

21 June 2022

## **Submission of Infrastructure New Zealand on the *Emissions Budgets and the Emissions Reduction Plan***

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### **1. Introduction**

- 1.1 Infrastructure New Zealand welcomes this opportunity to make a submission on the Emissions Budgets and Emissions Reduction Plan.
- 1.2 Infrastructure New Zealand is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors and operators.

#### *General remarks*

- 1.3 We welcome the Government's intention to reduce New Zealand's emissions and eventually hit net zero emissions.
- 1.4 Infrastructure New Zealand welcomes the leadership and ambition shown by the Government through the emissions reduction plan.
- 1.5 The plan sets out a wide-ranging and ambitious programme containing more than 300 actions and covers transport, energy, building, agriculture, forestry, and waste.
- 1.6 In doing so, the plan recognises that transitioning to a low emissions economy requires a transformational change in how we plan, fund and deliver infrastructure and services. It will have implications for the entire economy.
- 1.7 Delivering this will require the continued buy-in from across parliament as well as close partnership with affected industries.

### **2. Land use and transport planning**

#### *Integrated urban, transport and land-use planning*

- 2.1 We are encouraged to see that the plan discusses the need for infrastructure and planning decisions to be made in an integrated manner
- 2.2 Making changes to the way we plan, provide and fund infrastructure can have a significant impact on the emissions profile of our towns and cities
- 2.3 Better planning will have other benefits too, improving housing supply and affordability and providing genuine choices around how people travel to places of work, leisure and education.

- 2.4 For instance, more integrated planning of greenfield developments will ensure that land use decisions around residential, commercial and industrial activity are made in a co-ordinated way, ensuring that cities and towns are designed to minimise travel distances and enable genuine choices between private and public transport alternatives. Instead, the current approach results in land being made available for residential developments to respond to housing shortages, which are often at great distances from places of work and play, requiring many New Zealanders to rely on private vehicle use.

*Mode shift and congestion charging*

- 2.5 The plan highlights the need to encourage greater patronage of public transport and use of walking and cycling modes.
- 2.6 There is also the need to ensure prerequisite infrastructure is in place to facilitate mode shift and thereby reduce transport emissions. For instance, not all New Zealanders have access to adequate and rapid/frequent public transport and/or public transport infrastructure, e.g. at capacity park and ride facilities.
- 2.7 Similarly, there is a need to understand New Zealanders' travel patterns and what can be done to change travel needs and patterns, e.g. working from home and providing meaningful employment opportunities within local catchments.
- 2.8 The Auckland Plan 2050, for instance, identifies five nodes other than the Auckland City Centre that are meant to provide flexibility and choice for business by providing business opportunities and business land in close proximity to deep labour pools with an interconnected transport network. This is supposed to make more jobs and educational opportunities accessible to more people without them having to travel long distances. The challenge is making this a reality.
- 2.9 The emissions reduction plan will need to have an equal focus on changing the way and the reason why we travel.
- 2.10 In the absence of addressing the above issues, measures such as the levying of congestion pricing and high emissions-related taxes would only be regarded as punitive taxes.

*Decarbonisation of the private vehicle fleet*

- 2.11 Mode shift is just one part of the equation. Major public transport infrastructure projects, for instance Auckland Light Rail (with an estimated cost of over \$14 billion) are only anticipated to shift travel from private travel to public transport, walking and cycling by 5% to 6.5% over the next 30 years.
- 2.12 While the Auckland Light Rail project will have broader urban development, housing and employment benefits, it will not provide the needed reductions in emissions to help New Zealand meet its emissions budgets.
- 2.13 We need to look at measures that help to decarbonise our private vehicle fleet, which New Zealanders use for the vast majority of travel (82% of trips by travel time).
- 2.14 We welcome the Government's efforts to do so through the scrap and replace scheme and through electrifying the public fleet but there is a missed opportunity to do more for instance through provision of charging infrastructure and extension of the clean car discount scheme.

### **3. Making the transition**

#### *Building and construction sector*

- 3.1 We support the intention around transitioning to low emissions building design and materials.
- 3.2 The building and construction sector has experienced significant growth in demand in recent years and it will be important to ensure that the transition does not place a disproportionate burden on the sector.
- 3.3 The transition pathway will need to recognise the important role the sector plays in responding to some of the critical challenges to the wellbeing of New Zealanders including in contributing to increasing the supply and affordability of housing.
- 3.4 As one of the largest employers in the country, the Government will need to ensure that the transition does not leave workers behind and that our workforce has the right capacity and capability.
- 3.5 We support the use of the construction sector accord as a platform for working more closely with industry to tackle these challenges.

#### *Heavy vehicles sector*

- 3.6 The plan has signalled the intent to decarbonise the heavy transport and freight sector, including to reduce freight emissions by 35% by 2035.
- 3.7 This will be challenging given the lack of perfect substitutes in categories such as utility vehicles (utes) and heavy commercial vehicles and New Zealand's position and ability globally as a fast follower of new technology trends rather than a first mover.
- 3.8 It is important that the Government works alongside the sector to understand the likely transition path and technology options that exist.
- 3.9 Congestion charging should be prioritised as a way of reducing one of the most significant costs for freight (time / delays) and providing greater flexibility for the sector, on the proviso that public transport alternatives are put in place to ensure equity and mitigate the financial impact on lower income households.

### **4. Conclusion**

- 4.1 I thank the Committee for giving Infrastructure New Zealand the opportunity to make this submission.
- 4.2 If you have any queries or require further information, please feel free to reach out to me at [claire.edmondson@infrastructure.org.nz](mailto:claire.edmondson@infrastructure.org.nz).

Yours sincerely



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