

20 May 2021

Transport and Infrastructure Select Committee  
Select Committee Services  
Parliament Buildings  
Wellington 6160  
Tēnā koutou

## Submission on Inquiry into congestion pricing in Auckland

The Wellington City Council (WCC) thanks the Transport and Infrastructure Committee for the opportunity to make a submission on the *Inquiry into congestion pricing in Auckland*.

### Overall comment

1. WCC **strongly supports** road pricing tools being made available in the Wellington region.
2. WCC **wishes to appear** at the **Select** Committee hearings for the Inquiry into congestion pricing.

### Reasons for WCC support

3. Urgent and transformative action required is required across Wellington and New Zealand to cut greenhouse gas emissions and prevent dangerous heating of our climate. Road pricing is one tool that can help cities achieve cuts to emissions within this necessary timeframe.
4. Road pricing has several co-benefits and would help our city to accelerate several strategic outcomes over the coming decades. These outcomes include:
5. housing 30,000 to 80,000 more people in Wellington City over the next 30 years;
  - supporting more people to travel around Wellington with fewer private motor vehicles;
  - cutting greenhouse gas emission by 43 percent by 2030 and becoming a net zero carbon city by 2050.
6. Road pricing would make it easier for more people to live in and get around Wellington, while minimising that impact on our climate.

### Summary of comments

7. We would like the Committee to note the following key comments from WCC. We:
  - a. **support** legislative changes to allow cities to utilise road pricing tools to support the Government's goals to reduce carbon emissions, encourage mode shift, and build more housing in a compact urban form;
  - b. **recommend** that any legislative changes allow these tools to be deployed in all major urban centres, not just Auckland;
  - c. **recommend** that any legislative changes be signalled this year and passed within the current term of Parliament so that projects like Let's Get Wellington Moving can incorporate road pricing into the Indicative Business Case stage for its core projects;
  - d. **recommend** that cities be given the flexibility to design road pricing schemes to reflect their own local and regional contexts, urban form, and economic and transport goals ;
  - e. **recommend** ring-fencing road pricing revenue to be re-invested within the region where it was generated;

- f. **agree** that any road pricing schemes should allow any unequitable impacts to be mitigated, for example via discounts on road pricing charges or via utilising revenue to discount alternative transport options (e.g. public transport);
- b. **note** that any further analysis of road pricing would benefit from a greater focus on how it can be designed to support objectives like mode shift, emissions reduction, and access across all transport modes;
- c. **note** that, should the tools become available, any decision to progress road pricing in Wellington would be brought back to Council for decision.

### **Road pricing to achieve climate and housing goals**

8. WCC strongly supports legislative changes to allow for road pricing. We recommend that legislative changes allow road pricing to be available in all major urban centres, including Wellington.

9. Meeting Wellington's climate targets will require a reduction in private vehicle trips and significant mode shift to low carbon transport within a timeframe of years rather than decades. There is insufficient time to rely exclusively on electric vehicles incentives, or the construction of new rapid transit lines, to decarbonise transport. Road pricing has the potential to support a faster shift away from motor vehicle trips to low carbon transport modes where capacity can be expanded quickly, such as buses, cycling, micro-mobility and car share.

Indicative modelling as part of the Let's Get Wellington Moving programme suggested road pricing in the form of a cordon charge would result in a significant reduction in vehicle kilometres travelled and associated carbon emissions<sup>1</sup>. The analysis also suggested that cordon charge would drive most of the forecast increased use in public transport associated with the LGWM improvements.

10. Road pricing could also support Wellington to deliver on the Government's new National Policy Statement for Urban Development (the NPS). The NPS encourages significant new housing development to occur within walkable distances of the city centre and rapid transit routes. Providing mobility and amenity for these people will necessitate a reallocation of street space in cities away from private motor vehicle to more space efficient modes of transport like walking, cycling, public transport. Congestion pricing could assist in reducing demand for private vehicle travel and increasing demand for more space efficient modes of transport.

### **Flexibility in design**

11. WCC recommends cities be given the flexibility to design key elements of road pricing schemes deployed in their area. Key elements might include the location and timing of charges or whether a 'cordon' or 'strategic corridor' pricing approach is used.

12. Some flexibility in scheme design would allow road pricing to be used to achieve the outcomes most important to a city or region. For example, a road pricing scheme more heavily weighted to achieve mode shift or carbon emission reductions might be designed differently to one primarily aimed at improving travel time and reliability for people using motor vehicles. Similarly, scheme design might vary depending on how a city planned to mitigate any pricing impacts on freight or retailers.

13. Allowing flexibility in scheme design would allow cities to choose the road pricing design that best fits with their unique geographic and demographic features. For example, some of the options identified in the *Congestion Question* may better suit dispersed cities with

few transport options, while others may better suit cities with more well-established public transport networks or geographical constraints.

### **Ring fencing revenues**

14. WCC support ring fencing any revenue generated by road pricing for re-investment in the region it is generated. We also support this revenue being used to improve the safety, reliability and travel times of low carbon alternative to private motor vehicles.

15. We consider that ring fencing revenue is an important element for obtaining and maintain public buy-in for road pricing.

### **Addressing inequities**

16. We support cities being given the ability to mitigate potential inequities associated with road pricing within the scheme design.

17. As suggested in the *Congestion Question* report this could be achieved by providing target discounts on charges or by having daily caps on charges.

18. WCC also suggests consideration be given to utilising pricing revenue to discount alternative modes like public transport to mitigate any inequities.

### **Further analysis**

19. WCC support legislative changes being made as soon as possible so that road pricing can be incorporated with confidence into planning for programmes like Let's Get Wellington Moving.

20. The inclusion of road pricing in Wellington would have an impact on future demand for public transport, walking and cycling. It's inclusion therefore has the potential to impact on the scope and phasing of projects within programmes like Let's Get Wellington Moving. It could assist WCC to contribute to its share of funding to Let's Get Wellington Moving.

21. It would assist planning and decision making on Let's Get Wellington Moving if any legislative changes could be signalled this year and passed within the current term of Parliament.

22. If this Select Committee inquiry, however, determines that further analysis of road pricing is needed then WCC suggests that this include consideration of:

- d. how it can be designed to achieve outcomes like mode shift, carbon emission reduction, and reduced VKT in high density areas;
- e. how it could be applied in other metro centres, including Wellington.

Yours sincerely

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