Hīkina te Kohupara – Questions and Answers

What is Hīkina te Kohupara?

Hīkina te Kohupara is a strategic and phased approach for how New Zealand can further reduce emissions across the transport system.

Transport is responsible for 47 percent of total domestic carbon dioxide (CO₂) emissions, and therefore major emissions reductions in this area are critical to achieving the net zero target.

Hīkina te Kohupara sets out how Aotearoa should reduce emissions in the transport system. It identifies the best opportunities to reduce emissions and also highlights co-benefits that support wider social, economic and environmental benefits, including supporting a Just Transition.

Hīkina te Kohupara will assist government to identify policies that could be implemented to reduce transport emissions to move Aotearoa towards being net zero by 2050.

What does Hīkina te Kohupara mean?

Hīkina te Kohupara -Kia mauri ora ai te iwi translates as Lifting of the toxic mist: And behold the breath of life.

Why is Hīkina te Kohupara needed?

In 2019, Parliament passed the Climate Change Response (Zero Carbon) Amendment Act 2019. This amended the Climate Change Response Act 2002 and introduced the 'Zero Carbon Framework' to enable Aotearoa to develop climate change policies that contribute to the temperature goals in the Paris Agreement. It also allows Aotearoa to prepare for, and adapt to the effects of climate change.

The zero carbon framework sets our domestic target of net zero emissions for all greenhouse gases (other than biogenic methane) by 2050.

The transport sector is currently responsible for 47 percent of CO_2 emissions, and 19.7 percent of greenhouse gas emissions (GHG) in Aotearoa. Modelling shows that if action is not taken to reduce transport emissions, these will continue to rise until 2025 and plateau near 2030, before finally beginning to fall.

Under the Climate Change Response Act 2002, the Government must respond to the Climate Change Commission's emissions budget through the development of an all-of-government Emissions Reduction Plan. Hīkina te Kohupara will be used to inform the transport chapter of the Emissions Reduction Plan.

Aotearoa's first Emissions Reduction Plan must be published by 31 December 2021.

How does Hīkina te Kohupara differ from the work by the Climate Change Commission?

The Climate Change Commission's (the Commission) role is set down in the Climate Change Response Act 2002. It is responsible for developing and consulting on five-yearly emissions budgets for Aotearoa. It must also monitor Aotearoa's progress towards meeting the net zero goal.

In February 2021, the Commission released its *draft* advice on what it considers Aotearoa should do to decrease GHG emissions. The Commission's advice sets out specific areas for a sector to focus on. For example, for transport the Commission has indicated that there should be emphasis on a rapid uptake of electric vehicles.

The Commission's advice does not set out which specific policies should be used to meet Aotearoa's future emissions budgets.

Hīkina te Kohupara explores potential opportunities that could be used to meet the transport share of emissions budgets set by the Commission. These opportunities could be developed into Government policies.

Hīkina te Kohupara includes four pathways that show how Aotearoa could move towards net zero, with different levels of ambition and investment. Stakeholder feedback on the pathways and the content on how Aotearoa could achieve emissions reductions across the transport system will be used to develop policies for Government as part of the future emissions budgets.

The Commission's *final* advice and recommendations to the Government on the first three five-yearly emissions budgets is due on 31 May 2021.

Development and consultation

Who developed Hīkina te Kohupara?

The Ministry of Transport developed Hīkina te Kohupara following scope and content discussions with Waka Kotahi New Zealand Transport Agency, the Ministry for the Environment, the Ministry for Business, Innovation and Employment, the Ministry for Housing and Urban Development, Maritime New Zealand, the Energy Efficiency and Conservation Authority, Local Government New Zealand, Auckland Council, Auckland Transport, Greater Wellington Regional Council, Wellington City Council, Environment Canterbury, Ports of Auckland, KiwiRail, Air New Zealand and the Shipping Federation of New Zealand.

The Ministry of Transport engaged with various organisations to ensure Hīkina te Kohupara was based on best available evidence at the time. The evidence and research used in Hīkina te Kohupara includes a range of domestic and international data, and has been referenced.

