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**20 May 2021**

Transport and Infrastructure Committee  
Parliament Buildings  
Wellington  
Via webpage: [www.parliament.nz](http://www.parliament.nz)

### **Submission by the NZ Automobile Association on the Transport and Infrastructure Committee inquiry into congestion pricing in Auckland**

#### **Overview**

The NZ Automobile Association (AA) appreciates the opportunity to provide comment on the Transport and Infrastructure Committee's inquiry into congestion pricing in Auckland.

We welcome this inquiry, and support continued investigation of congestion pricing in Auckland. Our desire is to see a meaningful and sustained public discussion start as soon as possible.

This submission offers insights into the public mood around congestion pricing, and suggests a number of elements that we believe should guide the next steps in the Government's approach.

#### **The AA position**

The AA has closely followed the discussion around road user charges (in their different forms) in Auckland for the last decade, and has been one of the most vocal contributors to the public debate.

In relation to congestion pricing specifically, our role has evolved into that of a "cautious supporter". That is to say, we recognise the potential benefits for the transport system in general, but we also see that it is still very challenging territory for our Members and for much of the public, and more work is needed to prove that the case stacks up.

Rather than championing congestion charging per se, the AA has been a champion of the much-needed public debate around the issue. We have argued strongly for the public engagement process to start as soon as possible – this process will take years, not months, and we must not waste time getting to the start line.

To that end, we were deeply frustrated by the lack of policy-making movement on congestion pricing in the previous term of government. The net result was to set the start of the public discussion back by at least three years.

Since then, however, there has been a pleasing degree of progress. After much delay, the final report of the Congestion Question project was released last year. The report itself is of exceptionally high quality (the same can be said of the whole Congestion Question project). It puts forward a compelling case for congestion pricing in Auckland, and provides suggestions for a logical and practical roadmap for delivery.

We are also very pleased to see the Select Committee inquiry commence, as a statement of central government commitment to the issue, and as a platform for developing bi-partisan support. We note, however, that this in itself will not be sufficient when it comes to building public awareness and understanding. A sustained, public-facing engagement must also be carried out, starting as soon as possible.

### The views of AA Members

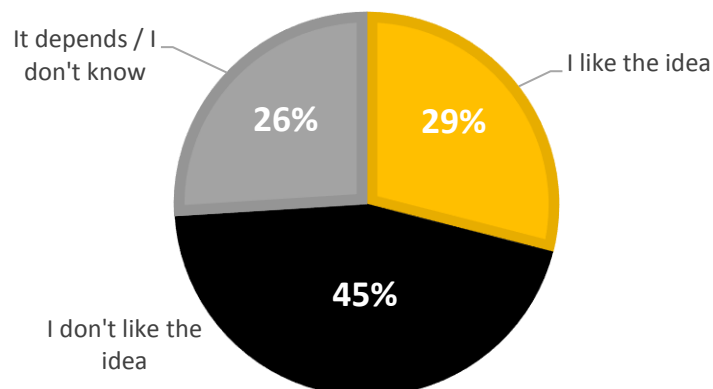
The AA has carried out numerous surveys of its Auckland Members on congestion pricing (and broader issues of road user charges) over the last eight years. Most recently, a comprehensive survey on congestion pricing (which garnered 1200 complete responses from AA Members in Auckland and Wellington) was conducted in August 2020, while a single question on congestion pricing (based on the final Congestion Question report) was included in a survey of the AA's Auckland Panel (which garnered just under 500 responses) in December 2020.

In general, AA Members remain sceptical about the idea of congestion pricing, both because of the impact it could have on them personally, and the impact it could have on other members of society. Yet they are desperate to see more done to address Auckland's stifling congestion (congestion is far and away the number-one transport concern for Auckland AA Members), and recognise that solutions will require changes in the way we behave as transport users (including, potentially, how much we pay). There are signs that, if the benefits justified the additional cost, AA Members would be willing to consider it.

