Guidance on investment decision-making in relation to the Emissions Reduction Plan

25 February 2023

Version 8

This guidance applies to National Land Transport Fund (NLTF) investment decisions made up to 30 June 2024. This guidance may be amended during that period.

WAKA KOTAHI NZ TRANSPORT AGENCY

Te Kāwanatanga o Aotearoa New Zealand Government

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More information

Waka Kotahi NZ Transport Agency
April 2023

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Purpose

The purpose of this guidance is to support Waka Kotahi NZ Transport Agency decision makers when considering whether an investment is consistent with the government's Emissions Reduction Plan (ERP)[1] as part of the assessment against the Government Policy Statement on Land Transport 2021 (GPS 2021). This guidance will apply to National Land Transport Fund (NLTF) investment decisions for the remainder of the 2021–24 National Land Transport Programme (NLTP) period.

About this guidance

Transport is Aotearoa New Zealand's second-largest source of greenhouse gas emissions. To reach net zero emissions by 2050, we need to transition to a low-carbon transport system. System-wide changes are needed to put our transport emissions on the trajectory to a low-emissions future.

GPS 2021 states that investment decisions will support the rapid transition to a low-carbon transport system aligned with national commitments on emission reductions and contribute to a resilient transport sector that reduces harmful emissions. Paragraph 72 provides that all NLTP investment decisions will need to be consistent with the transport component of the ERP. The ERP takes effect part way through the 2021–24 NLTP, with no transitional period. This introduces a new requirement for NLTF investment decisions and it will have an impact on investment decisions for the remainder of the 2021–24 NLTP period.

Audience

This guidance is intended to be used by:

- the Waka Kotahi Board and delegated decision makers
- internal Waka Kotahi investment advisors.

What this guidance covers

This document covers:

- operational guidance
- an investment decision-making process for considering whether an investment is consistent with the ERP
- steps in the investment-decision-making process
- actions and initiatives in the transport chapter of the ERP that are relevant to NLTF investment decisions (appendix 1).

This guidance supplements existing investment decision-making requirements as set out in the Waka Kotahi Planning and Investment Knowledge Base.

Scope

This guidance applies to NLTF investment decisions for the remainder of the 2021–24 NLTP period. Investment decisions already made before the ERP was published were not required to be consistent with the ERP (that is, the decision was made in accordance with other directions before the ERP was published and the ERP does not require previous funding decisions to be revisited).

The focus of this guidance is primarily on the emissions that arise from vehicles (light vehicles, heavy vehicles, buses and trains) using the transport system, often referred to as **enabled emissions**. Reducing emissions from vehicle use is the end goal of the light vehicle kilometres travelled (VKT) reduction targets

[1] Te hau mārohi ki anamata: towards a productive, sustainable and inclusive economy: Aotearoa New Zealand's first emissions reduction plan

in the transport chapter of the ERP and therefore the consistency obligation under the GPS. References to emissions in this guidance are to enabled emissions from vehicle use, unless specified otherwise.

The transport chapter of the ERP doesn't focus on construction, operational or end-of-life emissions. However, if construction, operational or end-of-life emissions are significant (for example in tunnelling) then they should be taken into account (refer to our resource efficiency strategy[2]). Construction emissions are those associated with construction materials and construction activities; these occur over the duration of the construction.

Light VKT refers to vehicle kilometres travelled by the light vehicle fleet (defined by Te Manatū Waka Ministry of Transport as light passenger and commercial vehicles that have a maximum weight of less than 3.5 tonnes).

This guidance covers the following types of NLTF investment decisions:

1. investment in pre-implementation, property and/or implementation phases
2. price-level adjustment or scope adjustments
3. investment to develop business cases.

Related tools

Resources and tools to assist with measurement of light VKT and emissions are available on the Waka Kotahi website[3].

Updates

This guidance may be amended from time to time in response to user feedback, other directions from government, or as additional government policies and information becomes available; for example availability of sub-national VKT reduction targets for major urban areas (Tier 1 and 2) or VKT reduction programmes.

Background

GPS 2021 includes climate change as a strategic priority. It states (para 67) that 'investment decisions will support the rapid transition to a low carbon transport system' giving effect to national commitments on emission reductions.

