



Auckland Matters

The AA's Auckland infrastructure issues newsletter

OCTOBER 2020 | ISSUE 11

GUIDING LIFE'S JOURNEYS FOR OVER 110 YEARS.

New Zealand Automobile Association



ISSUE 11: Congestion Charging Part II

From the policy team



This issue of Auckland Matters returns to the topic of congestion charging, which we last covered four years ago (see Issue 7 of Auckland Matters).

At that point, there was plenty of buzz around the possibility of congestion charging in Auckland. As part of the 2016 Auckland Transport Alignment Project, the Government announced its intention to explore congestion charging, and a working group was set up to address the all-important question: is it right for Auckland?

But since then, no progress at all has been made in a policy-making sense, and the working group's final recommendations remain locked in a drawer.

This is deeply frustrating. If the benefits of congestion charging are as significant as many people suggest, we don't have time to waste.

The AA therefore wants to see the next government lift the congestion charging debate out of limbo. If the case stacks up, the public conversation needs to start as soon as possible; if it doesn't stack up, the public needs to know just the same.

This issue of Auckland Matters is designed to give an updated window into the public mood.

What it shows is that AA Members are far from convinced about the merits of congestion charging, and that any sudden, sweeping moves are likely to alienate much of the public.

But the answer to that is to tread carefully, not to choke off the discussion. In our view, the scepticism we are seeing is partly a product of policy-making inertia – people have been given no reason to feel positive about congestion charging.

The time has come for measured, incremental steps to start the public discussion, based on demonstrating meaningful benefits.

Barney Irvine

Principal Advisor- Infrastructure

Overview

The next government needs to push ahead with the debate on congestion charging in Auckland, but no one should be fooled about how challenging it will be.

AA Members remain dubious about congestion charging – for many it's unfair, unaffordable and impractical. Fuelled by deep insecurity about their own financial circumstances, they continue to see congestion charging only in terms of stick, not carrot.

All the same, it's not a lost cause. When it comes to how people would actually *respond* to the introduction of a congestion charge (as opposed to

how they *feel* about the possibility of it), responses indicate greater openness.

The objective for the Government must be to convert a chunk of doubters into supporters, by demonstrating that any scheme will provide sufficient benefits (in terms of travel time savings and re-investment in infrastructure) and do enough to mitigate negative social impacts.

Where does the AA sit?

The AA can be described as a cautious supporter of congestion charging. 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 a lot more work is needed to prove that it makes sense.

In our view, now is not the time for definitive pro/anti positions – rather, the priority is to develop the case and generate public discussion around it (the international experience clearly shows that, where congestion charging has been successfully implemented, it's

been preceded by an in-depth and meaningful public engagement process).

The sooner this process can start, the better – if congestion charging is indeed right for Auckland, we don't want to wait for pre-Covid congestion levels set in before we even start talking about it.

The AA has therefore sought to champion the debate around congestion charging, rather than championing congestion charging per se.

The 2016 survey

The 2016 survey was more conceptual in focus, reflecting the fact that – at that stage – plans to consider congestion charging had only just been announced, and little analysis had been done on scheme specifics. What it found was support for some of the principles behind congestion charging, offset by deep scepticism and doubt.

Based on the results of the survey,

we concluded that AA Members were ready for the conversation on congestion charging, even if not yet ready to sign up to it.

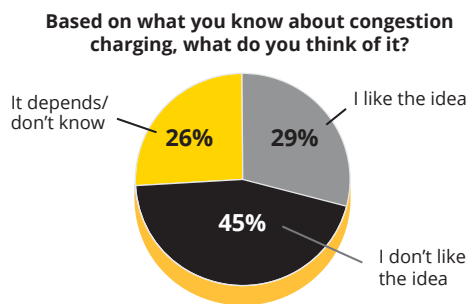
We also recommended that the officials follow a gradual approach, drawing on practical trials, and that a dedicated congestion charging unit be established to develop the programme.

