

Submission Wellington City Council March 2 carpark fees

Thank you for this opportunity to make a submission. I support your proposals to increase carparking fees and thus remove some of the vast subsidies car and truck owners currently receive. The aggregation of such subsidies is destroying our country. They put us all at very major risk of economic implosion and worse.

I realise this is a radical analysis in the context of our Wellington culture and I will explain.

Here is my letter published in the Cook Strait News published February 2005

A year or two back I stood up at a meeting discussing regional transport investment priorities and suggested the exercise was pointless. The investment programme was based on the recent Government predictions that oil would be \$19 a barrel in 2004. I predicted it would be over \$40. Many thought me a nutter. I will now predict that without the sudden appearance of an extraordinary leader like US President Carter, oil will be close to \$80 a barrel in 2008. Already lower income people are being hit by the inflation resulting from rising oil and gas prices. Their plight is set to worsen sharply. In this context, the trolley bus wires are gold. Sure they are not pretty. However note how incomparably elegant they are compared to ugly, noisy monstrosities like car-clogged Adelaide Road, Riddiford St, Taranaki St or Jervois Quay.

Just know the wealth in those wires, folks!

Now how is that a low paid school janitor could see what all our highly paid, highly educated professors, mayors, journalists, economists, Prime Ministers etc could not see? I suspect sometimes the truth can seem too brutal and inconvenient to confront and accept. We each have a grand and sometimes fatal capacity for self deceit. This understood I confronted and based my simple calculations on this seeming cruel reality.

- Every 42 gallon barrel of mineral oil contains the energy equivalent of approximately 25000 man hours of labour.
- In NZ mineral oil does over 90% of our work for us, doing nearly all our pushing, pulling and lifting and our food systems are highly dependent on it for fertiliser, storage and transport.
- Most of NZ systems are based on a valuation of mineral oil of under \$US25 a barrel. This equates to about 0.1 cents per man-hour of its labour equivalent.
- Mineral oil is very finite and rare resource and we have destroyed most of the cheaply extracted reserves.
- New Zealanders destroy 38 barrels a day per 1000 people compared to China (about 5) and India (about 2.5)
- New Zealanders are extremely inefficient. Chinese and Indian people can perform many tasks using a thousandth of the labour of New Zealander. The effective high value they put on mineral oil means they can better afford to increase their use of mineral oil at higher prices.
- Higher mineral oil prices plus ruthless corporations means countries with extensive mineral oil/gas resources use more of the resource and thus have less to export.
- All this information supported the extrapolation of graphs in 2003 to a global price of about \$US80 in 2008.
- At \$US80 wealth is halved in \$US25 based systems with major credit collapses beginning to occur on scale. (Or if you like, at \$US50 we either get rid of half our servants or pay them twice as much)

As mentioned, my Cook Strait News letter was published in February 2005 and I had detailed this probable economic collapse elsewhere about 2003. If current rates of destruction of mineral oil continue then I predict catastrophic failures* in nations such as the US and NZ about 2013. We are already witnessing this here with NZ borrowing a quarter of a billion dollars a week just to keep the current highly inefficient car/truck/jet infrastructure from collapsing. To put this into perspective, this weekly debt increase is about the price Wellington City got from the sale of all its main electrical grid plus its entire intelligence. And far more, after clawbacks, than the nation got for the sale of our nationwide rail system with its century of accumulated assets. For a quarter of a billion dollars we could put most of a light rail system up Jervois Quay to the new regional hospital and provide a "smart" transport hub there for south and eastern regions.

(Note* I witnessed first hand as a meter reader the drastic impact of the little blip in mineral oil prices in 1979 on undervaluing economies like ours. It, not the Springbok tour, was the real cause of the conflicts on 1981 as the Government struggled to sustain support in the face of the consequent rocketing unemployment, stagflation, inflation and debt.)

We now face sustained mineral oil prices at three or four times that predicted in most of the recent planning for Wellington City system this last two or three decades. This is chronic for a Capital City and makes us an enhanced liability to humanity. What can we do to ameliorate this high-risk situation?

The answer already resides in our city. Simply place a much higher value on mineral oil and strip away all the current subsidies to cars/trucks/jets. Learn from our ancestors.

The architects of our double line electrical train network clearly valued mineral oil at the equivalent of \$US200 or more and despite recent abuse the sixty year old system remains a major source of wealth for the city.

Similarly the architects of our trolley bus system clearly valued mineral oil at well over \$US100 and it too remains an immense source of wealth, mostly unrealised – especially its extraordinary broadband potential.

Meanwhile our cars/trucks/jet and main electrical grids structures, based on \$US20 a barrel when its real value is \$US100s, are steadily destroying our wealth and eroding our fundament education, health, dwelling and other structures.

This wealth loss is hidden by a tangled wall of subsidies such that in 1999 when mineral oil was \$US10 a barrel it was estimated the average US motorist was subsidised up to \$15 for every dollar they paid at the pump. Subsidies include the costs of motorways, multiple parks for each vehicle, minerals for manufacturing cars and support systems, military, transport of support materials, parking, deaths and injury, pollution, maladaptive urban design etc.

In New Zealand 2000-2008 the higher interests rates were primarily caused by rising mineral oil prices causing breaches of the 3% barrier, adding perhaps 4% to interest rates and perhaps doubling interest bills. The current debt explosion and hidden inflation obscures the real costs.

