to upskill or upsize their organisational capability and capacity. <p>Potential risk mitigation measures for Social Leasing:</p> <ul style="list-style-type: none"> Waka Kotahi will be undertaking community engagement in parallel with industry discussions to shorten the design timeframe. We are seeking communities and community organisations that have an interest in supporting the trials in their region, thereby increasing the likelihood of success. We will discuss vehicle availability with potential suppliers and look to select vehicle suppliers based on their willingness to work with other suppliers to source vehicles in compressed timeframes.