

Property Council New Zealand

Submission on

Inquiry into congestion pricing in Auckland

20 May 2021

For more information and further queries, please contact

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Inquiry into Congestion Pricing in Auckland

1. Recommendations Summary

- 1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to provide feedback on the [Transport and Infrastructure Committee’s Inquiry into Congestion Pricing in Auckland](#) (“the Inquiry”). We support the Inquiry as it aims to improve network performance and reduce congestion. It is timely given Auckland’s projected population growth and the pressures this would place on transport networks and infrastructure in the near future.
- 1.2. While we support the Inquiry, it is important to ensure that introduction of congestion charging has to be coupled with other initiatives. Therefore, we recommend the following:
 - proceed with introducing a congestion pricing scheme in Auckland to fund future infrastructure projects while ensuring that funding arrangements reflect more fairly and accurately those that directly benefit from services;
 - ensure that introduction of congestion charging is coupled with increased availability of alternate modes of transport;
 - encourage more express busways, such as the Northern Express busway to provide other options to driving; and
 - work closely with Auckland Council, Auckland Transport, the private sector and other key stakeholders to identify potential missing transport links to ensure better connectivity throughout the city;
 - ensure ease of technology used for pricing for congestion charging; and
 - transparency around how revenue raised would be used and would integrate with other revenue streams.

2. Introduction

- 2.1. Property Council’s purpose is; “Together, shaping cities where communities thrive”. We believe in the creation and retention of well-designed, functional and sustainable built environments which contribute to New Zealand’s overall prosperity. We support policies that provide a framework to enhance economic growth, development, liveability and growing communities.
- 2.2. Property is currently New Zealand’s largest industry with a direct contribution to GDP of \$29.8 billion (13 per cent). The property sector is a foundation of New Zealand’s economy and caters for growth by developing, building and owning all types of property.
- 2.3. Property Council is the leading not-for-profit advocate for New Zealand’s largest industry – property. Connecting people from throughout the country and across all property disciplines is what makes our

organisation unique. We connect over 10,000 property professionals, championing the interests of over 600 member companies who have a collective \$50 billion investment in New Zealand property.

- 2.4. This submission provides Property Council's feedback on the [Transport and Infrastructure Committee's Inquiry into Congestion Pricing in Auckland](#). Comments and recommendations are provided on those issues that are relevant to Property Council and its members.

3. Congestion charging

- 3.1. Property Council supports congestion charges as they are a form of a user pay system meaning that those that benefit from using the road will pay for its use. The Productivity Commission report on Local Government Funding and Financing has noted that user charging tools, such as congestion charges would help give councils the means to efficiently fund the costs of growth and help manage demand by increasing the number of people that existing infrastructure can support and extending the useable life of these assets.¹ Further to this, applying user charges to help manage demand in this way would delay the need for new infrastructure investments.
- 3.2. Many international cities have congestion charges on roads that enter the CBD or Isthmus (e.g. Stockholm, London, Singapore). Stockholm's congestion charge initiative went even further by covering the entire city.
- 3.3. Congestion charges have benefits of reducing flow of traffic and, therefore, CO2 emissions²; encouraging alternative methods of transport (i.e. a switch from private to public transport) and can support the lifetime of the asset (i.e. through reinvestment). Given the above, we recommend the Committee proceed with recommending introducing a congestion pricing scheme in Auckland.
- 3.4. While we support implementation of congestion charges, it is important to note that congestion charges need to be coupled with increased availability of alternate modes of transport (see sections 4 and 5 below). The demand will not change if it costs more alone, it will just be a new tax, primarily impacting those who can least afford it with the aim of improving the convenience of those who can.
- 3.5. We also want the CBD to be as competitive and compelling a location in the city as possible rather than make it hard to get to by delaying major infrastructure and instead taxing demand away. For example, the Northern Express busway has had a huge impact on the northern motorway as an alternative to driving. We believe that timely completion of similar projects on the other arterial routes, such as East, West and South should also be encouraged.

