

I hereby give notice that an ordinary meeting of the Transport and Infrastructure Committee will be held on:

**Date:** Thursday, 6 June 2024  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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## Komiti mō ngā Tūnuku me ngā Rawa Tūāhanga / Transport and Infrastructure Committee

### OPEN ADDENDUM AGENDA

**UPDATED 5/6/24 AT 9.16AM**

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#### MEMBERSHIP

<b>Chairperson</b>	Cr John Watson	
<b>Deputy Chairperson</b>	Cr Christine Fletcher, QSO	
<b>Members</b>	Cr Andrew Baker	Cr Mike Lee
	Cr Josephine Bartley	Cr Kerrin Leoni
	Hokura Member Billy Brown	Cr Daniel Newman, JP
	Mayor Wayne Brown	Hokura Member Pongarauhine Renata
	Cr Angela Dalton	Cr Greg Sayers
	Cr Chris Darby	Deputy Mayor Desley Simpson, JP
	Cr Julie Fairey	Cr Sharon Stewart, QSM
	Cr Alf Filipaina, MNZM	Cr Ken Turner
	Cr Lotu Fuli	Cr Wayne Walker
	Cr Shane Henderson	Cr Maurice Williamson
	Cr Richard Hills	

(Quorum 11 members)

**Lata Smith**  
**Senior Governance Advisor**

**5 June 2024**

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.



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## Time of Use Charging - Programme Update

File No.: CP2024/07008

### Te take mō te pūrongo

#### Purpose of the report

1. To receive an update on the Time-of-Use Charging programme.
2. To endorse the programme's primary objective and note the next steps of detailed analysis including early engagement with Local Boards, mana whenua and key stakeholders.

### Whakarāpopototanga matua

#### Executive summary

3. The Congestion Question (2020) (TCQ) report by the Ministry of Transport found that congestion charging / time of use charging would be an effective way to reduce congestion in Auckland. This was confirmed by the August 2021 parliamentary Transport and Infrastructure Select Committee report '*Inquiry into Congestion Pricing in Auckland*'.
4. The Auckland Council Transport and Infrastructure Committee endorsed, in November 2023, an indicative work programme, and the creation of a joint Auckland Transport / Auckland Council programme team to progress Time of Use Charging as soon as practicable, including the establishment of a Political Reference Group.
5. New legislation is required to enable time of use charging. The programme is progressing against the indicative work programme, to align the timing and development with potential government policy and legislation, and to enable proactive engagement.
6. The proposed primary scheme objective is to manage travel demand to achieve an improvement in road network performance by reducing congestion, increasing the throughput of people and goods, and improving the reliability of the road network. Other benefits, such as public transport mode shift and public health through emissions reduction will be tracked.
7. Next steps to progress detailed analysis of the recommended options from the previous work delivered by 'The Congestion Question' and highly congested locations across the motorway and arterial road network, including early engagement with Local Boards, mana whenua and key stakeholders, will inform the scheme recommendations to be reported back.
8. Analysis will include congestion benefits, travel patterns, alternative travel options, impacts and mitigations, alignment with future planned transport improvements, flexibility to respond to road network changes and opportunity for scheme trials and phased implementation.
9. Progressive insight gathering and engagement will be undertaken during the programme with mana whenua, public, stakeholders and elected officials. An initial community panel on time of use charging in Auckland has been completed. The panel proposed one objective - to reduce congestion - and seven guiding principles, which will be considered through the next stage by the programme.

Item 9

## Ngā tūtohunga Recommendation/s

That the Transport and Infrastructure Committee:

- a) ohia / endorse the primary scheme objective for the Time of Use Charging programme: to manage travel demand to achieve an improvement in road network performance by reducing congestion, increasing the throughput of people and goods, and improving the reliability of the road network.
- b) tuhi ā-taipitopito / note next steps including detailed analysis of the recommended options from 'The Congestion Question' report and highly congested locations across the motorway and arterial network, and early engagement with Local Boards, mana whenua and key stakeholders, which will inform the scheme recommendations.
- c) tuhi ā-taipitopito / note that further endorsement from Transport and Infrastructure Committee will be sought as the Time of Use Charging programme advances.

