



la Ara Aotearoa Transporting New Zealand Incorporated
submission to
Tauranga City Council
on
SmartTrip

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Ia Ara Aotearoa Transporting New Zealand Incorporated submission to Tauranga District Council on SmartTrip

1. Representation

- 1.1 Ia Ara Aotearoa Transporting New Zealand Incorporated (Transporting New Zealand) is made up of several regional trucking associations for which Transporting New Zealand provides unified national representation. It is the peak body and authoritative voice of New Zealand's road freight transport industry which employs 32,868 people (1.2% of the workforce) and has a gross annual turnover in the order of \$6 billion. This is part of a wider transport sector that employs 108,000 people, or 4 percent of the country's workforce and contributes 4.8 percent of New Zealand's GDP¹.
- 1.2 Transporting New Zealand members are predominately involved in the operation of commercial freight transport services, both urban and inter-regional. These services are entirely based on the deployment of trucks both as single units for urban delivery and as multi-unit combinations that may have one or more trailers supporting rural or inter-regional transport.
- 1.3 According to Ministry of Transport (MOT) research (National Freight Demands Study 2018) road freight transport accounts for 93% of the total tonnage of freight moved in New Zealand or about 85% of the surface freight activity measured in tonne-kilometres.

2. Introduction

- 2.1 Transporting New Zealand provides sector leadership and believes we all need to operate in an environment where the following must be managed to ensure:
 - The safety and wellbeing of our drivers and other road users.
 - The minimal impacts of transport on our environment.
 - The transport of goods by road is economically feasible and viable and it contributes the best way it can to benefit our economy.
- 2.2 Roads are the routine working environment for our members, consequently, a well-managed and safe working environment is vital.
- 2.3 The predominant lens and the scope of our submission are the impacts and risks associated with commercial (road freight) traffic and the economy that traffic serves.
- 2.4 Transporting New Zealand welcomes the opportunity to comment on SmartTrip.

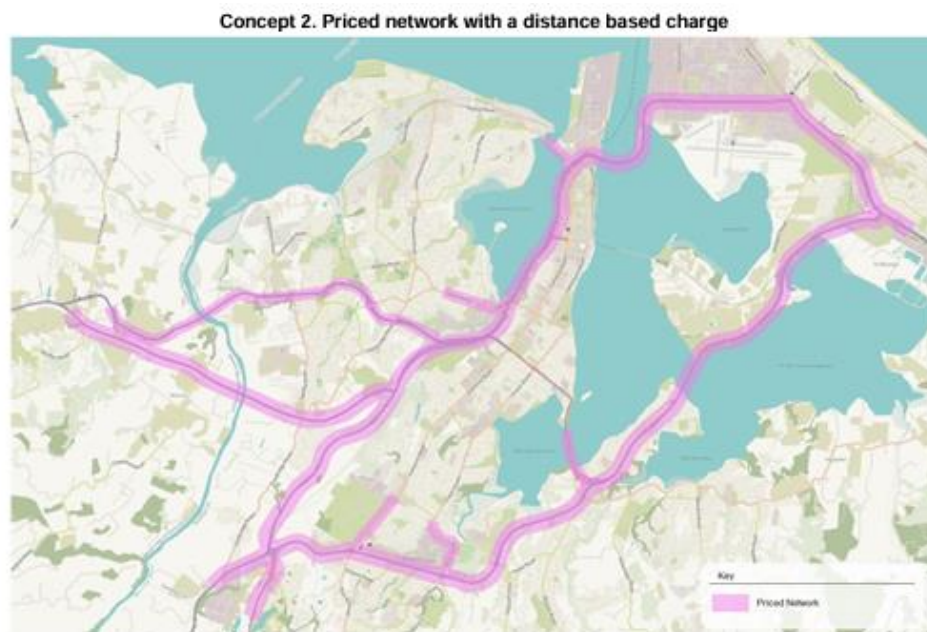
3. Background

- 3.1 Tauranga City Council (TCC) is undertaking public consultation on the Long-term Plan 2024-2034 (LTP) under development and it is taking the opportunity to get

¹ [Transport factsheet \(mbie.govt.nz\)](https://www.mbie.govt.nz/transport-factsheet)

initial thoughts on exploring SmartTrip variable road pricing to help reduced congestion and fund transport improvements (pages 54 to 57 of the LTP refer).

