



22 February 2023

OC230114 / BRI-2705

Hon Michael Wood

Minister of Transport

NATIONAL VKT REDUCTION PLAN AND URBAN PROGRAMMES – OUTLINE AND UPDATE

Purpose

To provide an update on the national VKT reduction plan (the national plan) and urban VKT reduction programmes (urban programmes), including a draft outline of the national plan.

Key points

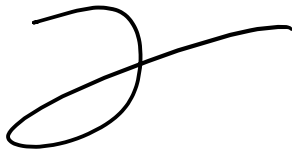
- We have attached a draft outline of the national plan for your feedback. It sets out what we are proposing to cover.
- The purpose of the national plan is to provide clear direction on what it will take to meet the national VKT reduction target and what Waka Kotahi NZ Transport Agency will do to help achieve this target in partnership with others. It will also provide guidance on what needs to be included and prioritised in the urban programmes.
- We will undertake targeted engagement on the national plan in March 2023 with central government, local government, business, advocacy, and community stakeholders. We will provide you with an overview of key feedback from this engagement in April 2023, when we will also provide you with a draft of the national plan.
- Work is also underway on the urban programmes. Waka Kotahi has set up a process to allocate funding to support Tier 1 and 2 urban areas to develop the programmes. All areas will receive funding, but it will be allocated based on need.
- We still need to confirm what the approval process will be for councils and Waka Kotahi to endorse and publish the programmes. We will provide you with further advice on this when we brief you in April 2023.

Recommendation

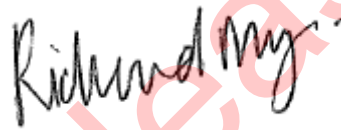
We recommend you:

1 **indicate** if you wish to discuss this briefing with Officials.

Yes / No



Jessica Ranger
**Manager, Placemaking and Urban
 Development, Ministry of Transport**
 22/02/23



Richard May
**Chief of Staff, Waka Kotahi NZ Transport
 Agency**
 22/02/23

Hon Michael Wood
Minister of Transport
 / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Jessica Ranger, Manager, Placemaking and Urban Development, Ministry of Transport	s 9(2)(a)	
Richard May, Chief of Staff, Waka Kotahi NZ Transport Agency		
Katie Mayes, National Manager Policy & System Planning, Waka Kotahi NZ Transport Agency		✓

NATIONAL VKT REDUCTION PLAN AND PROGRAMMES – OUTLINE AND UPDATE

Background

- 1 In December 2022, we updated you on the approach that Waka Kotahi NZ Transport Agency (Waka Kotahi) and Te Manatū Waka Ministry of Transport (the Ministry) are taking to develop a national plan and urban programmes to reduce vehicle kilometres travelled (VKT) by light vehicles (OC220831).
- 2 We agreed with your Office to provide you with an outline of the national plan in February 2023, followed by an early draft of the plan in April 2023.
- 3 This briefing provides you with a draft outline of the national plan, our engagement approach, and a more detailed timeline. It also provides an update on the urban programmes.

We are making good progress on the national VKT reduction plan

- 4 The purpose of the national VKT reduction plan is to provide clear direction on what it will take to meet the national VKT reduction target and what Waka Kotahi will do to help achieve this target in partnership with others. The plan will also identify broader actions that are needed beyond the control of Waka Kotahi (e.g. in the urban planning system) to enable us to reach the national VKT reduction target. It will also provide guidance on what needs to be included and prioritised in the urban VKT reduction programmes.
- 5 We have attached a draft outline of the national VKT reduction plan at Appendix A, which sets out in more detail what the plan will cover. This includes:
 - why we need to create better cities for people by reducing car dependency and use
 - the principles and approach guiding the plan and programmes
 - what we need to do to reduce car dependency and use
 - a framework for the urban programmes, including expectations for what they contain
 - national actions to support the delivery of the urban programmes
 - timelines, accountabilities, and how we will monitor and track progress on actions in the national plan.
- 6 We are also considering how we communicate and describe the national plan. We want to be clear that we can reduce VKT in a way that maintains/improves access for people, and creates safer, healthier, and more productive towns and cities.