Key findings

In mid August this year, we surveyed AA Members in Auckland and Wellington on their views on congestion charging. In total, we received just over 1200 complete responses, with feedback from AA Members in the two cities remarkably similar (hence it's presented jointly here). **Here's what we learned:**

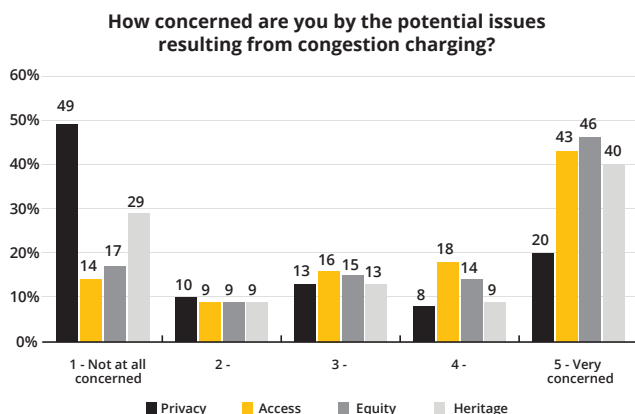
1 Congestion charging a hard sell

The survey results tell a clear story: selling congestion charging to the public will not be easy. AA Members are familiar with the concept, and many have had first-hand experience of it, but they are far from ready to embrace it. Asked how they felt about congestion charging, the largest group of respondents (45%) said they were opposed to it, while 29% supported it, and 26% were unsure.



2 Predictable concerns

Sitting behind the unease are the sorts of reservations that are often raised in relation to congestion charging. When prompted, AA Members expressed a high level of concern about impacts on those who could 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 (though, interestingly, there was minimal concern about privacy issues).



In unprompted feedback, respondents highlighted affordability issues, the absence of choice and flexibility when it comes to how and when people commute, lack of trust and confidence in transport planning, and the lack of a high-quality public transport alternative.

3 Deep financial insecurity

Flowing through the entire survey response was a deep degree of financial insecurity. All AA surveys include demographic questions relating to financial confidence, and in this case there was an abrupt drop-off in confidence compared to previous surveys. The proportion of respondents describing their financial situation as cautious or worried was 59%, an increase of eight percentage points on rolling AA surveys carried out between 2013 and 2019. Meanwhile, the proportion feeling speculative or comfortable was 36%, a fall of nine percentage points from the rolling surveys.

These are the lowest levels of economic confidence we have seen among AA Members since the Global Financial Crisis, and most of the variance in the survey response can be attributed to this factor.

4 People struggle to see past the costs...

Little surprise, then, that AA Members appear to see congestion charging almost exclusively in terms of costs, not benefits. Respondents were asked to imagine a situation where a congestion charge was imposed that would cut the congestion delays they experienced in half. They were then asked to indicate how much the time-saving would be worth to them. A clear majority (53%) said it would be worth nothing, while a further 29% said just \$1 or \$2 a day.

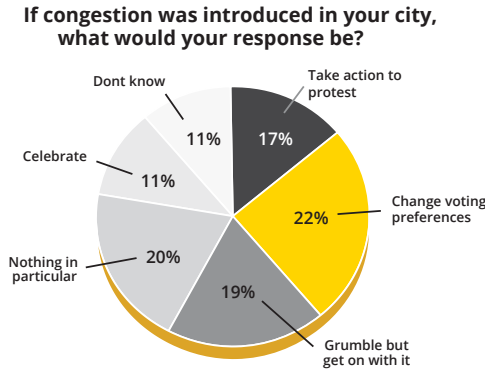
5 ...including those with most to gain

And the response was little different among regular car commuters (who made up 55% of the sample), which was somewhat surprising, given that they would benefit directly from a reduction in congestion. Detailed cross-tabulation of all the survey questions relating to support for congestion charging and willingness to pay told the same story: those who arguably stand to gain most were even less supportive.