- 3.2 Following consultation and deliberations, TCC's schedule is that the LTP will be commissioned and adopted on 22 April 2024 and put in place on 1 July, 2024.
- 3.3 TCC has provided various information ranging in detail on previous work on road pricing. The most substantive piece of work is the "Road Pricing in Tauranga Proof of Concept Study" prepared for Waka Kotahi NZ Transport Agency prepared by Beca of 9 May 2023. That study includes conceptual options on how road pricing could be applied, for example by access, by distance charging and by cordoning.
- 3.4 The area that road pricing is being considered for is illustrated below.

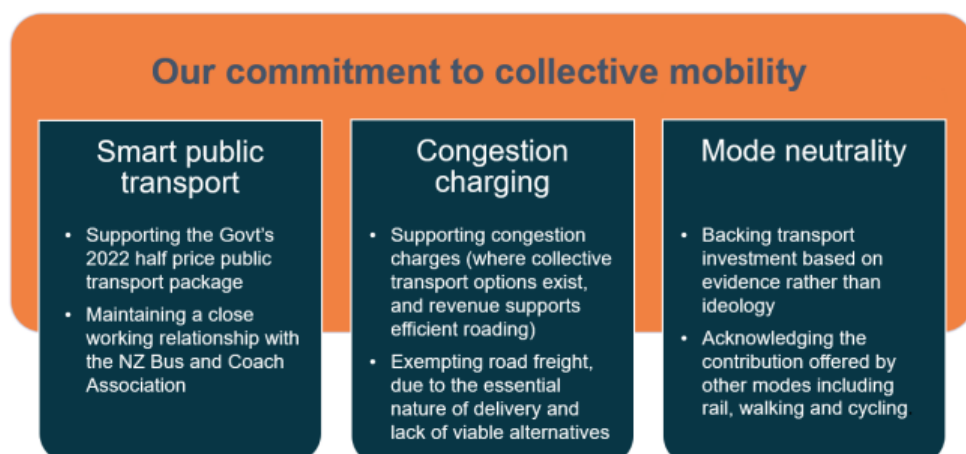


- 3.5 TCC explain [SmartTrip](#) as follows: *"A fast-track to faster journeys, reduced congestion and less carbon emissions" and "SmartTrip would charge all vehicle users for access to Tauranga's main transport corridors. The charge would vary, depending on the time of day, day of the week and traffic demand. It is similar in concept to the charges applied to toll roads and would include using prepayment systems and vehicle recognition technology. The introduction of SmartTrip would require new legislation, as well as more detailed work on its benefits and implications and a significant community consultation process to ensure the concept was supported."*
- 3.6 TCC states it will not be including Smart Pricing in this LTP, but depending on feedback received during this consultation phase it may look into it further.
- 3.7 TCC notes that any future SmartTrip implementation would need a change in government legislation to allow the introduction of variable road pricing.
- 3.8 For all intents and purposes Transporting New Zealand understands that what TCC refers to as SmartTrip is the same as what is more generically referred to as congestion pricing and/or congestion charging.

- 3.9 To date only a proof-of-concept study has been undertaken. No commitment has been made to SmartTrip by any key stakeholder or Waka Kotahi. Any future implementation would need to provide a compelling value proposition for the pay-as-you go drivers and endure there are viable and attractive travel alternatives available for those who chose not to drive, especially public transport options.

4. Transporting New Zealand comments

- 4.1 Transporting New Zealand agrees that traffic congestion is an issue that needs addressing. Congestion has a wide range of negative impacts.
- Additional time being required for freight journeys which results in additional cost of moving freight, which has flow-on impacts to the cost of living for New Zealanders as well as our international competitiveness.
 - Congestion causing uncertainty with delivery times and for time-sensitive movement of goods the impacts can be significant. For example, stock may not reach consumers when they need it.
 - Congestion causes more harmful vehicle emissions (particulate matter and nitrous oxides) which have adverse flow-on effects to public health. CO₂ emissions are also increased which have flow-on effects to the impacts on climate change.
 - Operating in congested traffic is more stressful for our members' drivers which is adverse to their mental health and wellbeing.
- 4.2 Transporting New Zealand believes that pricing mechanisms can be beneficial to reducing congestion and carbon emissions providing they are applied correctly and align with the fundamentals of good practice.
- 4.3 In February this year Transporting New Zealand demonstrated its commitment to helping the road freight industry play an active part in the global move to take climate change action with the formal launch of its Green Compact. This document outlines our commitment to responsible emissions reduction. Our Green Compact is adopted from the International Road Transport Union, meaning that we can utilise research and policy work from industry leaders across the world, and we have built on it.
- 4.4 Transporting New Zealand's Green Compact is based around 6 pillars and one of those pillars is Collective Mobility.