## Horopaki Context

10. Demand-based road pricing has previously been investigated for introduction in Auckland. Based on international experience it has been considered an important part of the toolbox to manage demand for use of the roading network.
11. The Congestion Question (2020) (TCQ) was an investigation by the Auckland Transport Alignment Project partners to consider whether there is a case for introducing a congestion pricing scheme for Auckland. It recommended a phased approach to pricing via a city centre cordon followed by expansion through pricing of strategic corridors.
12. In August 2021, the parliamentary Transport and Infrastructure Select Committee recommended that the central government: progress legislation to enable New Zealand cities to use congestion pricing as a tool in transport planning; implement a congestion pricing scheme in Auckland as described in The Congestion Question reports; undertake broad public engagement to help people understand the costs and benefits of a specific scheme; and use any revenue raised by a congestion pricing scheme to mitigate equity impacts and reinvest in public and active transport in the region where the charge applies.
13. The central government has signalled support for an Auckland time of use charging scheme through the Draft Government Policy Statement on Land Transport released in March 2024.

## Tātaritanga me ngā tohutohu Analysis and advice

14. The programme is progressing against the indicative timeline previously presented and includes:
  - a. Communications and engagement planning.
  - b. Scheme policy and detailed analysis, including impacts on communities and individuals and potential mitigations.
  - c. Investment case preparation.
  - d. Analysis of technology solutions including use of existing platforms and solutions.
15. The programme is dependent on:
  - a. Engagement and working with central government on scheme objectives, design and meeting future requirements of potential national policy and the enabling legislation.
  - b. Engagement with New Zealand Transport Agency/Waka Kotahi, in particular, on scheme policy and design, technology and national approach to congestion charging.

## Scheme Objectives

16. The programme will develop a proposed scheme to manage travel demand with the primary objective being to improve network performance by reducing congestion, increasing the throughput of people and goods, and improving the reliability of the road network.
17. Demand-based pricing for the road network encourages a change in road use through setting a variable charge to use that road dependent on the level of congestion by time of day. Charging during heavy congested times of the day encourages a change in time of travel, mode shift and avoided trips, where this is possible for people. This reduces pressure on the road network and leads to reduced road network congestion overall.
18. For people that cannot or choose not to change their travel patterns, like businesses and some commuters, the aim is to provide less congested roads with faster and more reliable journey times, so the benefits in time savings exceed the financial cost of the charge. As demand for the limited road space is reduced and flow breakdown is avoided, the volume of people and goods able to move through the network should increase making for the best use of our existing road infrastructure.
19. The Congestion Question (2020) indicated that with the right design a full scheme with supporting interventions could contribute to an 8-12 per cent network performance improvement for the relevant geographical area. This is often referred to as the level of improvement in congestion and traffic flow experienced during school holiday periods.
20. Secondary outcomes include revenue generation, public transport mode shift and public health through emissions reduction.
21. Secondary scheme design goals will be to consider and avoid unwanted consequences, such as unnecessary diversion, community severance, major differences in net costs and benefits across different geographic areas, excessive financial impacts and increases in transport poverty/deprivation.