We are planning to engage with key stakeholders on the national plan in March 2023

- 7 We are planning to undertake targeted engagement in March 2023 with central government, local government, business, advocacy, and community stakeholders. This is likely to be in the form of webinars, as well as an opportunity to provide written feedback and/or fill in a survey. We will provide you with an overview of key feedback from this engagement when we share a draft of the national plan with you in April 2023.
- 8 The Ministry will be undertaking engagement on the sub-national VKT reduction targets in March/April 2023, and on the draft Government Policy Statement on Land Transport 2024-34 (the draft GPS) in April-May 2023. While we have not been able to combine these engagements with the national plan due to the tight timeframes for its delivery, we are ensuring that we provide clear and consistent messaging across them.
- 9 Our intent is to ensure councils understand how the draft GPS and VKT planning documents fit together, and how the urban VKT reduction programmes might be funded in future.

Waka Kotahi has also set up a challenge team to provide feedback on the plan as it is developed

- 10 The challenge team is comprised of transport sector experts from a diverse range of areas, including transport disadvantage and equity, travel demand management, public transport, active modes, behavioural science, transport and land use integration, environmental planning, climate change and adaptation, Māori perspectives on transport and Māori place identity, and transport and strategic policy. The members of the challenge team are listed at Appendix B.
- 11 The first meeting of the challenge team took place in early February 2023. Overall, there was positive feedback from the sector experts on being brought in early in the process to be able to help shape the plan. The challenge team is set to meet multiple times over the coming months as the plan is shaped up and reflects a commitment by Waka Kotahi to enhance sector engagement. Bringing a range of experts from across the sector into the plan development process will ensure a broad range of perspectives are reflected in the plan and that we build wide sector support for the plan.

Waka Kotahi is also progressing work on the urban programmes

- 12 Building on the national VKT reduction plan, the urban programmes will set out the required actions, investments, and other activities (such as land use and demand management measures) to reduce VKT by light vehicles in each urban area.
- 13 These programmes will be developed in line with the sub-national VKT reduction targets once they have been confirmed. Collectively, these targets, combined with reductions expected from the rest of New Zealand, will align with achieving the ERP

target to reduce total VKT by light vehicles by 20 percent (relative to projected growth) by 2035.¹

- 14 The urban programmes will be used by councils, Waka Kotahi, and government agencies to better understand the scale of work, timing, interdependencies, and potential cost of activities needed to reach the sub-national VKT targets.
- 15 We are working to progress the programmes in time for key activities to be identified ahead of the next National Land Transport Programme period. It will be important for activities to be included in Regional Land Transport Plans (RLTPs) where possible, so that implementation funding from National Land Transport Fund and other Crown sources (e.g. the Climate Emergency Response Fund (CERF)) can be utilised as it becomes available over that period.
- 16 Councils in each of the 13 urban areas will be asked to partner with Waka Kotahi to prepare the programmes. To do this, we will need to work together, through existing forums where possible, such as the Urban Growth Partnerships. It is our expectation that councils will partner with Māori and community representatives to develop their programmes, and Waka Kotahi will support councils to do so.

Partnership approach for developing the urban programmes

- 17 Waka Kotahi launched the VKT reduction programme work on 23 February 2023, with a webinar with all relevant councils.
- 18 Waka Kotahi is still developing its partnership approach for the programmes. However, we are prioritising working through the Urban Growth Partnerships on Tier 1 programmes, part of which will involve developing place-based approaches to engagement together with partners.
- 19 For the first half of 2023, work with Tier 2 councils will be primarily focused on RLTP development, and engagement with stakeholders/community will likely align through those processes.

Waka Kotahi has set up a process to allocate funding to councils to support programme development

- 20 Waka Kotahi has been allocated \$22.5 million from the CERF to develop the national plan and urban programmes. \$13 million of this funding will be distributed to the 13 Tier 1 and 2 urban areas to assist councils to develop the programmes.
- 21 Waka Kotahi will engage directly with Tier 1 and 2 areas to allocate funding through an expression of interest (EOI) process. Councils within a Tier 1 or 2 area will need to provide a joint application on the resource required to complete an urban programme for their area (e.g. Greater Wellington Regional Council, Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council and Kapiti Coast District Council will need to submit a joint application). This includes identifying the needs of

¹ This represents about a one percent reduction in VKT compared to 2019 levels, assuming ongoing population growth and urban development.

their Māori partners. Waka Kotahi will then assess these applications and distribute the funding based on need. All areas will receive some funding.

