

Auckland Transport Response to the Transport Emissions Reduction Pathway

For decision: For noting:

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board) :

- a) Continues to support the Transport Emissions Reduction Pathway (TERP) as a comprehensive pathway to achieving the vision and ambition of the Auckland Climate Plan.
- b) Endorses a prioritised approach and methodology for developing a prioritised implementation and funding plan for TERP, noting that even with a prioritised approach, the analysis required to complete this plan remains unfunded.
- c) Delegates authority to up to three directors to represent AT on Auckland Council's (AC's) Vehicle Kilometres Travelled (VKT) Programme reference group tasked with overseeing the development of the VKT Reduction Programme.
- d) Notes that, subject to a successful joint funding bid to Waka Kotahi New Zealand Transport Agency (Waka Kotahi), AC and AT will be funded to collaboratively develop a VKT reduction programme, and that this will enable AC and AT to re-establish emission reduction baselines; assess, prioritise and package options for VKT reduction, and to address many, but not all of the prioritised actions in the revised methodology for developing the TERP implementation and funding plan.
- e) Notes that all the interventions confirmed through this analysis that require funding will still be subject to funding prioritisation themselves through the Tāmaki Makaurau Joint Transport Plan (JTP), next year when the Regional Land Transport Plan (RLTP) is reviewed, and possibly through AC's Annual and Long-Term Plan.
- f) Notes that AT continues to pursue mode shift as a key approach to emissions reduction through the investments in our current 2021/31 RLTP to the best of our ability within our funding parameters and is making significant gains in how we embed an emissions reduction culture into our business processes.

Te whakarāpopototanga matua / Executive summary

- 1 In July 2022, AC approved its TERP pathway that provided a vision for achieving its goal of a 64% reduction in transport emissions by 2030, as set out in Te Taruke-a-Tawhiri: Auckland's Climate Plan but did not provide a detailed implementation or funding plan. AC's expectation at the time was that AT would complete this analysis.
- 2 Since then, our operating context and economic conditions have changed significantly. The Letter of Expectations for 2023/6 has required AT to significantly reduce its operating budget; and to implement AC's objectives under the TERP within available funding parameters.

Completing the analysis required to prepare a detailed implementation plan is a significant task and requires significant funding and resources and time. Under our current conditions, completing the analysis in this way is not currently feasible.

- 3 Accordingly, in March 2022, the board agreed to undertake the implementation analysis and delivery of TERP in a staged approach, leveraging funding and partnering opportunities as they arose, and optimising all interventions, and agreed to seek clarification from AC as to its expectations on which actions to prioritise for investigation.
- 4 Working collaboratively with AC staff, a methodology for preparing a prioritised implementation and funding plan has been developed and agreed, taking a staged approach initially prioritising VKT reduction through the levers available to AT to increase the number of public transport trips taken, enhance active modes of transport and encourage behaviour changes (recognising other constraints and objectives such as available funding and the Letter of Expectations), and expanding as further resourcing opportunities become available. Completing this analysis remains however, unfunded.
- 5 Alongside, and consistent with Government's approach to emissions reduction, Waka Kotahi has requested AT and AC to develop a VKT programme, to outline how Auckland could achieve government's 30% reduction in VKT requirements by 2035. Importantly, a successful AC/AT funding bid to Waka Kotahi for \$1.8m to do this work will see this work *fully funded*. AC and AT are waiting for confirmation of this funding.
- 6 The scope and analysis required to develop a full prioritised implementation and funding plan for TERP, and that required to develop a VKT reduction programme have overlaps but *are not the same*. However, the staged methodology developed for the development of the TERP Implementation Plan provides an opportunity to align a Stage 1 of the Implementation Plan with the VKT Reduction Plan.
- 7 Notwithstanding this, the VKT Programme work will enable us to re-establish the base line of our current investment programme (which will change with the work on the JTP and next year's RLTP), identify the intervention options to support VKT reduction, assess options to determine the outcomes of these options, and prioritise and package the options into a preferred programme. This work will address many, but not all, of the actions within the full prioritised TERP implementation plan methodology and could be considered 'Stage 1' if all parties agree. AC and AT will do our best to align and optimise TERP priority actions in the VKT reduction planning analysis, with a particular emphasis on increasing passenger transport patronage.
- 8 All of the interventions confirmed through this analysis that require funding will still be subject to funding prioritisation themselves through the JTP and next year when the RLTP is reviewed.
- 9 A reference group, comprising Councillors and mana whenua, has been established by Council to provide governance across the VKT programme development. Three directors have been invited to join that reference group. The VKT Reduction Plan is expected to be delivered by December 2023.
- 10 In the meantime, AT continues to pursue its mode shift approach to emissions reduction through the investments in our current 2021/31 RLTP to the best of our ability within our funding parameters. We are also making significant gains in how we embed an emissions reduction culture into our business processes.

Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
16 May 2023 Design and Delivery Committee	TERP Response Plan Methodology and Approach	Directors discussed the approach and methodology, and the potential availability of funds from Waka Kotahi to complete a significant portion of the analysis required. Directors expressed their desire for genuine collaboration between AC and AT in the development of the VKT reduction plan, taking lessons from the development of the TERP pathway.
28 March 2023 Board	AT Response to the TERP	The board endorsed its continued support for TERP, and the development of a staged and prioritised approach to developing the implementation and funding plan.
14 March 2023 Design and Delivery Committee	AT Response to TERP	The committee discussed AT's approach to TERP given the constrained financial environment it is operating in.
28 February 2023 Board	AT TERP Response Strategy	The board noted the current economic environment in which TERP needs to be delivered and discussed AT's approach to its continuing support for TERP.

Te horopaki me te tīaroaro rautaki / Context and strategic alignment

- In June 2022, AC agreed to a TERP pathway providing a vision for achieving its goal of a 64% reduction in transport emissions by 2030, as set out in Te Taruke-a-Tawhiri: Auckland's Climate Plan. This pathway indicates the scale of mode shift, transport electrification and reduced VKT required to achieve the 64% target. The pathway models ambitious uptake of active modes and public transport, an ambitious 50% reduction in VKT, a 32% share of electric vehicles in the light vehicle fleet; and a 75% public transport electrification, and a 50% emissions reduction in freight emissions relative to 2019 levels. AT was expected at that time to develop a full implementation and funding plan to deliver on these expectations.
- In March 2023, considering current economic conditions and funding constraints and the Letter of Expectation directing AT to implement TERP within its existing funding parameters, the board resolved to undertake the implementation analysis and delivery of TERP in a *staged and prioritised approach*, leveraging funding and partnering opportunities as they arose, and optimising all interventions. It agreed to seek clarification from AC as to its expectations on which actions in TERP to prioritise for investigation.

- 13 AC and AT staff have collaborated to develop a methodology to develop an implementation and funding plan for a prioritised list of actions in TERP. The development of this implementation and funding plan is currently unfunded.
- 14 Government's emission reduction targets and levers differ significantly to those of AC. To meet its Emissions Reductions Pathway (ERP) overall emission reductions target of a 2 percent reduction on 2018 greenhouse gas emissions by 2025, 17 percent reduction by 2030, and a 36 percent reduction by 2035, government is seeking from the transport sector across New Zealand to reduce total VKT travelled by the light fleet by 20 percent by 2035; increase zero emissions vehicles to 30% of the light fleet by 2035, reduce emissions from freight transport by 35 percent by 2035; and reduce the emissions intensity of transport fuel by 2035.
- 15 On 24 February 2023, consistent with the approach outlined in paragraph 14 above, Waka Kotahi requested AT and AC to develop an urban VKT reduction programme to outline how the Auckland region could achieve government's 30% reduction in VKT by 2035. As a Tier 1 urban environment, Auckland is required to complete its Urban VKT Reduction Programme by December 2023.
- 16 If AT and AC are successful in their funding bid to Waka Kotahi for \$1.8m to complete this work, the development of the VKT reduction programme will be fully funded. AC and AT are waiting for confirmation of this funding before we can commence work.

Ngā matapakinga me ngā tātaritanga / Discussion and analysis

- 17 Developing a comprehensive implementation and funding plan for all of the actions in TERP is a significant undertaking that needs time and resources. The delivery environment is complex involving many opportunities, players and stakeholders to collaborate with; the TERP targets are ambitious; the time frames to deliver on the targets is constrained and the funding required to undertake the analysis to develop and cost the plan, and to deliver the interventions exceeds what's currently available.
- 18 Accordingly, the proposed approach to the development of the implementation plan needs to be system focussed, adaptable, transformative, human centred but also practical and expeditious. We are proposing a staged focusing on priority actions first to allow momentum to be built towards the TERP goals, developing over time as funding, strategic priorities and capabilities evolve.
- 19 Staging comprises three horizons: an initial focus on VKT reduction through levers available to AT by increasing the number of public transport trips, enhancing active modes of transport and encouraging behaviour change; an expansion of the TERP transformation areas being progressed to include those beyond Stage 1, to incorporate all TERP transformative areas, and exploring partnerships between Auckland Council and AT to deliver joint actions; a final progression to focus on initiatives that are influenced by the whole system, including central government and the private sector, that will require much greater cross organisational working. This approach is illustrated in Attachment 1.
- 20 For stage 1, priority actions in TERP have been identified for focus. These are outlined in Attachment 2. These have been identified based on each activity's contribution to delivering the TERP objectives, recognition of the scale and complexity required for delivery of each activity, opportunity for immediate progress towards targets, impact on building momentum towards additional TERP goals and activities, and the

