



**Submission of Taituarā – Local Government Professionals Aotearoa
to the
Transport and Infrastructure Committee
Regarding the Land Transport Management (Time of Use Charging)
Amendment Bill**

Taituarā – Local Government Professionals Aotearoa ('Taituarā') thanks the Transport and Infrastructure Committee ('the Committee') for the opportunity to submit on the Land Transport (Time of Use Charging) Amendment Bill (the Bill).

Taituarā is New Zealand's leading network for local government professionals.

A few words about us. Taituarā is Aotearoa New Zealand's leading membership network for professionals working in, and for, local government. We have a membership base of 1,019 members drawn from local authority Chief Executives, managers, and staff across all 78 local authorities.

What unites Taituarā members is our commitment to be our own professional best, supporting local government excellence through connection, collaboration and care for the wellbeing of our communities.

Taituarā strengthens the local government sector as a whole by using our members' insight and experience to influence the public policy debate. We submit on legislation and regulation to provide perspectives on what works and how to make policy work.

Taituarā supports time of use charging in principle.

Taituarā welcomes this Bill. It allows for time of use charging (aka congestion pricing) as a pragmatic, evidence-based and targeted response to an infrastructure management issue that is manifest in and around some of our main centres.

Forecasts show that, in the absence of other policy changes, the amount of vehicle kilometres travelled (VKT) across the country is forecast to increase by as much as 24 percent between 2019 and 2035 and by 42 percent between 2019 and 2050.

Recent research by Auckland Transport has shown that by 2026, traffic congestion will cost Auckland \$2.6 billion per year, with some 29 million hours per year, which averages out to 17 lost and wasted hours per Aucklanders, per year.

Time of use charging is far from a new policy tool. The economic theory underpinning such a tool was developed as far back as 1920, and further developed in the mid-1940s. The first time of use charge, a paper decal-based system was made operational by Singapore in 1975. Subsequently schemes have been operationalized in, among others London (2002), Stockholm (2007), Valletta (2007), Dubai (2007), Milan (2012) Gothenburg (2013) and most recently New York (January 2025).¹

The Cabinet paper that authorised development of this Bill noted that “Modelling shows that successful congestion charging could reduce congestion by up to 8 to 12 percent at peak times, improving travel times significantly”.² The table below shows impacts on traffic volumes and travel times in some of the schemes identified above³

	Reduced traffic volume	Reduced travel times
Singapore (1975)	-44% (1975) and additional -10 to -15% when technology changed in 1998	Dynamic rates to maintain speeds between 45–65 km/h (expressways) 20–30 km/h (other roads)
London, UK (2003)	-16% for all vehicles entering the zone	-30%
Dubai, UAE (2007)	Between -25% and -45% depending on the charging point	-50%
Stockholm, Sweden (2007)	-20% across the cordon	-33%
Milan Area C, Italy (2012)	-34% for all vehicles	-30%
Gothenburg, Sweden (2013)	-10% across cordon, plus -2,5% vehicle-km in the Gothenburg region	-10% to -20% travel time reduction in corridors

In addition to the above we are aware of media reports suggesting that in the first week of time of use charging in New York traffic volumes were down by around 7.5 percent on the same week in 2024. We have seen reports that travel times between Manhattan and New Jersey reduced between 30 and 40 percent in that same week (measured at the George Washington Bridge and the Lincoln and Holland tunnels)

¹ At the time of writing the future of the New York scheme was subject to litigation between New York and the US Federal Government regarding the legality of a direction by the incoming Secretary of Transport to cease collection of the charge.

² Minister of Transport (2024), *Land Transport Revenue Action Plan – Time of Use Charging*, pp4-5.

³ New Zealand Initiative (202), *Pricing Out Congestion – Experiences from Abroad*, page 10.

Managing demand in this way has several important benefits:

1. a spreading of the peak demand on key routes reduces or delays the need for additional capacity on these routes. To this extent congestion charging is little different from the peak charging employed by energy and telecommunications providers (and in some water metering schemes)
2. a congestion charge can encourage people who would otherwise drive onto passenger transport and active modes such as walking and cycling, where suitable alternatives exist (when we say suitable we refer the cost and frequency of these alternatives). Additional take-up of walking and cycling may also promote public health objectives
3. there are economic and environmental benefits through fewer vehicles and less time spent burning fossil fuels. For example there is the potential to improve air quality and reduce the emission of greenhouse gases.

As drafted, the Bill is based on many of the good practice aspects of time of use charging schemes.

This Bill has been designed with the lessons of these schemes at the forefront specifically time of use charging schemes work best when

1. *an objective that is related to levels of service thus ensuring that the scheme is not seen as 'just revenue generation'* – the Bill achieves this in the proposed new section 65B, which states that the purpose of time of use charging is "to improve traffic flow to improve network productivity", Further the proposed new section 65D limits scheme boards to proposing only those schemes that improve traffic flow (a combination of travel times and volumes)
2. *a clear plan for the use of the revenue raised* – the revenue raised is not available for anything and everything, but must be devoted to improving transport-related levels of service in an identifiable way.. The Bill achieves this in two ways – the proposals that scheme boards prepare for consultation must include an investment approach (i.e a plan for the use of the revenue) and Ministerial approval of the final proposal acts as a 'backstop'
3. *clear communication and genuine engagement with the affected communities.* The proposed new section 65E requires consultation with the public and with local authorities in the scheme area, and that any scheme proposal submitted for Ministerial approval must be accompanied by a report on the consultation. This is an area where the Bill could be expanded to set at least some minimum standards or expectations. For example, the Local Government Act sets an expectation that local authorities allow at least one month for the public to provide written feedback and to allow at least one opportunity to interact with representatives of the council in a spoken or New Zealand sign language format.

4. *the existence of alternatives* – the theory of time of use charging is that it incentivizes people to change behaviour. The ‘textbook’ scheme would see those who can change the time they travel doing so. But where changing times is not an option than the existence of alternative methods (that is safe, timely and rapid passenger transport or alternative routes)⁴ is critical to achieving scheme goals (while going some way to managing concerns about the social equity of these schemes).⁵
5. *frequent review* – the effectiveness of time of use charging including the charge(s) themselves should be regularly reviewed. The Bill provides for monitoring and oversight by the Secretary of Transport and regular reporting for this purpose.

Recommendation

- 1. That the Select Committee amend the Bill by adding a provision to the proposed new section 65E that sets minimum expectations for consultation including a minimum time for the provision of feedback and an opportunity to interact with representatives of the scheme board using a spoken or New Zealand sign language format**

⁴ Having said that we agree that schemes must be designed to avoid pushing traffic from a congested route onto others not designed for high volumes (for example pushing traffic off the Southern Motorway on to Great South Road).

⁵ We observe that the design of time of use charging schemes cannot take place in isolation from other transport policy decisions. Recent decisions by Waka Kotahi around the expected levels of fare recovery on passenger transport, increase the price per journey and may actively work against behaviour change in scheme areas.