- 22 Waka Kotahi will prioritise Tier 1 areas first due to the need to complete these programmes by the end of 2023, with the EOI process set to close at the end of March 2023 for Tier 1, and applications approved as soon as possible in April/May 2023. The EOI process for Tier 2 will commence in September 2023, with programmes needing to be completed by the end of 2024.

We still need to confirm the approval process for councils and Waka Kotahi to endorse and publish the programmes

- 23 We are considering the best process for approving and endorsing the urban programmes. While it is agreed that there needs to be joint accountability for the programmes between councils and Waka Kotahi, we need to work through what this means in practice for getting each programme endorsed and published. We will provide you with further advice on this when we brief you in April 2023.

Risks to delivery

- 24 The timeframes for finalising the national plan are very tight. It is critical that the national plan is approved by the Waka Kotahi Board and endorsed by Ministers without significant delays for the plan to be published in July 2023. Our agencies are working together to manage risks associated with the tight timeline and approval process. We have outlined key milestones for your awareness below.
- 25 The urban programmes will be developed to align with the sub-national VKT reduction targets. The Tier 1 targets are due to be confirmed and published in June 2023, after the Ministry undertakes further engagement with local authorities and you seek Cabinet agreement on the targets. We are planning to confirm the targets for Tier 2 urban areas at the same time. On 13 February, your office advised us that you would like to allow more time to confirm the Tier 2 targets. s 9(2)(f)(iv)
- 26 The implementation of urban programmes is not yet funded, which could lead to poor buy-in from councils to develop the urban programmes. We are mitigating this risk by co-ordinating our engagement on the draft GPS and VKT reduction planning. s 9(2)(f)(iv)
- 27 Some councils in the areas badly affected by Cyclone Gabrielle may find it hard to participate in the targeted engagement and EOI processes planned for March 2023. We may have to adapt our approach if this becomes a significant issue.
- 28 Some central and local government stakeholders are concerned about the implications of meeting the VKT reduction targets while continuing to increase housing supply. In our view, there are plenty of opportunities to deliver more housing

while reducing transport emissions and creating well-functioning cities.² We will continue to work through these concerns with stakeholders, including through the Urban Growth Partnerships.

- 29 Waka Kotahi also recently briefed you on the VKT assessment of spatial plans that was completed for Urban Growth Agenda central government partners (BRI-2654 refers). This assessment highlighted that substantial VKT reductions could only be achieved by incorporating travel demand management tools alongside changes to land use, transport activities, and urban form. This is evident in the Hamilton Metro Spatial plan, where modelling of the inclusion of new public transport services and additional parking charges suggests a significant VKT reduction could be achieved. We will work with Urban Growth Partnerships to ensure these findings inform the development or alignment of the urban programmes.

Next steps

- 30 Key milestones for your awareness:

Date	Milestone
March 2023	Targeted engagement on national VKT reduction plan with relevant central government agencies, local government, and key transport stakeholders.
5 April 2023	You will receive a joint briefing with a draft of the national VKT reduction plan, and advice on approval process for urban VKT reduction programmes.
April-May 2023	EOI applications from Tier 1 councils for funding to support urban programme development completed.
25 May 2023	National VKT reduction plan will be discussed at Waka Kotahi Board meeting.
June 2023	Waka Kotahi Board will endorse final VKT reduction plan by 30 June 2023. You will receive the final national plan and a briefing to take to Climate Emergency Response Ministers (CRMG) seeking their endorsement of the plan.
July 2023	National VKT reduction plan published following endorsement from CRMG.
September 2023	EOI process for Tier 2 councils for funding to support urban programme development commences.

