



Congestion pricing: Moving from 'why' to 'how'

We are approaching 2035 quickly and New Zealand as a country has set out an ambitious transport emissions target.¹ Over recent decades there has been an increase in car trips rather than a decrease and congestion is growing. Aucklanders now spend an average of five days a year stuck in traffic and average travel speeds in our largest city have been declining for three decades - with similar problems across our major cities. **Current forecasts are for congestion to continue to rise, in spite of further investment.**

Congestion pricing involves direct charges levied on motorists for driving on public roads.² Congestion pricing is a **demand-responsive tool that prices the use of road space**. It can take the following four basic forms: area/congestion charging, emissions charging, cordon/toll charging and network charging. These forms can be rolled out together, separately or with variations.

The past 20 years has seen a lot of analysis and research into how congestion pricing would work in Auckland, and [a good summary is in this op-ed by Geoff Cooper](#) as GM for Strategy at Te Waihangā, the New Zealand Infrastructure Commission. Of at least five major studies of congestion pricing options for Auckland, **all concluded that congestion pricing would help** to resolve the city's traffic woes. The latest study found that it could reduce severe congestion by up to 20%, and reduce total travel time delay by up to 35%. [Rautaki Hanganga o Aotearoa, the New Zealand Infrastructure Strategy](#), identifies congestion charging as **one of the most significant moves we can make to improve our transportation network**.

And international experience confirms that **congestion pricing works in practice**. Several cities overseas have proven the use of congestion pricing to manage demand, invest in sustainable transport and support economic growth (famous examples include London, Singapore, Stockholm, amongst others).

Given all that, why have we struggled to take congestion pricing from concept to delivery?

International experience and local research suggests there are **two key barriers to implementation**.

The first barrier relates to **public perceptions of the fairness** – or unfairness – of congestion pricing. Before it's implemented, the costs loom large, and the benefits seem speculative. After implementation, public support tends to rise significantly as people experience the benefits and find ways to adjust to the costs. If people can't 'try before they buy', it may be hard to build consensus for a scheme.

The second barrier is **institutional**. Congestion pricing is typically only needed at a local level, as severe congestion is only experienced on a small fraction of the country's road network. But local governments can't implement it on their own – it requires central government to legislate to enable it. The stars have to align at both levels of government for a scheme to proceed.

¹ <https://environment.govt.nz/publications/aotearoa-new-zealands-first-emissions-reduction-plan/transport/>

² <https://publications.parliament.uk/pa/cm5802/cmselect/cmtrans/789/report.html>



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Based on the Infrastructure Commission's research and policy advice, we outline opportunities to overcome these barriers and get New Zealand's cities moving.

Speaker Peter Nunns



Peter Nunns is Director of Economics at the New Zealand Infrastructure Commission | Te Waihanga. His objective in this role is to provide evidence on how we can increase the efficiency of the New Zealand infrastructure sector. He has previously worked in central government, local government and consultancy, often with a focus on housing, transport economics, and urban development.

The event will be facilitated by Pippa Mitchell, who is the Managing Director of Transit Transport Strategy and Research at MR Cagney. She has been involved in a wide range of transit projects from inception to construction, including the major projects in Auckland. Pippa currently manages a multi-disciplinary team of urban planners, urban designers, economists, and sustainable transport specialists. She is also a former Transportation Group Branch Chair.

Background and reading

The following provides a background on the organisational position of New Zealand Infrastructure Commission | Te Waihanga:



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- Te Waihanga webpage on congestion charging (includes a link to a podcast in 2022):
<https://tewaihanga.govt.nz/the-strategy/issues/how-can-we-spend-less-time-sitting-in-traffic>
- Te Waihanga submission to the Transport and Infrastructure Select Committee inquiry on congestion pricing:
<https://tewaihanga.govt.nz/our-work/submissions-advice/submission-to-transport-and-infrastructure-committee-on-auckland-congestion-pricing>
- Geoff Cooper's op-ed on congestion pricing:
<https://www.stuff.co.nz/opinion/300918001/the-case-for-introducing-congestion-charging>

And the following as general background:

- Ministry of Transport's 'The Congestion Question':
<https://www.transport.govt.nz/area-of-interest/auckland/the-congestion-question/>
- The Helen Clark Foundation's report on congestion charging:
<https://helenclark.foundation/publications-and-medias/te-ara-matatika-a-fair-charge-for-better-cities/>
- NZ Transport Agency | Waka Kotahi research report on the social and distributional impacts of congestion charging (Peter was the lead author while working at MRCagney):
<https://www.nzta.govt.nz/resources/research/reports/654>

Event details

Who: TG Members only - please [join us](#) if you haven't yet! Numbers are limited.

When: 11:45 am arrive for a 12:00 pm presentation start, 12:30 pm questions, Wednesday 6 March 2024.

Where: Options as below.

1) In person event held in Auckland:

Jacobs, Level 2 Carlaw Park 12-16 Nicholls Lane, Parnell Auckland 1010

2) Webinar 'hosting' event in Wellington with networking:

Jacobs Level 8 1 Grey Street Wellington Central Wellington 6011

3) Webinar 'hosting' event in Christchurch with networking:

Jacobs Wynn Williams Building, Level 2 47 Hereford Street Christchurch Central City Christchurch 8013 Information on the event including access and parking will be sent to registered attendees.

4) Live webinar link:



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Webinar (online only). A link will be sent to registered attendees before the event.

Register: All attendees please register via this link