6 But it's not a lost cause

Seen through a different lens, however, the core of opposition might not be quite as large or highly charged as it appears. When asked how they would respond to the

introduction of a congestion charge (rather than simply how they felt about the idea of one), 39% said they would either take to the streets in protest or change their voting behaviour. Meanwhile, a simple majority (exactly 50%) indicated they would be much more 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.



Those who were more open to congestion charging were more likely to be male, to have a university degree, to consider themselves environmentalists, to be less frequent car commuters, and to have lived in a city where a congestion charge operates.

7 Lite options easier

AA Members responded far more positively to congestion charging schemes that presented lower levels of coverage, in a spatial or temporal sense. While 20% 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), and the proportions were similar with a charge applied to all congested roads in the region.

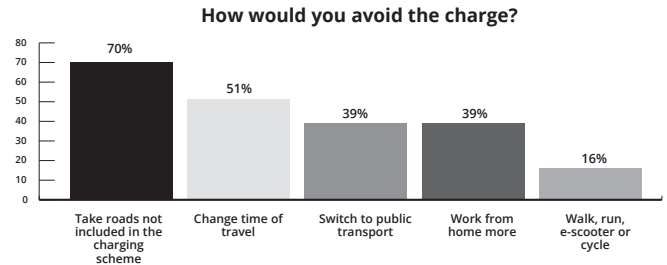
Meanwhile, 42% said they would support a scheme that applied a charge just at rush hour on weekdays (versus 36% opposed). Support dropped to 22% if the charge applied on weekends too (while opposition climbed to 56%), and to 4% in the case of a 24/7 charge (87% were opposed).

8 Scope for behaviour change

The success of any congestion charging scheme relies on a significant chunk of people changing when or how they travel (or not travelling at all). Proponents of congestion charging will therefore be encouraged to see that two-thirds of respondents who currently commute by car indicated that, if faced with an \$8 per day congestion charge, they would change their commuting behaviour.

Of those, 51% said they would change their time of travel, 39% said they would look at public transport for part of their journey, 39% said they would work from home,

and 16% said they would walk or cycle for part of the journey. But the most common response (selected by 70%), was to try to avoid any charges by taking routes not covered by the charging scheme. Relying on 'rat-running' to escape charges is unlikely to be realistic, particularly in the case of a CBD cordon.



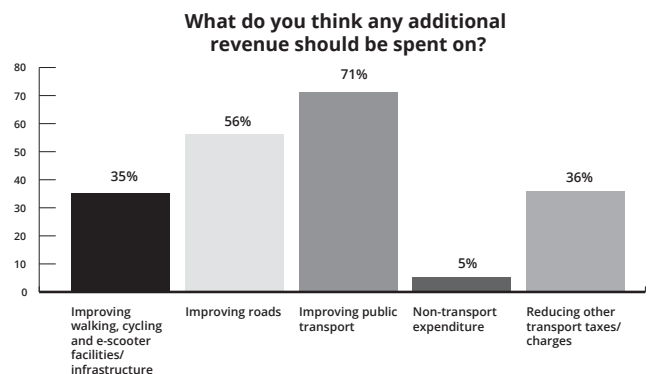
9 Exemptions expected

Corresponding with concerns about fairness, there is a strong expectation among AA Members that those who have no choice but to enter the congestion charging zone by car or who are doing so to help others should not pay anything. In particular, AA Members felt that exemptions should be granted to social services like meals on wheels (76% support for an exemption), break-down services (63% support), people with mobility parking permits (59% support) and those who live inside the congestion charge (56% support).

There was less sympathy for drivers of less polluting or less congestion-causing vehicles (just 27% supported an exemption for electric vehicle drivers and 37% for motorcyclists), and for those who might be more constrained financially – including tertiary students (29% support for an exemption) and holders of Community Services Cards (37% support).