² For example, initiatives that improve travel by public transport and active modes are crucial to enable more housing in existing urban areas while creating well-functioning cities. The National Policy Statement on Urban Development also includes clear national direction to support reductions in greenhouse gas emissions (Objective 8 and Policy 1(e)), and to have good accessibility by public or active transport (Policy 1(c)).

December 2023	Tier 1 urban VKT reduction programmes must be completed.
December 2024	Tier 2 urban VKT reduction programmes must be completed.

Proactively Released

Appendix A: Draft outline of the national VKT reduction plan

Section	What this will cover
1. Introduction	<ul style="list-style-type: none"> - Purpose of the plan - What it covers - Infographics
2. Why we need to create better cities for people by reducing car dependency and use	<p>Making the case for less car dependency and use, covering themes, such as:</p> <ul style="list-style-type: none"> - providing space for more people in our cities, while maintaining and improving access - avoiding more congestion - reducing emissions - making transport fairer, including for disabled people and people who do not drive a car - less car dependence can reduce household travel costs - creating streets that people enjoy living and shopping on - reducing deaths and injuries, by reducing traffic and making it safer to walk and bike - health benefits from less car traffic and more active travel.
3. The principles and approach guiding the plan and associated programmes	<p>We are considering the following guiding principles:</p> <ul style="list-style-type: none"> - we will address the root causes of car dependency - we will reduce car use in ways that improve wellbeing and liveability - Te Tiriti o Waitangi underpins our approach - we will reduce inequities, not reinforce them - we will collaborate across sectors and agencies to create better cities for people - we will tailor our approach for different cities - communities will be closely engaged in changes.
4. What we need to do to reduce car dependency and use	<p>This includes:</p> <ul style="list-style-type: none"> - delivering three strategic shifts (shaping urban form, making shared and active modes more attractive, influencing travel demand and transport choices) - developing urban programmes for different cities and communities - aligning central and local government planning and investments - building capabilities and momentum for changes - strategically targeting, sequencing and integrating interventions.
5. A framework for the urban programmes, including expectations for what they contain	<p>Guidance on what we expect the programmes to contain and what should be prioritised, how we will assess them, and their relationship to Regional Land Transport Plans and Regional Spatial Strategies.</p> <p>Programmes are likely to cover:</p> <ul style="list-style-type: none"> - strategic context identifying unique placed-based characteristics and the challenges and opportunities they pose for VKT reduction - system-wide actions/activities that combine to achieve the sub-national target - the cost associated with delivering the proposed programme.
6. National actions to support delivery of the	<p>Actions for Waka Kotahi and partners to take at the national level. These will be in addition to and complement a range of nationally delivered actions set out in the ERP.</p>

urban programmes	Actions within the control of Waka Kotahi include for example: streamlining investment decision-making, developing the evidence base and tools to support VKT reduction, and providing capability and capacity support to local government.
7. Timelines, accountabilities, and how we will monitor and track progress on actions in this plan.	Builds on the roles outlined in the ERP and the Decarbonising Transport Action Plan (DTAP).

Appendix B: Challenge Team membership

- s 9(2)(a) – MRCagney (transport policy, research, planning and design)
- s 9(2)(a) – Vitruvius (sustainable transport, transport planning, smart mobility, travel behaviour change, travel demand management)
- s 9(2)(a) – WSP Opus Research (social science, resilience and public health)
- s 9(2)(a) – MRCagney (public transport planning, land-use and transport integration, urban strategy)
- s 9(2)(a) – University of Waikato (urban and regional planning, human geography, climate change impacts and adaptation)
- s 9(2)(a) – Te Manawahoukura, Centre of Rangahau Excellence (Māori identity and placemaking, and nexus between community creation, social processes and urban design)
- s 9(2)(a) – Palmerston North City Council – Waka Kotahi (transport planning and delivery, Tier 2 urban area perspective)
- s 9(2)(a) – Ian Wallis Associates (urban public transport planning, policy, operations and management)
- s 9(2)(a) – Climate Change Chief Executives Board (policy leadership and advice, environment policy, strategic policy)
- s 9(2)(a) – University of Auckland (transport, infrastructure, urban modelling, big data and technology)

Note: Waka Kotahi is looking to add two additional members to the challenge team who can add to the Māori perspective in the group.