4. Travel choices

- 4.1. A lack of competitive travel options and high car dependency is limiting the ability to achieve a quality compact urban city. Therefore, the focus of the Inquiry should also be on making sure a provision of

¹ New Zealand Productivity Commission. (2019). Local government funding and financing: Final report. Retrieved from <https://www.productivity.govt.nz/assets/Documents/a40d80048d/Final-report-Local-government-funding-and-financing.pdf>

² For example, the introduction of the congestion charge in Stockholm, Sweden, has led to a 20 percent drop in the total flow of traffic in and out of the inner city, and a reduction in CO2 emissions related to vehicle use of between 10 and 14 % in the inner city and 2-3 % in the county. NZTA report on congestion charging. Retrieved from <https://www.nzta.govt.nz/assets/userfiles/transport-data/Road%20Pricing.pdf>

better travel choices for Aucklanders to enable more sustainable and economically productive transport options. We support multiple public transport modes including trains, buses and ferries. We also support regional public transport such as dedicated public transport routes, additional train services as well as infrastructure to support ferries. More coordinated regional transport and supporting infrastructure help make the city more available to urban fringe communities and in turn encourages development in these areas.

5. Access and connectivity

- 5.1. Public transport that connects key areas of the city is of paramount importance to everybody. Transport options need to be reliable and frequent for users to switch from their private vehicles to public transport. Public transport access across Auckland needs to better connect individuals from their home to their work or desired destination. This would see a more integrated planning approach between Auckland Council, Auckland Transport, private sector and other key stakeholders.
- 5.2. It is critical to ensure that further work continues to provide better public transport options and enable more connectivity throughout the city. If Aucklanders are to switch from private vehicles to public transport (i.e. the overarching purpose of the Inquiry), services must be well connected, reliable and frequent. For example, one of the missing transport links in the city centre is connecting Wynyard Quarter with the rest of the CBD. Wynyard Quarter is an expanding commercial and residential area of paramount importance to the CBD. It has limited car parking and public transport options, becoming isolated and hard to reach. Therefore, we recommend greater connections between Britomart, Aotea Centre and Wynyard Quarter. This would not only help assist commuters but also allow Wynyard Quarter to flourish and reach its potential of being a vibrant and safe waterfront location for all. We also recommend continuation of further work with key stakeholders (including Property Council) to identify other potential missing links to ensure better connectivity throughout the city.

6. Technology option for congestion pricing

- 6.1. We see the benefits of using of an automatic number plate recognition technology as the most suitable and cost-effective solution for a congestion pricing scheme³. This is already in use on New Zealand's three toll roads and has been successfully implemented around the world.
- 6.2. The Ministry of Transport's Congestion Question report also identified in-vehicle technology incorporating a Global Satellite Navigation System (as an alternative option to use in the future). We believe that the key to success of any technological change is around ease of use and efficiency. This has to be taken into account when making decision on the preferred option of pricing for congestion charging.

7. Transparency around spending

- 7.1. While congestion charges are aimed to reduce congestion, they also raise substantial revenue. Therefore, we support the terms of reference, particularly around the focus on how any revenue

³ As identified in the Ministry of Transport's Congestion Question report. Retrieved from <https://www.transport.govt.nz/assets/Uploads/Report/The-Congestion-Question-Report.pdf>

raised would be used and would integrate with other revenue streams derived from fuel taxes, road user charges, and other fiscal factors.

8. Conclusion

- 8.1. We support the overall intention of the Inquiry. It is timely given the pace of the population growth and growing demand for new infrastructure in Auckland. Moreover, additional funding collected via congestion charging will provide an opportunity to create funding capacity which is much needed to meet the growing infrastructure demand.
- 8.2. While we support the Inquiry and implementation of congestion charges, it is important to note that congestion charging needs to be coupled with increased availability of alternate modes of transport and better access and connectivity throughout the city. It is also important to ensure the ease of technology used for pricing the congestion charging and transparency around how revenue raised would be used and would integrate with other revenue streams.
- 8.3. Property Council would like to thank the Transport and Infrastructure Committee for the opportunity to provide feedback on the Inquiry.
- 8.4. For any further queries contact Natalia Tropicova, Senior Advocacy Advisor, via email: natalia@propertynz.co.nz or cell: 021863015.

Yours sincerely,



Leonie Freeman
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