GPS 2021 also includes three other strategic priorities (safety, improving freight connections and better travel options) to which Waka Kotahi must give effect. The strategic priorities are equally weighted and we need to assess consistency with the GPS as a whole when making investment decisions.

GPS 2021 (paragraph 72) provides that all investment decisions will need to be consistent with the transport component of the ERP. The ERP takes effect part-way through the 2021–24 NLTP, with no transitional period.

The ERP

The ERP is the government's plan that sets out how Aotearoa will meet the current emissions budget to contribute to achieving the target of 'net zero long-lived gases by 2050 and a 24–47% reduction in biogenic methane by 2050'. Transport has been identified as a key sector to reduce emissions. Targets specifically for transport emissions reduction to support achievement of the emissions budgets set by government are included in the ERP.

[2] Te Hiringa o Te Taiao – Our Resource Efficiency Strategy
[3] Climate change mitigation

NLTF investment decisions represent a component of the overall approach to reducing transport emissions.

Three sub-targets, measured in million tonnes of carbon dioxide equivalent (Mt CO_2-e), have been set for the transport sector.

Emissions budget period	Transport sector emissions (Mt CO_2-e)
First emissions budget (2022–25)	65.9
Second emissions budget (2026–30)	76.0
Third emissions budget (2031–35)	56.8

The ERP sets out four specific transport targets where change is required to put Aotearoa on a pathway to zero carbon by 2050:

- Target 1: Reduce total kilometres travelled by the light fleet by 20 percent by 2035 through improved urban form and providing better travel options, particularly in our largest cities.[4]
- Target 2: Increase zero-emissions vehicles to 30 percent of the light fleet by 2035.[5]
- Target 3: Reduce emissions from freight transport by 35 percent by 2035.[6]
- Target 4: Reduce the emissions intensity of transport fuel by 10 percent by 2035.[7]

The focus of this guidance is on the transport sector sub-targets and targets 1 and 3 above. These are referred to as the 'relevant targets', as these are the most relevant to NLTF investment decisions expected to be made in the remainder of the 2021–24 NLTP period). These are system level targets, meaning that an activity-level investment decision should be considered within the broader programme of ERP actions and initiatives, investment and non-investment, to reach these relevant targets.

We note that Te Manatū Waka Ministry of Transport is identifying 'thresholds' for new roading capacity and for investments inconsistent with the ERP. These are expected to be set in relation to the 2024–27 NLTP rather than the 2021–24 NLTP.

In addition to the relevant targets, the transport component of the ERP contains specific initiatives in relation to planning and investment in particular areas (these are listed in the appendix to this guidance). Where a specific initiative is relevant to an investment decision this should be taken into account.

Investment decision-making process

The following process includes recommended steps that can be used to determine if an activity is consistent with the relevant targets, actions and initiatives in the transport component of the ERP and how it is assessed for consistency with GPS 2021. The steps are:

1. Determine whether a decision is on a new investment.
2. Undertake a high-level screen based on activity class.
3. Assess how the investment contributes to the relevant targets in the ERP.
4. Assess if the investment is consistent with the relevant actions and initiatives in the ERP.
5. Assess if the investment decision is consistent with the ERP.
6. Assess consistency with the GPS as a whole and other legal requirements.

[4] Target 1 reflects a change compared to Te Manatū Waka Ministry of Transport's baseline projection for 2035.

[5] Target 2 is against the 2035 fleet projection, given the effects of achieving target 1 on the size of the fleet.

[6] Target 3 is compared to the level of emissions from freight transport in 2019.

[7] Target 4 is conditional on undertaking activities as part of achieving targets 1 to 3 that would bring about lower projected liquid fossil fuel use in 2035.

7. Where appropriate, consider how to reduce the impact on light VKT and emissions.
8. Make an investment decision.

The above steps will apply to most investment decisions. Departures from the above process can be made where appropriate, by the Waka Kotahi Board or with endorsement from the decision-maker in relation to decisions under delegation. Examples include: a decision made under urgency, a decision made where the investment makes a clear contribution to a target in the transport chapter of the ERP, a decision where there is no impact on emissions or light VKT.