ability to expand and develop over time as funding, strategic priorities and capabilities evolve. Alignment with the proposed Waka Kotahi VKT Reduction programme was also considered.

- 21 For each of the actions, a methodology has been built for the analysis. That methodology is illustrated in Attachment 3.
- 22 At a system level, the misalignment of targets and dates between central and local government manifests in misalignment of methodology and funding to enable the analysis and delivery. While we can develop a staged and prioritised approach to develop an implementation plan for TERP, completing the plan remains unfunded. We can, however, take advantage of government funding to produce a VKT reduction programme for Auckland.
- 23 The opportunity is to align the development of the prioritised TERP implementation plan as closely as possible to the work that will be funded through the VKT reduction programme development. Taking this approach, we will be able to establish a baseline of the current programme, identify the intervention options that can support VKT reduction, assess these options to determine the outcomes of these options, and prioritise and package these options into a preferred programme. The priority actions that we will be able to progress in TERP through this approach are highlighted in Attachment 2.
- 24 AT continues to pursue mode shift as an approach to emissions reduction through the investments in our current 2021/31 RLTP to the best of our ability within our funding parameters. We are also making significant gains in how we embed an emissions reduction culture into our business processes through: the development of a Sustainability Strategy which will include emission reduction targets; the completion of our Climate Change Adaptation Policy; targets for embodied emissions; amendments to our Roads and Streets Framework; amendments to our infrastructure design standards; alterations to our business case processes; project and procurement templates to require information on emissions and environmental outcomes; and the development of more effective organisational governance systems to oversee the prioritisation of work; and development of improved business technology tools to improve the robustness of data collection, measuring, monitoring analysis and reporting.

Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
Misalignment between central and local government emissions targets results in misalignment of funding and lack of coordination of effort to deliver interventions.	Explore the possibility of alignment in our current context.
Public perception that AT can deliver on the TERP goals within current funding parameters leads to misaligned and unrealistic expectations, reputational damage for AT, and slows progress towards the goals.	Clarity about the approach AT can take within its constrained funding parameters. Seek confirmation and clarification from AC as to its expectations in our current fiscally constrained environment.

Key risk	Mitigation
Delay in confirmation of Waka Kotahi funding for the VKT programme development shortens the time frame available to undertake the complex analysis putting at risk the quality of the outputs.	Pursue Waka Kotahi for confirmation and commence design of work programme design in parallel.

Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

25 The financial needs to complete the TERP Response Strategy, and the VKT Reduction Programme and the funding implications of their interventions are canvassed in this report.

Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

26 TERP and the TERP Implementation Plan are aimed at achieving AC's carbon emissions targets.

Ngā whakaaweawe me ngā whakaaro / Impacts and perspectives

Mana whenua

27 Mana whenua was engaged in the preparation of the TERP. The design of the TERP Implementation Plan will incorporate engagement with mana whenua as a key partner in design and delivery of initiatives that will contribute to the emissions reduction goals.

Ngā mema pōti / Elected members

28 TERP is an AC developed pathway.

Ngā rōpū kei raro i te Kaunihera / Council Controlled Organisations

29 There has been no engagement with other Council Controlled Organisations to date.

Ngā kiritaki / Customers

30 This report raises no immediate customer related issues.

Ngā whaiwhakaaro haumarū me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

31 There are no immediate health, safety and wellbeing considerations arising from this report.

Ā muri ake nei / Next steps



32 Once Waka Kotahi VKT programme funding is confirmed, programme development can commence.

33 Auckland Council has requested a joint AC/AT briefing on progress made in implementing TERP to the Transport and Infrastructure Committee in June 2023.

Te whakapiringa / Attachment

Attachment number	Description
1	Stages 1, 2 and 3
2	Priority Actions
3	Action analysis – methodology

Te pou whenua tuinga / Document ownership

Submitted by	Jenny Chetwynd Executive General Manager Planning and Investment	
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