Key insights from our survey work are listed below (more details can be found [here](#)):

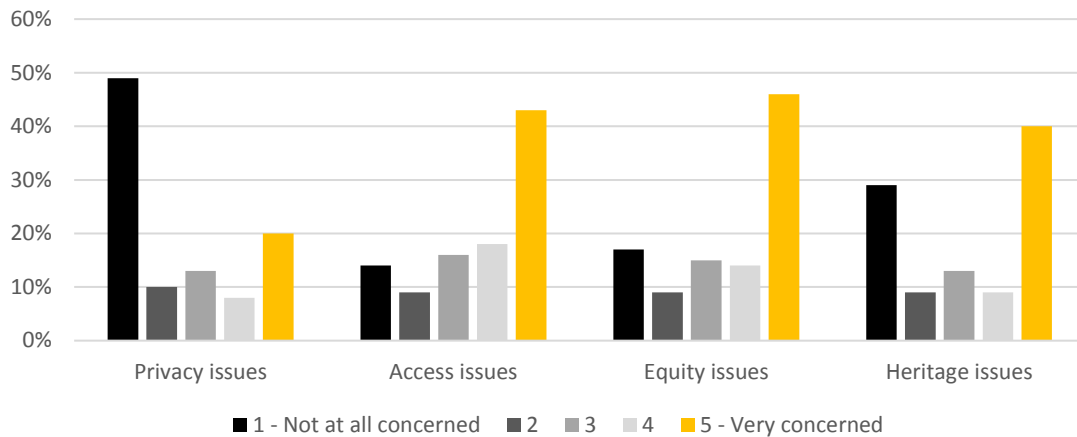
- There is a perhaps surprising level of awareness of congestion pricing on the part of AA Members. Many are familiar with the concept, and many have experienced it first hand in places like London and Singapore. The demand management principles behind it are understood, and resonate with people
- All the same, AA Members are far from ready to embrace it. When asked how they felt about congestion charging in the August survey, 45% were opposed to the idea, versus 29% supportive, and 26% unsure

### Based on what you know about congestion charging, what do you think of it?



- The concerns raised by AA Members correspond with the types of concerns typically raised about congestion pricing: affordability, and impact on those who can least afford it; disproportionate impacts depending on where people live in the city; and the idea of being charged to drive on roads that have already been paid for

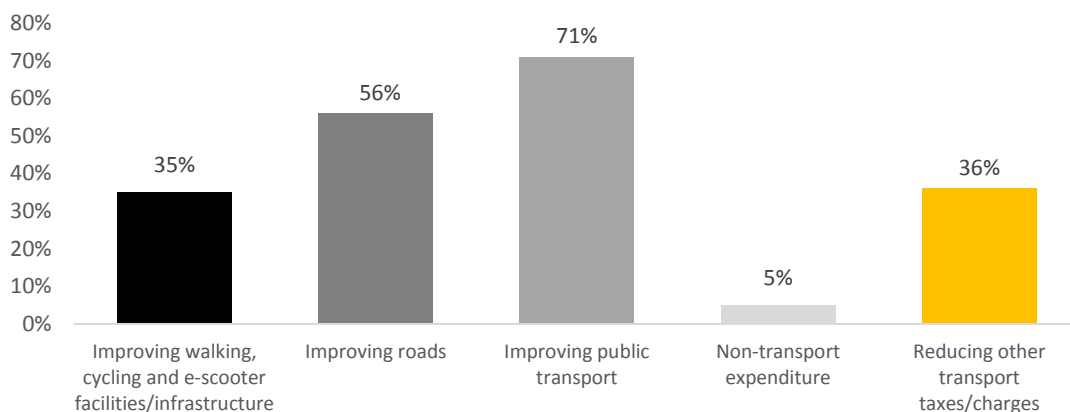
### How concerned are you by the potential issues resulting from congestion charging?



- When AA Members are given more information about the benefits of congestion pricing, however, support levels tend to increase. In the Auckland Panel survey, more specific information was given about costs and benefits, based on the scheme outlined in the Congestion Question report (previous surveys had posed more general, hypothetical scenarios). Respondents were advised that, in return for a \$2.50 charge, road users could expect to benefit from school holiday congestion levels. Consequently, support climbed to 36%, vs 41% opposed
- Further, even among the sceptics, there are signs that the opposition is not as deep-seated as it might seem. When asked how they would **react** to the introduction of congestion pricing, rather than simply how they felt about the idea, a simple majority (exactly 50%) indicated they would be relatively tractable: 11% said they'd celebrate, 20% said they'd do nothing in particular, and 19% said they'd grumble but get on with it (meanwhile 39% indicated they would be actively opposed, and 11% stated they didn't know how they'd respond)
- Among AA Members, there is strongest support for congestion pricing from university-educated males who consider themselves environmentalists, are less frequent car commuters, and have lived in a city where a congestion charge operates
- AA Members respond far more positively to congestion charging schemes that present lower levels of coverage, in a spatial or temporal sense. While 20% of respondents in the 2020 survey said they would be comfortable with a CBD cordon charge (versus 40% opposed), only 11% said they would be comfortable with a congestion charge around the CBD and on approach roads and motorways (versus 53% opposed). Meanwhile, 42% indicated they would be comfortable with a scheme that operated during peak periods only (versus 36% opposed), while just 4% indicated they would be comfortable with a scheme that operated 24/7 (versus 87% opposed)