Step 1: Determine whether a decision is on a new investment

The first step is to determine what decisions need to be consistent with the ERP. Only 'new investment' decisions need to demonstrate consistency with the ERP.

'New investment' for ERP purposes	Not a 'new investment' for ERP purposes
· Investment to develop a business case. · Next-phase funding requests for investment in pre-implementation, property and/or implementation. · Material cost scope adjustments.	· Funding decisions for a phase made prior to publication of the ERP. This includes projects that are already under construction or continuous programmes and low-cost, low-risk programmes for which funding has already been approved. · Price-level adjustments to existing work (which do not involve a scope adjustment).

A cost scope adjustment that has a minor impact on emissions is not considered to be a new investment. Where the impact can be quantified, a minor impact from the change in scope would be less than 5% of the activity's impact on light VKT or emissions.

Emergency works activities

Waka Kotahi may approve investment if it is an emergency work under section 20 (4) of the Land Transport Management Act 2033 (LTMA); that is, it is an activity that is either 'in the urgent interests of public safety' or 'necessary to effect immediate or temporary repair of damage caused by a sudden and unexpected event'. Such investments are not required to meet the usual criteria in section 20 (2) LTMA, including consistency with the GPS.

Step 2: Undertake a high-level screen based on activity class

The second step is to screen the investment according to activity class. This screening determines the types of investment where further analysis is required and will indicate the likely impacts on light VKT and emissions.

Business case development

Investment decisions to develop a business case do not, of themselves, create any light VKT or emissions.

However, funding decisions to develop a business case should consider if the business case is only going to generate options that are inconsistent with the ERP. In this case, consideration should be given to rescoping the business case where reasonably possible to include options that are consistent with the ERP, and whether it should be progressed when considered against multiple and wider government outcomes.

Pre-implementation, property and/or implementation phases (and a cost-scope adjustment relating to any of these phases)

For investment in pre-implementation, property and/or implementation phases, activity classes can be used to screen activities to determine if the activity is:

- consistent with the ERP, or
- requires further analysis.

In determining which activity classes are consistent with the ERP the starting assumption is that activities in some activity classes are likely to reduce emissions and light VKT and therefore are consistent with the ERP. Activities in other activity classes require further analysis to determine the impacts on the ERP.

A check involves considering if there is anything exceptional that would indicate the investment would increase light VKT or emissions.

Further analysis involves advice being provided to the decision maker about the expected impact on light VKT and emissions and, based on other considerations as set out in step 3, whether or not the investment decision is consistent with the ERP.

The table below identifies the screening of activities by activity class to establish what treatment is required.

Activity class	Likely impact	Treatment
Walking and cycling	Likely to reduce emissions/light VKT	Consistent with ERP
Public transport infrastructure	Likely to reduce emissions/light VKT	
Public transport services	Likely to reduce emissions/light VKT	
Coastal shipping	Likely to reduce emissions from freight	
Rail network	Likely to reduce emissions/light VKT or from freight	
Investment management[8]	Likely to have no impact on emissions/light VKT	
Road to Zero	Potential to reduce, maintain or increase emissions/light VKT or from freight	Further analysis is required for complex activities
State highway improvements	Potential to reduce, maintain or increase emissions/light VKT	Requires further analysis
Local road improvements	Potential to reduce, maintain or increase emissions/light VKT	
State highway and local road maintenance	Potential to reduce, maintain or increase emissions/light VKT	Investment decisions in the three-year programmes were made prior to the publication of the ERP; however, investment in a material scope change may require further analysis

[8] Includes transport planning activities, sector research and the innovation fund.

Step 3: Assess how the investment decision contributes to the relevant targets in the ERP

An investment decision would generally be consistent with the relevant targets if the investment is expected to reduce light VKT and emissions.

Where an investment is significant[9] and is expected to reduce light VKT or emissions but doesn't contribute an appropriate reduction in light VKT or emissions in the regional or national context, such as the activity's role in a VKT reduction plan/programme, then further analysis may be required.

An investment decision would also be consistent with the relevant targets if it is of a type that does not impact light VKT or emissions (examples include an investment in data for monitoring purposes, an investment in road maintenance, etc). Such investments may be categorised as neutral or consistent with the relevant targets.

