







Waka Kotahi NZ Transport Agency Climate Emergency Response Fund (CERF) implementation programme – Monthly Report for May 2023

Issued on 26 May 2023

CERF Programme	Comment
Overall Programme Summary	<p>Overall, the programme is on track against key milestones.</p> <ul style="list-style-type: none"> • Vehicle Kilometres Travelled (VKT) reduction planning: We continue to refine the national VKT reduction plan, including to address your feedback, and will brief you with latest changes by the end of May. We are on track to seek approval of the plan from the Waka Kotahi Board on 6 July and for you to share the plan with Climate Response Ministers in late July. <ul style="list-style-type: none"> ◦ Expressions of interest (EOIs) for funding to support planning of the urban programmes were submitted by Tier 1 councils at the end of March 2023. We are considering options in response to the request from many councils for more information and guidance to support these EOIs and will brief you on these issues in June. • Transport Choices: We are waiting for the updated briefing (BRI-2727) to be approved by you and the Minister of Finance before we confirm the list of projects. We are continuing to refine planning and delivery with councils. Funding Agreements have been signed with all councils. Construction has begun in Hendry Avenue (Auckland). • Public transport: Community Connect for Community Services Card holders is well positioned to roll-out on 1 July 2023 across all New Zealand. Budget 23 announced extensions to Community Connect to provide free fares for 5–12-year-olds and half price fares for 13–24-year-olds. Waka Kotahi will work with PTAs on implementing these extensions as soon as possible following 1 July 2023. Most regions have increased bus driver wage rates towards the targets you announced in November 2022, with most bus drivers now paid at least \$28 per hour. International recruitment of bus drivers can resume following confirmation of the transport sector agreement that includes a lower wage rate requirement. The invitations for the first contestable funding round to support bus decarbonisation were released to PTAs on 28 April 2023, and interactive meetings held following the release with 7 PTAs. • Vehicle Transition: We continue work to close out the schemes, which includes sharing insights with key stakeholders, compiling programme documents, and responding to information requests. We are on track to close out the programme by the end of May.
Key programme updates	<ul style="list-style-type: none"> • Funding Agreements: All Funding Agreements required for CERF22 between Te Manatū Waka and Waka Kotahi have been signed. The teams are in discussions for the 2023/24 Funding Agreement for Community Connect. • Spend across the programme: Our forecast for the 2023 financial year (as of 18 May 2023) is \$20 million. Our year to date (as of 30 April 2023) is \$6.858 million. The first council claims for Transport Choices projects have started to come through which will move our actual spend much closer to our forecasted figure. We submitted a request for \$62 million to be transferred to the next financial year for our multi-category appropriations. Te Manatū Waka are preparing this letter with input from us for the CERF appropriation amounts.

Delivery Programme	Status	Comment
Delivery Programme 1: [Light] Vehicle Kilometres Travelled reduction plan- ning	<p>Current status</p>  <p>AMBER</p> <p>Last month status</p>  <p>AMBER</p>	<p>We continue to work closely with Te Manatū Waka and a range of stakeholders to progress the National VKT Reduction Plan. It is on track to be presented to the Waka Kotahi Board for approval on 6 July; and for you to share with the Climate Response Ministerial Group at the meeting on 26 July.</p> <p>A revised draft of the plan, and a joint briefing, will be provided to you in late May. This will respond to your feedback on the earlier draft (BRI-2732 refers). It will also include feedback from central agencies and representatives from Tier 1 councils.</p> <p>The briefing will also update you on the urban programmes. Some councils have requested additional information to support their funding requests. We are working through how best to meet these needs, and implications on the timeline for programme development. We propose to brief you further on these issues in June.</p> <p>Key risks and mitigations:</p> <ul style="list-style-type: none"> The timeframes for delivering the programmes are tight and there is an ongoing risk that councils will choose not to partner on programme development due to capacity constraints and uncertain funding for implementation. We are working to provide further guidance on how the programmes relate to existing planning and investment processes (e.g., for RLTPs, the NLTP, and Crown funding processes) to ensure that the right level of information is included in RLTPs ahead of urban programmes being in place. We are also working with Te Manatū Waka to provide supporting direction in the draft Government Policy Statement on Land Transport 2024 ahead of public consultation now planned for mid-June to mid-July.