- Echoing the concerns about fairness, there is a strong expectation among AA Members that those who would have no choice but to enter the congestion pricing zone by car or who were doing so to help others should not pay anything – in particular, people performing social services, break-down service operators, people with mobility issues, and those who live inside the boundaries of the congestion pricing scheme (and therefore have no choice whether or not to use, and pay for, the scheme)
- AA Members are keen to see any additional revenue generated by congestion charging re-invested in infrastructure, particularly public transport alternatives. They also respond positively to the notion of revenue from being scheme being used to replace the Auckland Regional Fuel Tax

### What do you think any additional revenue should be spent on?



### Other observations

For the benefit of the officials charged with advancing the programme, we would also highlight the following observations and recommendations:

i. Public concern is par for the course

The relatively sceptical reaction of AA Members to congestion pricing should be kept front of mind, but should not derail further work being undertaken at this time. To an extent, it's predictable at this stage of the discussion: the experience of other jurisdictions where congestion pricing has been implemented (e.g., London and Stockholm) shows lower levels of support at the investigation stage, but increasing positivity once the scheme advances and people start to see benefits.

To our minds, a negative reaction is also understandable, given the policy vacuum around congestion pricing for the last three years. The public has been given no reason to feel supportive or optimistic about it and, in the absence of any further information, many people have formed views based on anxiety about the current economic environment.

ii. Get moving on the public debate

To that extent, the public scepticism should be seen as a reason to push forward with public engagement on congestion pricing, not shy away from it. As noted above, we are of the view that the Select Committee inquiry should be complemented with focused public engagement.

This need not involve any sudden or 'big-bang' decisions, but rather should follow the type of incremental approach recommended in The Congestion Question analysis.

iii. Share the benefits

The engagement process should make clear the benefits that congestion charging could deliver to Auckland, particularly de-congestion benefits (i.e., school-holiday levels of congestion), improved public transport alternatives as a result of additional revenue being directed towards infrastructure investment, and the opportunity to dis-establish the regional fuel tax (and the benefits associated with doing so).

The public will want to understand any congestion charging scheme through an economic efficiency lens – that is to say, they'll need to see that any additional costs associated with congestion charging (new charges, increased inconvenience) are outweighed by benefits, and that congestion charging delivers a greater net benefit than any other intervention aimed at addressing congestion that could be taken forward.

Further, it is important that congestion pricing is conceived and promoted not as a means of suppressing demand, but rather as a means of optimising the performance of the network. Focusing on the 'stick' side of congestion pricing will play into fears and pre-conceptions of an anti-car agenda. Motorists will not respond well to a scheme that has been – or appears to have been – designed simply to price them off the network.

iv. Demonstrate how any harm can be mitigated

Alongside demonstrating the benefits, emphasis should be placed on showing how any negative impacts can be mitigated. Levers to soften the blow for lower socio-economic groups must be the focus of future analysis, and these interventions must be brought to the centre of the public engagement and communication process. Social equity concerns loom as the chief obstacle to public support, and it is very unlikely that any congestion pricing scheme will fly if this obstacle cannot be overcome.

v. Continue to learn from international experience

We recommend that further work take into account the findings of recently-released research, such as The International Transport Forum's May 2021 report "Decongesting our Cities: Summary and Conclusions Roundtable 183", and consider how such research may apply in the Auckland context.

### **AA involvement**

As discussed, the AA supports continued investigation into congestion pricing, and we are open to helping where possible to encourage well-informed decision-making and a balanced, constructive public discussion. To that end, we would be happy to make our survey system and communications channels available to assist with any subsequent research or public engagement activities by the Select Committee or other government agencies.

### **Concluding remarks**

Again, thank you for the opportunity to provide feedback on the Select Committee inquiry. We would be delighted to meet to discuss any aspects of this submission in more detail.

Yours sincerely

Sarah Geard  
**Senior Advisor – Infrastructure**