Subject to further consideration of factors below and wider programme analysis, an investment decision would generally be inconsistent with the relevant targets if the investment is expected to increase or maintain light VKT or emissions.

The ERP doesn't require **all** investment decisions to reduce light VKT or emissions.[10] If the investment decision is expected to increase or maintain light VKT or emissions, then other factors may also be considered in the weighing up of the requirement to be consistent with the relevant targets, such as:

- the impacts of other planned activities (such as road pricing, parking management, etc) that could affect the light VKT or emissions from this activity
- if this activity is part of a broader programme, whether at a programme level the programme of investment would reduce light VKT or emissions[11]
- location (tier 1, 2 or 3 region)
- how this activity fits within a regional VKT reduction programme, national VKT reduction plan, a regional programme or mode shift plan (consideration may be given to the regional or national context to determine whether a significant investment achieves an appropriate level of reduction in light VKT or emissions)
- the short-term and long-term impacts on light VKT or emissions and whether this investment decision could have a meaningful impact on the transport sector's achievement of the relevant targets or the broader long-term targets in the ERP
- the next best alternative (consider the intervention hierarchy and/or avoid-shift-improve approach; options/alternatives developed in a business case; or any rescoping of the phase).

Step 4: Assess if the investment is consistent with the relevant actions and initiatives in the ERP

Where an investment relates to an **action** in the transport chapter of the ERP, the investment must be consistent with that action. A key action relating to investment is to integrate land-use planning, urban development and transport planning and investments to reduce transport emissions.

Where an investment relates to a **transport initiative** in the transport chapter of the ERP, the investment must be consistent with that initiative. Appendix 1 lists actions and initiatives in the transport chapter of the

[9] A significant investment is an investment decision made by the Waka Kotahi Board. The Waka Kotahi Delegations Policy describes factors relating to significance.

[10] We are awaiting guidance from Te Manatū Waka Ministry of Transport on the high threshold that applies after July 2024 to investments that increase light VKT.

[11] If an investment decision is expected to increase light VKT or emissions, consideration may be given to a broader programme of which the investment is part. Being part of a broader programme with a net effect of reducing light VKT and emissions, or which has maximised opportunities to reduce light VKT and emissions, is a consideration for an investment decision relating to a component of that programme. There may be instances where the investment is a necessary part of a broader programme that is consistent with the ERP. There may also be instances where the investment needs to minimise its impacts on light VKT or emissions.

ERP that may be relevant to an investment. For example, a key initiative relating to investment requires new investments to demonstrate how they will contribute to emissions-reduction objectives (see step 3).

In particular, three initiatives relate to adaptation:

- Seek to maximise climate change adaptation co-benefits and efficiencies when reducing emissions.
- Consider mitigation and adaptation in tandem to reduce the potential for maladaptation.
- Ensure new infrastructure investment avoids locations where near-future climate hazards exist, reducing the risk of stranded assets and/or sunk investment.

The climate change adaptation framework can be used in the context of these initiatives:[12]

- **Avoid** building new infrastructure in vulnerable areas.
- **Protect** existing infrastructure by improving resilience.
- **Accommodate** the impacts of future climate change by building better.
- **Retreat** from high-risk areas.

Investments may be declined where the climate change adaptation risk is high for the investment and the preferred solution hasn't adequately addressed or mitigated the risk.

Step 5: Assess if the investment decision is consistent with the ERP

From steps 3 and 4, an assessment can be made whether or not the investment decision is consistent with the ERP.

An investment decision is consistent with the ERP if it is consistent with the relevant target(s) **and,** where the investment relates to a transport initiative or action, the relevant actions and initiatives in the transport chapter of the ERP.

An investment decision will generally be inconsistent with the ERP if it is inconsistent with either the relevant targets or the relevant actions or initiatives in the transport chapter of the ERP where the investment relates to a transport initiative or action.

The ERP contemplates that some investments that are inconsistent with the ERP's emission reduction objectives may nonetheless be made. In particular, the ERP contemplates that the Te Manatū Waka Ministry of Transport will set 'high thresholds' for investment that are inconsistent with emissions-reduction objectives by 2024–25. Once these high thresholds are established, investments that are inconsistent with emissions-reduction objectives that satisfy those thresholds may be made consistently with the ERP.