## Detailed Analysis Approach

22. A longlist of 26 schemes were considered by The Congestion Question (2020) against a multi-criteria analysis evaluation framework. This considered their impact on network performance, second order impacts (economic, social, environmental and safety), and wider considerations (efficiency, flexibility, risk, practicality etc.). The assessment was supported by a range of census data and information about Auckland's demographics, travel patterns and household incomes, along with lessons from overseas schemes.
23. Based on the multi-criteria analysis evaluation, subsequent sensitivity testing and consolidation of similar options, the recommended approach from The Congestion Question (2020) was to begin with a city centre cordon (step 1), before expanding outwards into strategic corridors by sub-regional area (step 2), as appropriate.
24. Next steps will progress detailed analysis of The Congestion Question (2020) recommendations along with highly congested locations on the Auckland motorway and arterial road network.
25. Analysis will determine respective costs, benefits and impacts. The criteria being considered to inform this analysis includes:
  - a. Congestion improvement: traffic volumes, level of service and corridor productivity (average speed and volume of people and goods movement), and journey time reliability.
  - b. Travel pattern analysis: origin-destination assessment, impacts on transport poverty/deprivation, diversion impacts, overall impacts on travel costs and benefits for users, and the distribution of costs and benefits across Auckland.
  - c. Assessment of any potential impacts on Māori.
  - d. Potential negative impacts, particularly on disadvantaged groups.

- e. Alternative viable travel options.
- f. Future planned network improvements and interventions.
- g. Trialability and future flexibility of the scheme.

#### Initial Policies

26. Consistent with The Congestion Question (2020) findings, the scheme options will be developed taking into account the following policy areas, these will be revisited as the scheme is refined:
- a. Scheme design considerations: balance between effectiveness, fairness and simplicity; a minimum or appropriate initial implementation.
  - b. Tariff attributes: to be determined by what is required to meet the scheme objective of an 8-12 per cent improvement in network performance for the relevant geographic area. It can be varied after implementation to ensure it remains appropriate. Charges should not be cumulative within a defined period of time through 'one-off' access charges.
  - c. Use of revenue: intention for re-investment into the local transport system; transparency in the use of revenue is paramount in achieving public support.
  - d. Exemptions and discounts: should be kept to a minimum to preserve scheme effectiveness and minimise administrative complexity, while recognising the need to ensure that disadvantaged people are not unduly impacted.
  - e. Social mitigations: alternative transport options should be available.

#### Communications and Engagement

27. Communications and engagement throughout the programme will focus on developing understanding and awareness of how time of use charging is being developed and how the potential scheme will relate to individuals, communities, stakeholders and businesses; and providing ongoing opportunities for public and stakeholder representatives to inform and provide insight.
28. The first community panel ran from April-May 2024, was sponsored by the Northern Infrastructure Forum and run by Koi Tū (Centre for Informed Futures, University of Auckland). The initial Community Panel Report is proposed to be released shortly after the Transport and Infrastructure Committee meeting. The panel proposed one objective for the scheme: to reduce congestion and seven guiding principles, which will be considered through the detailed analysis by the programme:
- a. The scheme needs to mitigate the impact on disadvantaged people through strategic use of discounts and exceptions to address inequity.
  - b. Development of viable and reliable transport options needs to be prioritised to provide an alternative to driving.
  - c. Revenue should be managed and administered by Auckland local government and ring-fenced for Auckland, to improve accessible transport options, including public transport.
  - d. Time of use pricing should be simple and transparent.
  - e. The initial size/boundary of the scheme should be big enough to make a network-wide impact, but avoid being too complex.
  - f. The payment system must be user-friendly and reliable.
  - g. The communication of the time-of-use charging scheme should be clear, transparent, and unbiased, and should focus on the objective of reducing congestion.
29. A second community panel is expected to be held in July/August 2024.
30. Key stakeholder groups have been identified and their input and insights will be sought through the programme.
31. Public consultation will be planned for an appropriate time in the programme and will be subject to legislation timing, working with government and scheme approvals.



## **Tauākī whakaaweawe āhuarangi** **Climate impact statement**

32. An emissions reduction benefit is expected through the introduction of a time of use charging scheme. Work undertaken on time of use charging during The Congestion Question (2020) showed that implementing such schemes would make a positive contribution to reducing transport emissions in Auckland. This will be assessed in the scheme design process.