When mineral oil was valued a little higher in 2008 the NZ road fatality rate halved, saving over \$50 million a month – enough to fund our entire adult education system for a year. Annually the costs savings of that higher valuation and death reduction would halve student loans. (Annual reduction in cost = \$0.6 billion

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Current accounting methods are particularly ineffective at evaluating the costs of the immense subsidies car/trucks owners receive for parking.

Example. I leave home at 4.40 pm to travel by bus from Houghton Valley and arrive at Rutherford House at 6.15 late for a seminar on Sustainable Accounting Systems. The trip takes 95 minutes, the bus timetable allows 23 minutes and the trip can easily be accomplished by bus in 15 minutes. The reason? Parked cars and trucks! For instance it takes over 20 minutes to traverse the two minute stretch of Adelaide Road because 6 cars are parked in the green lanes. 30 people on my bus times 20 minutes at \$8 labour value = \$240 costs times eight other bus loads I observe in Adelaide means those six parked cars cost potentially about \$2000 in lost labour value for twenty minutes of parking. The wastage of mineral oil of the diesel buses, already chronic, drops to about 0.6 miles per gallon, or if you like the wealth to pollution conversion is almost 100%.

There are 863 kilometers of roads in Wellington City. Assume three meters of this width is car/truck parking. That is about 2500 hectares of expensive tarmac or concrete and storm water catchment that must be channelled, piped and pumped for miles. It is also 2500 hectares of prime real estate right on carriageways that cannot be used for other more profitable use. The most valuable 2000 hectares is council owned and thus cannot be used for a wide range of uses that can generate a considerable source of income for all ratepayers. Hence the WWC has to, for instance sell off its precious essential assets at firesale prices and cease citizen funding for community websites to maintain the city's carparking subsidies.

I suggest the land currently devoted to carparking should be valued at the potential use it has for pedestrian/cycle ways, shops, food growing etc when mineral oil is valued at \$US200 minimum. It

should be rated accordingly. These rating income should be ringfenced ** and invested in systems based on \$US200 valuations, such as light rail, which in turn will give Wellington a competitive edge in world when our access to sweet mineral oil reserves is very much diminished.

Footnote ** re ringfencing. This idea is not novel. Norway, a country similar to New Zealand in size, resources and population, placed a higher value on its mineral resources and ringfenced income derived from their destruction of mineral oil. It is dedicated for investment in high valuation systems – rail, telecommunications, efficient urban structures etc.

Both the Capital Cities, Oslo and Wellington, are very beautiful and they provide comparative exemplars of sustainable and non-sustainable practice. See the graph and compare Norway, New Zealand and Venezuela. Norway, which puts twice the value on mineral oil as New Zealand, could value it as does Venezuela but it does not. Norway has the lowest car ownership in Europe, the highest pump and registration prices and has just revealed plans to cut its carbon pollution by 30% in 10 years. This is because it understands this accounting works to future-proof the economy on a profound range of levels and to sustain wealth in general. Meanwhile New Zealand has one of the highest car ownership rates in the world, subsidises car/truck cost and is technically bankrupt.

Car/truck parking costs and subsidies are particularly high in Wellington City because of our hilly terrain. At the same time our topography is a wonderful asset for it gives the city great variety and is highly amenable to electrically-driven mass transit structures. Thus the removal of the current huge parking subsidies will have a disproportionately positive effect on wealth conservation.

I wish you wisdom and strength as those who enjoy these subsidies at the expense of all non car/truck owners scream and shout as they go into withdrawal. Just make sure the income is ringfenced so they are provided with smart electrical mass transit alternatives and these addicted folk will come to love you for your foresight and their release. This will be especially true of their children.

Foot Notes

Re WCC valuations of mineral oil. Last week I asked your officials who what source the WCC uses for mineral oil price price predictions and a history of WCC predictions. Their complete failure to provide this information confirms my belief the WCC invests hundreds of millions of dollars based on ignorance. When I asked the same questions of GW Fran Wilde told me she did not know and nor did other mayors and officials present. She promised a response and has never done so despite three reminders. This major problem is endemic in our government.

In the year to December 2008 NZ imported petroleum worth NZ\$ 8515 million which was almost equal to all of New Zealand's dairy exports of NZ\$ 9207 million (Stats NZ). Put another way, if NZ wouldn't import petroleum there wouldn't have been a current account deficit. –source Stephan Heubeck

In Wellington city it often makes sense to park your car on street at ratepayer expense and hire out garage space for serious private profit at the expense of all ratepayers.

http://www.ethanol.org/pdf/contentmgmt/The_Real_Price_of_Gas.pdf (International Centre for Technology Assessment.

National Pump price graph <http://www.theoil drum.com/node/2653>

Norways new plans http://www.treehugger.com/files/2010/02/norway-reveals-plan-cut-emissions-30-10-years.php?campaign=weekly_nl

I support and will work for the campaign for turning Lambton Quay into a pedestrian way. However unlike some other campaigners I am keenly aware the Quay may fail if not served by smart light rail along Jervois Quay. See my previous submission re provision of light rail station under proposed music school by Jack Illot Park and access to waterfront to tourist ships etc.