Prior to establishment of the high thresholds, investments that are inconsistent with the relevant targets or relevant actions or initiatives should only proceed if they are justified by their contribution to GPS 2021 as a whole or are legally required (see step 6, below).

Step 6: Assess consistency with the GPS as a whole and other legal requirements

Waka Kotahi is required to give effect to GPS 2021 as a whole (that is, all GPS priorities are equally weighted) and ensure investment decisions are consistent with the GPS. If an investment is inconsistent with the ERP, then investment may only be made if it is justified by its contribution to GPS 2021 as a whole or other legal requirements.

Assessment for consistency with the GPS includes:

- investment in the broader climate change strategic priority[13] and/or other strategic priorities[14] in GPS 2021

[12] Or other recognised frameworks, such as the avoid-shift-improve framework.

[13] i.e. does the investment support the rapid transition to a low carbon transport system aligned with national commitments on emission reductions, and contribute to a resilient transport sector that reduces harmful emissions?

[14] i.e. is the investment required to deliver on another strategic priority despite being inconsistent with the ERP?

- investment is required to deliver the Government Commitments (GPS para 130): Road to Zero, Auckland Transport Alignment Project, Let's Get Wellington Moving and the New Zealand Rail Plan
- the requirement that investments must seek value for money (GPS para 86)
- that lead investment is required to help provide access to serviced land for housing development in high-growth urban areas (GPS para 103)
- other relevant parts of the GPS relating to an investment decision.

The investment decision needs to also ensure consistency with other legal requirements including:

- Land Transport Management Act 2003
- Resource Management Act 1991
- National Policy Statement on Urban Development.

For example, there may be a legal requirement to purchase property in accordance with the Resource Management Act.

Step 7: Where appropriate, consider how to reduce the impact on light VKT and emissions

There may be an opportunity to consider a change in scope or add a condition to align with the relevant targets if an investment is assessed as inconsistent with the ERP. This may include a consideration of any of the following:

- travel demand management
- timing of the phase in relation to other activities or development
- change of some elements in the phase or their design.

This consideration may be set out in the advice to the decision maker or as part of the investment decision.

Step 8: Make an investment decision

The following choices are available for an investment decision:

- decline the investment
- approve the investment with conditions, for example that an element is amended to ensure consistency with the ERP or GPS
- approve the investment.

If an investment decision can't be made, then the opportunity might be provided for the applicant to explore other ways to reduce the impacts on light VKT or emissions.

Waka Kotahi should ensure that the reasons for its investment decision include a statement of the impact on light VKT or emissions.

The investment decision should make it clear whether or not the decision is assessed as consistent with the ERP. Where the investment decision isn't consistent with the ERP, it should be transparent as to how the GPS or other legal requirements justify the investment decision.

Appendix 1: Actions and initiatives in the transport chapter of the ERP

The following are actions and initiatives in the transport chapter of the ERP that could be relevant to an investment that impacts on light VKT/emissions, or in relation to an investment in a planning activity.

Focus area 1: Reduce reliance on cars and support people to walk, cycle and use public transport

Action 10.1.1: Integrate land-use planning, urban development and transport planning and investments to reduce transport emissions

Action 10.1.2: Support people to walk, cycle and use public transport

Action 10.1.3: Enable congestion charging and investigate other pricing and demand management tools to reduce transport emissions

Action 10.1.4: Require roadway expansion and investment in new highways to be consistent with transport targets

Action 10.1.5: Embed nature-based solutions as part of our response to reducing transport emissions and improving climate adaptation and biodiversity outcomes

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Identify ways to incentivise developments that avoid/reduce the need to travel and encourage travel by public transport, walking and cycling	Better integrate transport planning and land-use planning through the resource management reforms
Require new investment for transport projects to demonstrate how they will contribute to emissions-reduction objectives	Develop the evidence base and tools to quantify and assess transport emissions from proposed transport and urban developments
	Incorporate transport-emissions impact assessments into transport plans