Ministry modelling was used to establish the pathways shown in Hīkina te Kohupara.

What areas of transport are included in Hīkina te Kohupara?

Hīkina te Kohupara covers all parts of the transport system and includes: the light vehicle fleet, heavy vehicle fleet, the freight sector (including coastal shipping), public transportation and aviation. It also covers walking and cycling and urban development.

What principles were used to develop Hīkina te Kohupara?

Seven key principles were developed to help shape advice in Hīkina te Kohupara on transitioning to a zero carbon transport system. The seven principles are:

Principle 1:	The transport sector will	play a lead ro	ole in meeting our 2050) net zero carbon
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target

Principle 2: We need to focus on moving to a zero carbon transport system, rather than

offsetting emissions

Principle 3: We need to take a strategic approach to reducing transport emissions

Principle 4: Co-ordinated action is required across the transport system to avoid and

reduce emissions

Principle 5: To ensure a Just Transition we need to manage the impacts and maximise the

opportunities brought about by changes to the transport system

Principle 6: We need to forge a path to zero transport emissions by 2050, while recognising

that there is not one way to get there

Principle 7: Innovation and technologies will play an important role in reducing emissions,

but people are the key to our future.

What changes are proposed?

Hīkina te Kohupara identifies the best opportunities for transport to reduce emissions. We have grouped these opportunities within three themes, focusing on three strategic priorities. These are:

- Changing the way we travel
- Improving our passenger vehicles
- Supporting a more efficient freight system.

Within the report, we identify opportunities that are already under way, such as the clean car standard, the decarbonisation of public transport and consideration of a biofuel mandate. We also identify other opportunities that should be considered for reducing transport emissions.

Why does Aotearoa need to do reduce its emissions, we're not big emitters?

Rodd Carr, chair of the Climate Change Commission says "Per capita, New Zealand emits about 16 tonnes of gross greenhouse gas emissions each year. India and China, per capita, are one quarter of that - four tonnes. So we can certainly look at China and say they contribute a large share of total emissions, but on a per capita basis we are up there among the highest emitters in the world." ¹

It matters a lot what large emitting countries are doing, but it also matters what we do.

¹ Daalder, Mark, 'Rod Carr takes climate change to the public', https://www.newsroom.co.nz/page/rod-carr-takes-climate-change-to-the-public?utm term=0 71de5c4b35-e4e2f29d03-97930012, 18/11/20

Our approach

Hīkina te Kohupara uses the Avoid-Shift-Improve framework to identify areas for action and opportunities to reduce transport emissions

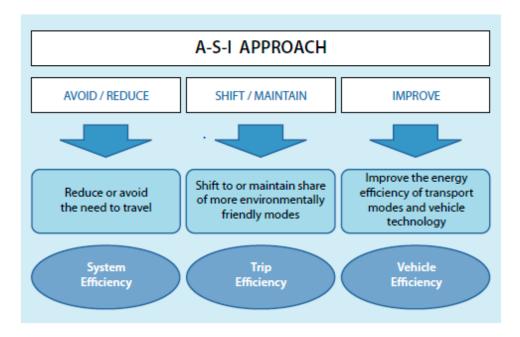
Hīkina te Kohupara uses the Avoid-Shift-Improve framework (ASI).

The ASI framework was developed in the early 1990s in Germany to serve as a way to structure policy measures to reduce the environmental impact on transport. It aims to achieve significant GHG emission reductions, as well as reduce energy consumption, reduce congestion, and create more liveable cities.