- 4.5 More specifically, in terms of congestion charging, Transporting New Zealand's Green Compact supports:
- investigating the potential to reduce the use of private cars while improving infrastructure for public transportation.
 - smart implementation of congestion charges favouring collective mobility over private cars.
- 4.6 The above demonstrates Transporting New Zealand's position that pricing mechanisms can be beneficial to reducing congestion and carbon emissions providing they are applied correctly and align with the fundamentals of good practice.
- 4.7 The fundamentals of good practice were recently well explained by transportation expert Sarah Kaufman, executive director and adjunct associate professor of urban planning at New York University's Rudin Centre for Transportation. During her keynote at the T-Tech conference in September in Wellington this year, Kaufman explained that congestion charging was a way to tackle "unnecessary driving" which was defined as people driving recreationally or people choosing not to take public transport as it was "inconvenient."
- 4.8 Transporting New Zealand's policy rationale of applying congestion charging to private cars and exempting trucks is completely aligned and justified by Kaufman's explanation of how congestion charging should be applied.
- 4.9 Kaufman's reference to "unnecessary driving" is critical. Transporting New Zealand believes the TCC understands the importance of road freight to the economy and the lives of the people in the region. The necessity of the services our industry provides were best demonstrated by Government classifying road freight as an "essential" service during Covid lockdown requirements.
- 4.10 The information provided by TCC refers that any future implementation would need to:
- provide a compelling value proposition for the pay as-you-go driver;
 - ensure there are viable and attractive travel alternatives viable for those who choose not to drive, especially public transport options.
- 4.11 Given TCC's position referred to in 4.10, and given that public transport options do not apply to commodities typically transported by road freight, Transporting New Zealand therefore understands that TCC is not including road freight vehicles in the scope of SmartTrip charging. This is consistent with good practice in congestion pricing as we refer in 4.7 to 4.9 above. Transporting New Zealand requests that TCC confirm that road freight vehicles are out of scope.
- 4.12 Even if road freight vehicles are out of scope of SmartTrip, Transporting New Zealand is concerned generally at the risk of roading authorities collapsing the two issues of revenue collection and congestion charging. Congestion charging is a specific means of revenue collection therefore while they are related, they are

fundamentally different, and that needs to be clearly understood recognised by policy setters at all local road authorities.

4.13 Transporting New Zealand conditionally supports Option 1 in part six of the LTP, namely that it investigates SmartTrip through a business case investigation. The conditions are:

- That the stakeholders involved in such a business case are extended wider than Waka Kotahi and Government, and include other major road user representatives such as Transporting New Zealand and the Automobile Association.
- The application and focus of any further congestion charging business case is clearly scoped to tackle “unnecessary driving” which is defined as people driving recreationally or people choosing not to take public transport as it was “inconvenient”.

4.14 Transporting New Zealand also recommends that in the event TCC undertakes more analysis into the feasibility and viability of congestion pricing then it should also:

- allow for accurate and high integrity traffic data monitoring both prior and post implementation to accurately assess the effectiveness of the change;
- consider a charging and payment system that is integrated and frictionless especially with other public transport payment systems;
- presuming it uses Automatic Number Plate Recognition and/or other digital analytics technology, the system should also be integrated with other enforcement aspects such as, but not limited to, seatbelt wearing, hand-held mobile phone use, warrant of fitness and registration compliance;
- assess and develop mitigation strategies to avoid the perverse outcomes that will occur if road users take alternative routes to avoid the priced routes;
- develop a transparent and rigorous framework that ring-fences the associated revenue raised and shows how that funding is reinvested to directly benefit road users, in a similar vein that current road network user revenue collected via Road User Charges and Fuel Excise Duty are hypothecated.

END