A. Planning – design programmes to reduce total light fleet VKT in our largest cities

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
	Revise Waka Kotahi NZ Transport Agency's national mode shift plan (Keeping Cities Moving) to ensure nationally led activities align with the pace and scale of VKT reduction and mode shift required in urban areas
	Develop VKT reduction programmes for Aotearoa New Zealand's major urban areas (Tier 1 and 2) in partnership with local government, Māori and community representatives

B. Public transport – improve the reach, frequency and quality of public transport

Consider for investment that impacts on VKT/emissions	Consider for investment in planning

Deliver major public transport service and infrastructure improvements in Auckland, Wellington and Christchurch	Deliver a national public transport strategy
Deliver nationally integrated ticketing for public transport	Complete the review of the public transport operating model
Support a major uplift in all urban bus networks nationwide, including by improving bus driver terms and conditions	
Consider improvements to, and new opportunities for, interregional public transport services	
Identify and consider addressing barriers to integrating public transport with active and micro-mobility modes and networks	

C. Walking and cycling – deliver a step change in cycling and walking rates

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Substantially improve infrastructure for walking and cycling	Provide support for local government to develop network plans for walking and cycling
Support initiatives to increase the uptake of e-bikes	
Deliver a national plan to significantly increase the safety and attractiveness of cycling and micromobility (eg, electric scooters)	
Deliver a national plan to significantly increase the safety and attractiveness of walking	
Implement Accessible Streets proposals nationwide to support safe walking, cycling/scootering and other active modes	

D. Reshaping streets – accelerate widespread street changes to support public transport, active travel and placemaking

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Incentivise local government to quickly deliver bike/scooter networks, dedicated bus lanes, and walking improvements by reallocating street space (including during street renewals)	Consider regulatory changes to make it simpler and quicker to make street changes

Scale up Waka Kotahi NZ Transport Agency's Innovating Streets for People programme to rapidly trial street changes	

E. School travel – make school travel greener and healthier

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Improve walking and cycling infrastructure to and along school routes, in schools, and in surrounding neighbourhoods	Set targets for active travel to and from schools and work with councils and schools to implement active transport plans around schools
Implement the Tackling Unsafe Speeds programme to ensure safer speed limits around schools	Investigate opportunities to improve school bus services
	Explore dedicated active transport funding and/or education programmes for schools

F. Equity – improve access and travel choice for the transport disadvantaged

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Work with local government to deliver public transport, cycling and walking improvements in low socio-economic areas and for transport disadvantaged groups (including disabled people)	Investigate opportunities to improve access for people living in social housing through shared mobility schemes, such as car-share, carpool and bike/scooter schemes
Work with local government to make public transport more affordable, with a particular focus on low-income users	

G. Rural areas – investigate the potential for public transport, walking and cycling in rural and provincial areas

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Consider the role of nature-based solutions in reducing transport emissions and contributing to other benefits	Investigate the potential for public transport, shared services, walking and cycling in rural and provincial areas, particularly for the transport disadvantaged
	Investigate further opportunities to provide on-demand public transport in provincial towns, in light of positive signs from the MyWay trial in Timaru
	Following the recent Inquiry of the Transport Select Committee, the Government is considering progressing legislative changes to enable congestion charging. If the Government decides to progress, it will work with Auckland Council to design a scheme, engage with

	other councils at their request (eg, Wellington) and investigate ways to mitigate possible adverse financial impacts of congestion charging on low-income households
	Investigate additional pricing tools to reduce transport emissions (including parking pricing, VKT pricing and low-emissions zones) Explore a pilot Mobility as a Service project
	Ensure transport policy and investment settings encourage the use of nature-based solutions, including protecting existing carbon sinks and support for new long-term carbon sequestration opportunities where appropriate