Avoid/reduce - Addresses the need to improve the overall efficiency of the transport system by implementing instruments that reduce the need to travel and trip length

Shift/maintain - Seeks to improve trip efficiency by promoting modal shift from the most energy consuming transport mode (i.e. cars) towards low-carbon modes (i.e. walking, cycling and public transport)

Improve - Focuses on vehicle fuel efficiency and low carbon fuels and energy

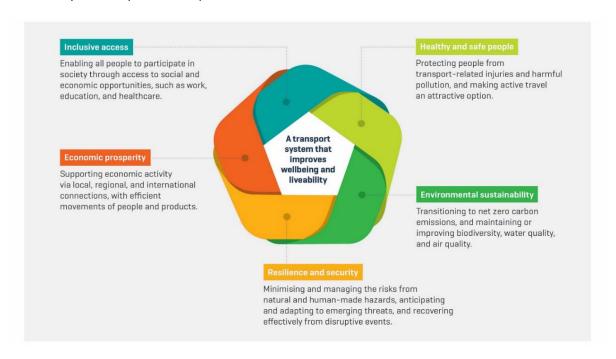


How does Hīkina te Kohupara take into account the co-benefits from transitioning to a zero carbon economy?

The primary objective of Hīkina te Kohupara is to identify opportunities to reduce transport GHG emissions. However, secondary objectives can also be achieved from transport policies. These include:

- Inclusive access
- Healthy and safe people
- Economic prosperity
- Resilience and security
- Environmental sustainability

The Ministry of Transport's Transport Outcomes Framework, see below, sets these out.



Impacts and engagement

What is a 'Just Transition'?

Aotearoa needs to actively plan for a future economy that is going to look very different in 30 years than it does today. This will include new technologies, globalisation and demographic shifts which will have impacts on the ways New Zealanders work and the jobs they do.

The Government has committed to making this process a 'Just Transition' - one that is fair, equitable and inclusive. A Just Transition is about making sure that the Government works in partnership with iwi, communities, and regions to manage the impacts and maximise the opportunities of the changes brought about by Aotearoa's transition to a low emissions economy.

The Just Transition distinguishes the challenges between rural and urban areas, and the opportunities of emissions abatement that arise in both. It considers the impacts on the transport sector, and distributional impacts by gender, generationally, socio-economically, and ethnically, with a focus on Māori and Pasifika.

A low carbon economy will create significant economic opportunities for businesses, and job creation in the transport and energy sectors. There is also a risk that this transition will create inequalities, and steps will need to be taken by Government to mitigate this impact on parts of our society.

Have the transport needs of low-income groups been considered when Hīkina te Kohupara was developed?

Hīkina te Kohupara has a chapter on Just Transitions. This chapter acknowledges that people who already experience social and/or economic disadvantages are likely to be disproportionately affected by any rise in transport costs (as already occurs when fuel prices rise). To make a Just Transition, Government will need to mitigate the impacts of interventions that increase transport disadvantage.

There are also opportunities for the Government to improve transport equity during the transition.

Was the road transport sector or industry consulted in the development of Hīkina te Kohupara?

Targeted engagement on Hīkina te Kohupara is commencing soon. It will include stakeholders from transport industry.

There will also be an opportunity for sectors and individuals to respond to the transport policies laid out in the Emissions Reduction Plan. Consultation is anticipated to commence in mid-2021.

How are Iwi/Māori being engaged on Hīkina te Kohupara?

Engagement with Iwi/Māori is being planned. The Ministry of Transport intends to set-up in consultation with Iwi/Māori a series of marae based advisory groups with selected regional iwi chosen to reflect a diverse range of transport contexts. This will build relationships for ongoing engagement/consultation on future transport policies and the all=of-government Emissions Reduction Plan.

Does Hīkina te Kohupara refer to Covid-19 and the impact it had on transport emissions?

Yes, the Covid-19 outbreak has been covered in Hīkina te Kohupara. Chapter 2 includes a section on the implications of Covid-19. During the Covid-19 lockdown, Aotearoa's CO₂ emissions temporarily fell by 41 percent compared to 2018 levels. The Ministry of Transport estimates that due to travel restrictions in Covid-19 Alert Levels 3 and 4 that Aotearoa's annual CO₂ emissions were reduced by between 8 and 10 percent. However, most of these reductions have been short-lived. The level of road travel, hence the bulk of emissions, has almost entirely bounced back to pre-Covid-19 levels.