Delivery Programme	Status	Comment
Delivery Programme 2: Transport Choices	<p>Current status</p>  <p>AMBER</p> <p>Last month status</p>  <p>AMBER</p>	<p>Work continues with councils to ensure setup for successful delivery of projects and align to the Transport Choices outcomes. We are waiting for feedback from your meeting with the Minister of Finance on the refined package (BRI-2727) before we confirm the list of projects, including publishing it on our website.</p> <p>Work has begun on:</p> <ul style="list-style-type: none"> Hendry Avenue project in Auckland <p>Consultation is underway on:</p> <ul style="list-style-type: none"> Christchurch City Council (initiated) Hamilton City Council (initiated) Waipa consultation (complete) K Road (initiated) Newton Road and Hobson in Northwest Feeder routes project (initiated) <p>Key risks and mitigations are:</p> <ul style="list-style-type: none"> Timeframes: Councils are being supported by Waka Kotahi, as part of the Council Support Package, to deliver confirmed plans. We are refining projects as part of this engagement with councils. Regular engagement through meetings and workshops is providing early visibility of issues. Constraints on councils' ability to deliver before June 2024: There is ongoing risk to the delivery of the programme. Capacity and capability remain an issue with several councils losing key resources and/or being reprioritised. The programme is providing support where applicable. We are supporting councils specifically in procurement, design, and resourcing to enable adherence to timeframes. <p>Council Support Package spending update:</p> <ul style="list-style-type: none"> \$2.029 million of the \$9.95 million available has been spent on programme support. This funding for programme support has enabled: <ul style="list-style-type: none"> Establishment of programme management processes and activities including governance, project planning, and reporting, as well as engagement with councils (\$361k) Specialist support to councils/approved organisations, e.g., for procurement, design, capability development, data, engagement, and comms reviews, monitoring and evaluation framework and reviews (\$1,405k) Centralised support setup with councils/AOs to build delivery momentum and awareness, facilitation, and support of projects (\$253k).

Delivery Programme	Status	Comment
Delivery Programme 3: Public Transport (Sustainable bus driver terms and conditions, Community Connect and Bus Decarbonisation initiatives)	<p>Current status</p>  <p>AMBER</p> <p>Last month status</p>  <p>AMBER</p>	<p>Sustainable bus driver terms and conditions: We are working to release Tranche 1 funding to Public Transport Authorities (PTAs) in line with your letter to councils dated 12 November 2022. Funding has been released to Environment Canterbury, with Auckland, Taranaki, Nelson, Tasman, Otago, and Gisborne to follow soon. Most regions have increased bus driver wage rates towards the targets you announced in November 2022, with most bus drivers now paid at least \$28 per hour.</p> <p>Since December 2022, the national driver shortfall has reduced from about 860 to about 460. This is expected to decrease further in the coming months given the forward pipeline of recruited and trainee drivers. We will work with PTAs, operators, and unions to implement further improvements that have been funded as part of Budget 2023.</p> <p>Key risks and mitigations are:</p> <ul style="list-style-type: none"> • PTA agreements with operators/unions: Some PTAs may be unable to reach an agreement with operators and unions to implement the improved terms and conditions – consequently, they may be unable to access CERF funding. This is being managed through engagement with PTAs, including your letter to councils and establishment of national funding arrangements. • PTA funding prioritisation: Some PTAs may be unable to prioritise funding to further increase driver wages. We will work with PTAs to encourage investment in the next financial year. <p>Community Connect: Community Connect for Community Services Card holders is well positioned to roll-out on 1 July 2023 across all New Zealand, with the soft launch for registrations commencing 31 May 2023. Waka Kotahi will work with PTAs to implement the Budget 2023 extensions as soon as possible following 1 July 2023 and has been supporting Te Manatū Waka with developing rollout options and policy clarifications. We are working with Te Manatū Waka on an agreed approach for PTAs to claim for future ongoing administration costs following roll-out of the Community Services Card-linked scheme on 1 July 2023, as well as establishing funding agreements for the extensions.</p> <p>Key risks and mitigations in relation to Community Connect are:</p> <ul style="list-style-type: none"> • Technical feasibility and consistency: With 4 different ticketing systems and differing regional approaches to cash fares and fare products, it may be difficult to obtain a similar product across the country. We will work with PTAs to better understand options and work with Te Manatū Waka on further advice around policy decisions.

Delivery Programme	Status	Comment
		<p>Bus decarbonisation: The invitations for the first contestable funding round to support bus decarbonisation were re-leased to PTAs on 28 April 2023, accompanied by a media statement. We subsequently met with 7 PTAs to discuss their intentions. The deadline for PTA applications to the first funding round is 23 June 2023.</p> <p>Three of the four initial technical studies that will be used to support investment decisions are in progress, and we are currently evaluating RFP responses for the fourth study. We have received the first draft of the guidance on the electricity sector to inform bus depot electrification for review.</p> <p>Key risks and mitigations in relation to the bus decarbonisation fund are:</p> <ul style="list-style-type: none"> • Co-funding by PTAs: Some PTAs have indicated difficulty in contributing local share to new initiatives. Waka Kotahi will consider applications with lower local share contributions where there are benefits.

Delivery Programme	Comment
<p>Delivery Programme 4: Vehicle Transition</p>	<p>In line with Government announcements on 13 March, the Vehicle Transition Programme team continues its work to close out both the Social Leasing and Clean Car Upgrade schemes.</p> <p>Key activities for May 2023 have been:</p> <ul style="list-style-type: none"> • Documentation of both schemes (to ensure proper close out in case programmes need to be restarted in future) is nearing completion. • Close out meeting with Ngati Hine to share insights from early partnership on the Social Leasing Scheme – 30 May. • Insights report shared with community partners to the Social Leasing Scheme – 30 May. • Close-out report for the Clean Car Upgrade scheme is nearing completion. • Remaining team members have been re-homed or off boarded. <p>The Programme will close at the end of May 2023.</p>