Focus area 2: Rapidly adopt low-emissions vehicles

Action 10.2.3: Support the rollout of EV charging infrastructure

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Continue to incentivise the uptake of low- and zero-emissions vehicles through the Clean Vehicle Discount scheme and consider the future of the road user charge exemption for light vehicles beyond 2024	Consider further measures needed – from 2027 – to increase the fuel efficiency of the imported fleet and avoid high-emitting vehicles being dumped onto our market. This will help avoid Aotearoa becoming a dumping ground for high emitting vehicles
Implement the Clean Vehicle Standard to increase the quantity and variety of low- and zero-emissions vehicles supplied to Aotearoa	Set a maximum CO_2 limit or penalties for individual light internal combustion engine vehicle imports to tackle the highest emitting vehicles
Support social leasing schemes to make access to cleaner vehicles affordable for low-income households	Establish whether the Clean Vehicle Discount can be extended to other vehicle classes
Implement an equity-oriented vehicle scrap-and-replace-scheme trial to make cleaner vehicles and low-emissions alternatives affordable for low-income households	Investigate how the tax system can support clean transport options to ensure low-emissions transport options are not disadvantaged
	Determine whether legislative barriers preventing the use of some types of light low-emissions vehicles can be reduced without unduly compromising safety objectives
	Investigate whether further targeted support is required to make low-emissions vehicles more accessible and affordable for other disadvantaged groups and communities

	Continue to develop an EV-charging infrastructure work programme to coordinate policy, investment and engagement with stakeholders
	Complete a national EV-charging infrastructure strategy to set out the Government's vision and policy objectives (for both the public and private sectors) around EV charging over future emissions budget periods
	Review the Electricity (Safety) Regulations 2010 to cover the safety needs associated with charging EVs

Focus area 3: Begin work now to decarbonise heavy transport and freight

Action 10.3.1: Support the decarbonisation of freight

Action 10.3.2: Accelerate the decarbonisation of the public transport bus fleet

Consider for investment that impacts on VKT/emissions	Consider for investment in planning
Establish a freight decarbonisation unit to help decarbonise the freight sector through regulation and investment policy	Develop a national freight and supply chain strategy with industry. This strategy will take a long-term, system-wide view of the freight and supply chain. Working with industry it will identify how to best decarbonise the freight transport system to be net zero by 2050, while improving the efficiency and competitiveness of the supply chain
Continue to implement the New Zealand Rail Plan and support coastal shipping	Evaluate options to: · improve the efficiency of heavy vehicles · regulate heavy vehicles imports to reduce emissions · support infrastructure development for green fuels and fast charging for heavy vehicles · reduce emissions from heavy vehicles operated or procured through government activities
Require only zero-emissions public transport buses to be purchased by 2025, set a target to decarbonise the public transport bus fleet by 2035, and support regional councils to achieve these outcomes through additional funding	Consider the implementation timing of Euro VI standard for heavy vehicles
	Identify and remove barriers to decarbonising the public transport bus fleet through the Public Transport Operating Model review

Cross-cutting measures to contribute to the delivery of a low-emissions transport system

Action 10.4: Support cross-cutting and enabling measures that contribute to the delivery of a low-emissions transport system

Consider impacts on VKT/emissions	Consider for investment in planning
Provide people and businesses with information and education to support behaviour change as we transition to a low-carbon economy	Ensure the next Government Policy Statement on Land Transport guides investment that is consistent with the emissions reduction plan
Seek to maximise climate change adaptation co-benefits and efficiencies when reducing emissions. For example: · Investment to provide for a low-emissions land transport system can also be used to minimise vulnerability to climate-related events by ensuring land-use and transport planning decisions take likely climate impacts into account at the earliest stage. · Ensuring that there are a wide range of lower-carbon transport modes available increases resilience to climate-related events. · Nature-based solutions are likely to have significant adaptation co-benefits, including by reducing flooding and providing cooling	Develop a strong evidence base to inform transport decarbonisation and an equitable transition, and to ensure actions taken are effective within the Aotearoa context
Consider mitigation and adaptation in tandem to reduce the potential for maladaptation, or for adaptation activity to go against emissions reductions. For example: · As the climate changes, infrastructure interventions (such as raised roads to reduce the impact of sea-level rise) may be increasingly necessary when maintaining existing levels of service, and this activity creates emissions, both embodied and future enabled	Embed long-term transport planning to give greater confidence that we are on the right path to eliminate emissions and achieve other goals
Ensure new infrastructure investment avoids locations where near-future climate hazards exist, reducing the risk of stranded assets and/or sunk investment	Develop the skills and capability required to transition to a low-emissions transport system and support an equitable transition