## **Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera** **Council group impacts and views**

33. Auckland Council Transport and Infrastructure Committee provided endorsement for programme formation in November 2023.
34. The Office of the Mayor has and will continue to be consulted regularly.
35. The Political Reference Group (comprising the Mayor, Deputy Mayor, 6 Councillors and 1 Houkura Independent Māori Statutory Board member) has been engaged with ongoing meetings planned. In May, the Political Reference Group provided direction that they supported the primary objectives and next steps.
36. Auckland Council has staff representatives in the programme team and on the Programme Control Group.
37. Other Auckland Council, Eke Panuku and Tātaki Auckland Unlimited staff will be engaged as internal stakeholders following this Transport and Infrastructure Committee meeting.
38. In May 2024, the Auckland Transport Board endorsed a work programme for the design and development of a demand management based road-use pricing scheme which seeks to achieve the objectives being travel demand management and improvement in network performance.

## **Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe** **Local impacts and local board views**

39. Two rounds of local board engagement are planned and their feedback will be incorporated into the programme. The second round of local board engagement will be after public engagement is finished allowing local boards an opportunity to review public feedback before responding.

## **Tauākī whakaaweawe Māori** **Māori impact statement**

40. Early and ongoing engagement will be undertaken with mana whenua, with the programme attending AT mana whenua hui. There are potential impacts on Māori such as access to places of importance to mana whenua and social impacts that will need to be considered as the analysis progresses. This engagement will help progress previous assessments undertaken.
41. Houkura Independent Māori Statutory Board has representation on the Political Reference Group.
42. A mātāwaka engagement strategy is being developed with the AT Māori Engagement Team.

## **Ngā ritenga ā-pūtea** **Financial implications**

43. The investigation phase is funded from a mix of Auckland Transport operating budget and Regional Land Transport Plan.

44. Prior to moving into the procurement and implementation phases, the capital expenditure for the scheme and expenditure profile will be confirmed and approval sought through an investment case. The updated draft Long-term Plan 2024-34 proposal includes \$158.6m over FY25 to FY28 using initial assessments from The Congestion Question (2020) work. National Land Transport Fund co-funding is yet to be confirmed.
45. Auckland Council/AT net revenue position for any scheme will depend on the scheme design and operating model adopted. These will be defined as the programme and legislation are developed.

## Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

46. The programme risks include functional (cross-organisational roles, responsibilities and processes, and alignment), reputational (public and stakeholder engagement; communication and alignment across scheme detail), governance, legal/legislative, and financial (changes to scope/funding).
47. The programme timing and scheme design is dependent on, and will align to, the development timing and requirements of central government policy and legislation.
48. In addition, there are operational risks once a scheme goes live. These are functional (second order effects on other parts of the transport network; enforcement requirements, including fraud and wilful damage), reputational (ongoing public and stakeholder support), and financial (fluctuating net revenues, requirements for ongoing transport improvements as mitigation) and social (understanding of impacts on individuals and communities). These will be defined as part of the investment case and approvals to progress to scheme procurement.

## Ngā koringa ā-muri Next steps

49. The programme will return for Transport and Infrastructure Committee endorsement of the detailed analysis and recommendation of option(s), prior to public consultation and scheme procurement.
50. Final approval from the Auckland Transport Board and Auckland Council Governing Body or Transport and Infrastructure Committee, subject to the requirements of national policy and legislation to enable procurement to proceed.

## Ngā tāpirihanga Attachments

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## Ngā kaihaina Signatories

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Authorisers	Mark Lambert - Executive Programme Director, Auckland Transport Jacques Victor - GM Auckland Plan Strategy and Research Megan Tyler - Chief of Strategy

	Barry Potter - Director Infrastructure and Environmental Services
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**Time of Use Charging**  
**Programme Update**  
**Transport & Infrastructure Committee**

AT

Mark Lambert, Graeme Gunthorp, Hamish Bunn, Michael Roth  
6 June 2024

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