Outcomes

Can the transport system reduce its emissions and move towards net zero by 2050?

Four pathways are provided in Hīkina te Kohupara to illustrate how Aotearoa might move towards net zero by 2050. One of the pathways meets the 2035 target set out in the Commission's draft advice which will see Aotearoa nearly halving its emissions.

Moving to a net zero transport system is achievable, but to do this requires significant change for all New Zealander's. Bold decisions will need to be made by us all to have a feasible chance of significantly reducing transport emissions. Those decisions will determine the path Aotearoa takes.

When, and how, will the opportunities in Hīkina te Kohupara become policies to help reduce transport emissions?

Hīkina te Kohupara sets out opportunities, but it does not commit Government to implementing these as policies. Chapter 11 provides an overview of existing policies and strategies that already contribute to transport emissions reductions. It also includes a table setting out potential policies that could be included in the first three emissions budgets once they are set by the Commission.

Following targeted consultation, advice will be provided to the Government and decisions will need to be made on potential policies for the transport chapter of the Emissions Reduction Plan. The transport chapter will indicate the policies and measures Aotearoa will take over the first emissions budget, 2022 to 2025.

What implications does Hīkina te Kohupara have for individual car use?

Depending on the particular policies and pathways the Government chooses to take, we will need to make different decisions about the types of cars we buy and give consideration to if we need as many private vehicles as Aotearoa has. All the pathways would requires us to make greater use of other means to move around such as public transport, walking and cycling. It also means government, both central, regional and local, will need to provide more and better facilities for these alternatives.

Funding

Does Hīkina te Kohupara provide information on potential costs of implementing policies to reduce transport emissions?

Hīkina te Kohupara is a system-wide review of decarbonisation opportunities in the transport system. If some of the opportunities in this report are chosen as policies for the Emissions Reduction Plan, they would then be costed.

What is the relationship between Hikina te Kohupara and funding?

Hīkina te Kohupara is a system-wide review of the transport system that identifies the best opportunities to reduce emissions in the transport sector. It sets out, in Chapter 11, policies that government should consider for the first emission's budget (2022 to 2025) and the following two emissions budgets (2026 to 2030 and 2031 to 2035).

Hīkina te Kohupara notes that decisions will be required on how policies might be funded and where that investment might come from. It also includes discussion of potential pricing mechanisms that could be used for this purpose and to reduce emissions.

Decisions on funding of future transport policies have not yet been made. Policies will need to be considered by Cabinet and include advice on potential funding options for each policy.

Hīkina te Kohupara's relationship with other transport policies

How does Hīkina te Kohupara work with existing policies, such as the EV programme?

Hīkina te Kohupara identifies opportunities to reduce emissions from the transport sector and includes some actions from work programmes that are already underway, for example, the road user charges exemption for EVs.

Existing policies will not be enough to reduce our transport emissions to meet Aotearoa's net zero target by 2050. Opportunities identified in Hīkina te Kohupara will need to complement existing policies.

How does Hīkina te Kohupara relate to the Government Policy Statement (GPS) 2021?

The GPS 2021 sets climate change as a strategic priority, which means that investment decisions need to support the transition to a low carbon transport system. The GPS sets the government position for all transports activities and is used to guide how funding decisions are made through the National Land Transport Fund.

Hīkina te Kohupara is a discussion report focused on identifying opportunities to reduce emissions from transport. Following targeted engagement advice will be provided to Ministers on policies it should agree to include in the transport chapter of the all-of-government Emissions Reduction Plan.

What is Hīkina te Kohupara's relationship with local government plans, such as Auckland's Climate Plan, Te Tāruke-ā-Tāwhiri?

The Ministry of Transport has had awareness of local government plans while it developed Hīkina te Kohupara. As part of its development we looked at a broad range of evidence, both international and domestic, including referring to local government plans and engaged with local government during the process.

How does Hīkina te Kohupara fit into the wider government strategy for reducing emissions?

