

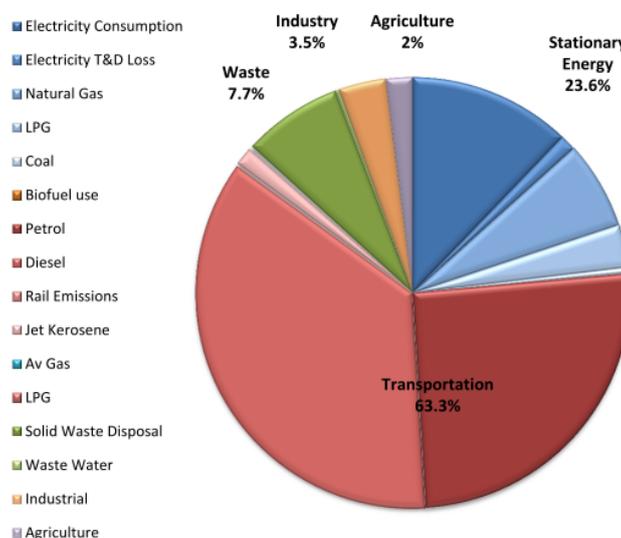
# Productivity Commission Inquiry – Low Emissions Economy. Tauranga City Council Response (September 2017).

## Introduction

1. Tauranga City Council welcomes the opportunity to contribute to this inquiry. The Mayor of Tauranga has recently signed the 2017 Local Government Leaders’ Climate Change Declaration and the Council, through its Environment Committee recently undertook the city’s first emissions inventory. Working with partners, we will be establishing key actions for Council, its partners and communities to reduce emissions under the remit of an emerging Environment Strategy, due to be adopted in 2018.
2. Tauranga is the home to New Zealand’s largest export port. Tauranga is a conduit for the supply chains of a range of export industries, often with high carbon emissions profiles across their product lifecycles. It is also New Zealand’s fastest growing metropolitan area and one of New Zealand’s smallest administrative areas.
3. The comments below relate primarily to emissions generated within the city boundary. Transport is the largest contributor to those emissions. The focus of the comments is the potential to accelerate uptake of low carbon transport options and on the complementary role that more sustainable, higher density forms of urban development can play in enabling low emission travel choices, lower carbon lifestyles and higher productivity business outputs.

## Draft Community Carbon Footprint

4. A Community Carbon Footprint for the reporting period 2015/2016 has been prepared following the GPC methodology. Due to data limitation, the inventory did not assess emissions from international shipping even though they are likely to represent a significant source of emissions.
5. The draft findings show that in 2015/16 Tauranga City generated estimated gross emissions of 808,947 tCO<sub>2</sub>e and net emission of 815,539 tCO<sub>2</sub>e (incl. forestry offsets). The city population in 2015/16 was approx. 128,200 people, resulting in per capita emissions of 6.3 tCO<sub>2</sub>e/person.
6. A summary of Tauranga emissions 2015/16 by sources is noted below:



7. A key finding was that in 2015/16 transportation sources represented around 63% of Tauranga City's overall emissions. Road transport emissions (incl. petrol, diesel and LPG) contributed approximately 97% of total emissions from mobile sources.
8. This report is still in draft and will be finalised and the information made publicly available by December 2017.