10 Reinvest the revenue

AA Members are keen to see any additional revenue generated by congestion charging re-invested in infrastructure – public transport (71%), roads (56%) and, to a lesser degree, walking and cycling (35%). More than a third (36%) would like revenue to be used to reduce other charges and taxes, which could include the Auckland Regional Fuel Tax. Only 5%, however, would be happy to see additional revenue invested in non-transport activities.



Recommendations

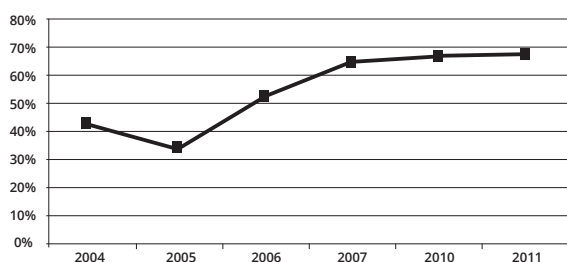
The AA wants to see the next government move the debate forward on congestion charging, and here are our recommendations on how to go about it.

1 Public uncertainty is par for the course

Policy-makers should not be alarmed by the sceptical reaction of AA Members to the concept of congestion charging. To an extent, it's predictable at this stage of the discussion: the experience of other jurisdictions where congestion charging has been implemented shows lower levels of support prior to implementation, but increasing positivity once the scheme advances and people start to see benefits.

In Stockholm, shortly before the introduction of a trial cordon toll, support for the scheme fell to 34% (and closer to 15% for those likely to be most affected), but increased to 53% once the trial was under way. London followed a relatively similar pattern with its cordon scheme.

Proportion of survey respondents in Stockholm indicating they'd vote 'yes' in referendum on congestion charging¹



A negative reaction is also understandable, given the policy vacuum around congestion charging 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 are forming views based on anxiety about the current economic environment.

2 Fill the information vacuum

The first step, therefore, must be to release the findings of the working group's analysis and, assuming those findings point to a solid case for congestion charging, to start filling the vacuum.

More than anything, the public will need to receive a clear message about the travel-time benefits that congestion charging could offer. The Stockholm charge resulted in a reduction in the number of vehicle trips during rush hour of around 20%, while the Singapore charging system has reduced traffic volumes by up to 17%, depending on the charging point.

¹ Source: Jonas Eliasson, The Stockholm congestion charges: an overview, CTS Working Paper 2014:7, KTH Royal Institute of Technology, Stockholm

A similar reduction in traffic volumes in Auckland could mean school holiday levels of traffic year-round, which many Aucklanders would find compelling.

3 Mitigate the harm

At the same time, policy-makers will need to address concerns about fairness and affordability, by demonstrating that impacts on those who would be most affected can be mitigated.

In part, this would be achieved by showing that high-quality public transport alternatives would accompany any scheme; in part, by incorporating carefully targeted discounts and exemptions.

4 Ring-fence the revenue

Providing good news would also mean telling a very clear story about where any additional revenue generated by the scheme would be spent.

Extra money should be hypothecated towards transport infrastructure investment (including high-quality public transport), and towards offsetting other transport-related taxes, especially the Auckland Regional Fuel Tax.

The opportunity to increase infrastructure investment and offset taxes paid elsewhere should be front-and-centre in the justification of any scheme.

5 Move incrementally

Any steps forward should be strictly incremental, for some time yet. Big-bang or binding decisions early on risk derailing the whole discussion.

Practical trials, with the opportunity for meaningful public feedback, will be critical, and any eventual implementation should be a phased: starting with a low-coverage scheme (i.e., a CBD cordon toll), and progressing over time into a broader-based approach.

Officials must resist any urge to bypass the discussion of an Auckland congestion charge in order to focus on a 'Holy Grail' road pricing solution – i.e., a nationwide distance-based charging scheme (one that incorporates a congestion charge and replaces fuel tax). If implementing congestion charging is contingent on such a scheme being in place, we will be waiting a very long time.

For more information contact:

Barney Irvine

Principal Advisor – Infrastructure

T. +64 9 966 8608

M. +64 27 839 9309