Under the Paris Agreement, Aotearoa has agreed to reduce our emissions by 30 percent below 2005 levels by 2030.

In 2019 Parliament passed the Climate Change Response (Zero Carbon) Amendment Act 2019. This sets out the zero carbon framework for Aotearoa, and the domestic target of net zero emissions for all GHG's (other than biogenic methane) by 2050.

Current policies are not enough to meet the Paris Agreement targets and transport emissions are predicted to continue rising without substantial action. Transport emissions are one of the most significant and attainable abatement opportunities we have to meet our zero carbon by 2050 target. Hīkina te Kohupara will be used to develop and construct policy options for Government to consider to help Aotearoa meet these targets.

The Climate Change Response Act 2002 sets out the dates for the five yearly emissions budgets. These will act like stepping stones out to 2050.

Emissions budgets are recommended by the Commission, and the Commission will make its final recommendations on the first three emissions budgets for Aotearoa on 31 May 2021.

Government will need to respond to the Commission's final advice, and will do this through the all-of-government Emissions Reduction Plan. The Emissions Reduction Plan must be published by the 31 December 2021. Hīkina te Kohupara will help identify the first suite of policies for the first Emissions Reduction Plan.

Does Hīkina te Kohupara duplicate work being done by the Ministry for the Environment and the Climate Change Commission?

No.

The Ministry of Transport has developed Hīkina te Kohupara and took an extensive, system-wide view of transport. The Ministry of Transport is responsible for developing policies to reduce emissions from the transport system.

Work being done by the Ministry for the Environment and the Climate Change Commission does not provide as comprehensive a view of transport as Hīkina te Kohupara does, because these two organisations are not entirely transport-focused.

What are other countries doing to reduce transport emissions?

Many countries around the world are taking quick and bold action to reduce their transport emissions.

Countries with proposed bans on internal combustion engine vehicles or that are implementing requirements to only sell zero-emissions vehicles include China, Japan, the United Kingdome, South Korea, Iceland, Denmark, Sweden, Norway, Slovenia, Germany, France, The Netherlands, Spain, Portugal, Canada.

Many of these countries also have climate action plans in place on how they will decarbonise their transport system. These plans and roadmaps focus on mode shift (i.e. greater walking, cycling and public transport use); freight and urban design. An example is the United Kingdom's <u>Decarbonising Transport</u>: Setting the Challenge (publishing.service.gov.uk)

Hīkina te Kohupara's future

How will Hikina te Kohupara be used to respond to future emissions budgets?

Hīkina te Kohupara will be used to inform the first all-of-government Emissions Reduction Plan.

It will also be used by the Ministry of Transport to develop a 10 to 15 year time horizon strategy that sets out agreed Government policies that go beyond the first Emissions Reduction Plan. This strategy will align with the 2026 to 2030 and 2031 to 2035 emissions budgets.

The Commission issues emissions budgets, which are for a five-year period. They issue three emissions budgets at a time to enable Aotearoa to plan for the future for how it will reduce emissions.

Will all the opportunities identified in Hīkina te Kohupara be included in the first Emissions Reduction Plan?

No.

Choices will need to be made by Ministers on what opportunities identified in Hīkina te Kohupara will be used to inform the all-of-government Emissions Reduction Plan.

What is the timeline for the Emission Reduction Plan to be agreed by?

The first Emissions Reduction Plan is for the period 2022 to 2025. It must be agreed by Government and published by 31 December 2021.

Will there be an opportunity provide feedback or make submissions on Hīkina te Kohupara or engage on future transport policies?

Yes.

Targeted engagement is being undertaken by the Ministry of Transport on Hīkina te Kohupara for a six week period from 14 May 2021 to 25 June 2021.

If you have specific comment on Hīkina te Kohupara you are welcome to submit those to:

transportemissions@transport.govt.nz

There will also be an opportunity for New Zealander's to comment on the first all-of-government Emissions Reduction Plan when it is released for public consultation in the second half of 2021.