## **Transport**

9. Historically, central and local government has invested heavily in roads. Tauranga has benefited from this investment in that it has enabled economic growth, particularly associated with the Port of Tauranga, and population growth. However, this has encouraged travel via private vehicle and the transportation of goods via trucks. Future investment in roads needs to also support increased electric vehicle uptake and other modes of transport e.g. public transport, walking and cycling. We would also encourage greater consideration of rail based freight and passenger services.
10. Tauranga has very low rates of public transport patronage (around 2%) and its development forms have largely been low density suburban, perpetuating the car as the primary vehicle choice. In addition, as Tauranga's economic connectivity to Auckland accelerates and congestion into Auckland persists, more people are flying between the two cities.
11. To accelerate the transition to a lower carbon economy in Tauranga, the balance of public investment needs to shift to enable –
  - a. more freight movements by rail,
  - b. greater uptake of local public transport,
  - c. more walking and cycling,
  - d. greater uptake of electric vehicles and,
  - e. intercity rail passenger services.
12. Historically, the scope and evidential basis of major investment decisions has been too narrow. For example, the New Zealand Transport Agency (NZTA) has had a focus of enabling short-term economic growth and efficiencies along strategic corridors.
13. A broader assessment framework is required that considers a projects contribution to a low carbon transport system. Transport investments (by NZTA in particular) need to demonstrate broader economic benefits, particularly those consistent with urban, knowledge-based economies, rather than say the export of rural products. New Zealand's best chance of making long-term productivity gains will be linked to urban, knowledge-based and lower carbon businesses, which are strongly demonstrated to be linked to ease of face-to-face connection in cities.
14. Such a framework should also consider the contribution a transport project makes to sustainable urban growth patterns, being able to walk and cycle around the area, encouraging public transport use, and the impact on the communities' sense of place (avoiding segregation barriers and car centric development). In addition, the health and social cost reductions associated with alternatives to the car require greater analytical consideration in investment models.
15. Whilst this may be happening slowly, urgent remodelling of previous investment decisions is also required to avoid lock-in to higher carbon, higher lifetime cost infrastructure that promotes less efficient space utilisation and lower lifetime economic and wellbeing benefits. Imminent state highway upgrades through urban environments that are based on out-dated, investment logics and that do not consider, for example, bus and cycle lanes are a prime example of this issue.

16. More integrated design thinking and collaboration between local and national investors would lead to lower carbon, economically beneficial outcomes. A further example would be the erratic investment in the subsidisation of bus travel, particularly in respect of free-school buses. The removal of subsidies has had notable peak-time congestion impacts in Tauranga, increasing emissions, creating economic inefficiencies and perpetuating less healthy, higher-carbon travel choices.
17. Electric vehicle uptake has significant potential to reduce Tauranga's emissions. There are two key factors that the Government can influence that will determine the rate of electric vehicle uptake:
  - a. The upfront cost of electric vehicles. The previous government offered cost savings to electric vehicle owners in the form of free road user charges until 31 December 2031. This does not go far enough, and is insufficient incentive for the average person to purchase an electric vehicle. If Government is serious about accelerating emission reductions then it should consider subsidising electric vehicles so they are an equivalent 'whole of life' cost to similar new petrol powered vehicles.
  - b. Supporting infrastructure, particularly electric vehicle charging points. Installation of a wide and comprehensive network of charging points in all cities, and between cities, will be essential for an efficient low carbon transition. Government could explore the viability of co-investment models similar to those used to roll-out ultrafast fibre through Crown Fibre Holdings.

### **Urban Form**

18. The National Policy Statement (NPS) on Urban Development Capacity sets strong targets around land and infrastructure for housing and businesses to be delivered by high growth local authorities. This could be contrary to the creation of a low emissions economy for the following reasons:
  - a. The NPS does not require these housing units to be delivered as infill where possible. Infill development typically reduces emissions from transport by reducing journey distances and encouraging more walking, cycling and public transport use.
  - b. The NPS does not specify how housing should be delivered in a way that encourages sustainable transport options and reduces the reliance on single occupancy vehicles. In other words the NPS is weak on requiring a mix of housing densities and sustainable development patterns and layouts.
  - c. The NPS creates tight timeframes for delivery of housing units by local authorities, which could result in provision of housing units in an unsustainable manner e.g. little infill and poor neighbourhood and building design.
19. It is suggested that the Government could take a more long-term and holistic view in respect to housing and business delivery; a view that goes beyond just delivering numbers, but that prescribes the urban form and outcomes that will deliver more sustainable and liveable cities and communities, including lower carbon economies. It is recommended that this approach should require –
  - a. More infill development,
  - b. Higher density development at key urban nodes and public transport routes,
  - c. Permeable neighbourhoods to create a more connected transport network and encourage more walking and cycling,
  - d. Lead infrastructure and an urban form that encourages and prioritises public transport, walking and cycling, and

- e. High quality public open spaces and recreation areas well connected through walkable 'green' corridors.

#### **Economic Benefits**

- 20. If done well, further urbanisation and decarbonisation of the economy will be mutually beneficial to New Zealand, as they have been in other developed countries, bringing down energy and material use per capita and per output in the process.
- 21. The economic and environmental benefits of low carbon products, services and transport solutions are all well-established in principle and practice, particularly in Northern European cities. This includes higher density living, effective public transport, and electric vehicle infrastructure.
- 22. Tauranga welcomes further dialogue with the Commission and with Government on opportunities to collaborate to accelerate the low carbon transition in New Zealand.