



14 October 2021

OC210795

Hon Michael Wood

Minister of Transport

DESIGN OF THE 2025 ZERO-EMISSION BUS MANDATE

Purpose

To seek agreement on the design of the 2025 zero-emission bus mandate (the 2025 Mandate) and to provide you with advice on next steps to establish the Mandate.

Consultation on the Public Transport Operating Model (PTOM) review has informed our proposed design of the 2025 Mandate

- In February 2021, Cabinet noted that the Government is committed to require only zero-emission buses to be purchased by 2025 (the 2025 Mandate) (CBC-20-MIN-0118 refers).
- In April 2021, you agreed to consult on the design of the 2025 Mandate through the PTOM review discussion paper (OC210209 refers). We provided you with advice on the outcome of consultation (OC210669 refers), and you agreed that the scope of the 2025 Mandate will include both buses and small passenger service vehicles used to deliver public transport services contracted by councils.
- We propose a further clarification that the 2025 Mandate should not include vehicles used to deliver Total Mobility services. While Total Mobility services are contracted by public transport authorities, the majority are provided by taxi operators and Total Mobility trips typically represent a small proportion of these operators' total business. As a result, unlike public transport buses, the vehicles used to deliver Total Mobility services are typically not dedicated for this purpose (with the exception of some vehicles with wheelchair hoists).
- With this additional clarification, we propose the design of the 2025 Mandate is:
 - Start date – the requirement will start from 1 July 2025.
 - Definition of zero-emission – buses that produce zero emissions at tailpipe. This will include fuel sources such as electric and hydrogen, but there may be other technologies available.

- Scope of vehicles included – the requirement will apply to public transport buses and small passenger service vehicles used to deliver public transport services contracted by public transport authorities. It will not apply to vehicles used to deliver Total Mobility services. It will not apply to buses used for services contracted by the Ministry of Education. However, we will engage with the Ministry of Education on the implications of the 2025 Mandate and any opportunities for decarbonisation of school bus services.
- Meaning of “purchase” – the requirement will apply to public transport buses registered for the first time in New Zealand from 1 July 2025. This will cover new and used buses that are imported to New Zealand and new buses manufactured or built up in New Zealand. It will not cover buses that are already in the public transport bus fleet prior to 1 July 2025 even if they are transferred between regions or operators or refurbished.
- We understand decarbonisation of the public transport bus fleet is an area of cooperation in the Cooperation Agreement between the Labour Party and the Green Party. We understand you may need to engage with the Green Party prior to agreeing to the design of the 2025 Mandate.

We have prepared a letter to the Waka Kotahi NZ Transport Agency (Waka Kotahi) Board seeking inclusion of the 2025 Mandate in the Requirements for Urban Buses (RUB)

- You have agreed to seek inclusion of the 2025 Mandate in the RUB (OC210669 refers). We have prepared a letter to the Waka Kotahi Board for this purpose, which reflects our proposed design of the 2025 Mandate (see attachment one).
- Should Waka Kotahi progress an amendment to the RUB this will involve consultation with key stakeholders. There is a risk this consultation raises issues that we have not been made aware of through consultation on the PTOM discussion paper.
- We propose that Waka Kotahi engage with Te Manatū Waka officials on any matters that arise through consultation (see the letter to the Waka Kotahi Board – attachment one). We will keep you informed of any issues, and if necessary, seek further decisions on the design of the 2025 Mandate. We also note that the inclusion, or otherwise, of the 2025 Mandate in the RUB would not preclude the Government from reinforcing the 2025 Mandate through legislative change.

We have prepared speaking points for you to update Cabinet on progress with the PTOM Review

- You have agreed to update Cabinet through an oral item on the outcomes of consultation on the PTOM review discussion paper (OC210669 refers). We have prepared speaking points for this purpose (see attachment two). The speaking points include the design of the 2025 Mandate as recommended in this paper.

Recommendations

We recommend you:

- 1 **agree** that the parameters of the 2025 zero-emission bus mandate are:
 - a) a start date of 1 July 2025 Yes / No
 - b) that zero-emission is defined as zero emissions from the tailpipe Yes / No
 - c) the requirement will apply to public transport buses and small passenger service vehicles used for public transport services contracted to regional councils, excluding vehicles used to deliver Total Mobility services Yes / No
 - d) the requirement will apply to public transport buses registered for the first time in New Zealand from 1 July 2025 Yes / No

- 2 **sign** the attached letter to Sir Brian Roche, Chair of the Waka Kotahi NZ Transport Agency, seeking inclusion of the 2025 zero-emission bus mandate in the Requirements for Urban Buses. Yes / No



Robert Anderson
Manager, Mobility and Safety
 14 / 10 / 2021

Hon Michael Wood
Minister of Transport
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- Minister's office to complete:**
- | | |
|--|---|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Seen by Minister | <input type="checkbox"/> Not seen by Minister |
| <input type="checkbox"/> Overtaken by events | |

Comments

Contacts

Name	Telephone	First contact
Robert Anderson, Manager, Mobility and Safety	s 9(2)(a)	✓
Jacob McElwee, Principal Adviser, Mobility and Safety	s 9(2)(a)	

IN CONFIDENCE

**ATTACHMENT ONE: LETTER TO THE WAKA KOTAHI NZ
TRANSPORT AGENCY BOARD**

PROACTIVELY RELEASED BY
TE MANATŪ WAKA
MINISTRY OF TRANSPORT

IN CONFIDENCE

ATTACHMENT TWO: CABINET SPEAKING POINTS

PROACTIVELY RELEASED BY
TE MANATŪ WAKA
MINISTRY OF TRANSPORT