



Cabinet Economic Development Committee

Minute of Decision

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Emissions Reduction Plan: Transport Content

Portfolio Transport

On 16 March 2022, the Cabinet Economic Development Committee (DEV).

Background

- 1 **noted** that under the Climate Change Response Act 2002, the government must prepare an emissions reduction plan (ERP) by May 2022 that responds to the emission budgets recommended by the Climate Change Commission (the Commission) to put New Zealand on pathway to reduce net emissions of all greenhouse gases (except biogenic methane) to zero by 2050;
- 2 **noted** that transport is responsible for almost half of New Zealand's carbon dioxide (CO₂) emissions, and that major reductions in transport emissions are therefore critical to achieving New Zealand's 2050 target;
- 3 **noted** that current policies are not enough for transport to play its part in meeting New Zealand's emission reduction obligations and targets;

Engagement on the proposed transport content for the emissions reduction plan

- 4 **noted** that the proposed transport content of the ERP is based on advice from the Commission, Hīkina te Kohupara, and insights from feedback on Hīkina te Kohupara, and consultation on the ERP discussion document;
- 5 **noted** that initial engagement with iwi/Māori has commenced, and that ongoing partnership will underpin the design of transport policies agreed for the ERP;

The proposed transport content of the emissions reduction plan is a package of interdependent policies

- 6 **noted** that the proposed transport content for the ERP has been developed as an interdependent package of initiatives that need to be delivered as a whole to put New Zealand on track for meeting the transport emission reduction targets;
- 7 **noted** that Te Manatū Waka Ministry of Transport (Te Manatū Waka) modelling shows that the transport policy package will put New Zealand on a pathway to achieve the emissions reduction required from transport for the first emissions budget;

- 8 **noted** that the transport policy package is framed around the following four focus areas:
- 8.1 focus area 1: reducing reliance on cars and supporting people to walk, cycle and use public transport;
 - 8.2 focus area 2: rapidly adopting low-emission vehicles and fuels;
 - 8.3 focus area 3: beginning work now to decarbonise heavy transport and freight;
 - 8.4 focus area 4: cross-cutting and enabling actions;

Proposed transport targets

- 9 **agreed** to the following transport targets:
- 9.1 reduce total vehicle kilometres travelled (VKT) by the light fleet by 20 percent by 2035;
 - 9.2 increase zero-emission vehicles to 30 percent of the light fleet by 2035;
 - 9.3 reduce emissions from freight transport by 35 percent by 2035;
 - 9.4 reduce the emissions intensity of transport fuel by 10 percent by 2035;
- 10 **noted** that submissions analysis shows support for the transport targets;

Transport package of initiatives

- 11 **noted** that some initiatives in the transport package require further policy work and funding;
- 12 **agreed** to the integrated package of transport initiatives, attached at Annex 1 and 2 to the paper under DEV-22-SUB-0047;

Risks and mitigation

- 13 **noted** that the transport sector does not currently have the capacity and capability to deliver all transport initiatives in the ERP, and that this will require the transport sector and government to complete longer-term work to:
- 13.1 determine the cost of delivering the transport content of the ERP and suitable sources of funding;
 - 13.2 consider the prioritisation of the work that is needed to deliver the change required for the transport sector;
 - 13.3 significantly expand and retrain the sector to meet the capacity and capability needed to deliver the actions in the ERP;
- 14 **noted** that the proposed transport content for the final ERP may be subject to editorial changes and content update by Te Manatū Waka, which will be agreed with the Minister of Transport as appropriate;

- 15 **noted** that the Minister of Transport will report back to DEV for substantive decisions on individual policies, where required, as they are ready to progress to implementation.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Kris Faafoi
Hon Willie Jackson
Hon Michael Wood
Hon Dr David Clark
Hon Meka Whaitiri
Hon Phil Twyford
Rino Tirikatene MP
Dr Deborah Russell MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

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TE MANATŪ WAKA MINISTRY OF TRANSPORT