



**To**

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Transport and Infrastructure Committee  
Parliament Buildings  
Wellington

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## **Heart of the City Submission to Land Transport Management (Time of Use Charging) Amendment Bill**

### **1. Background**

Heart of the City (HOTC) is the business association for Auckland's city centre. We represent the interests of businesses and property owners. Our purpose is to champion a successful city centre, working for the economic benefit of city centre businesses.

HOTC has actively engaged with Auckland Transport and Auckland Council on the planning for an Auckland **Time of Use Charging (TOUC)** scheme. HOTC acknowledges the need for legislation to enable implementation of TOUC schemes and we support the Bill's purpose of a TOUC scheme (s65C) being "to improve traffic flow in order to improve network productivity".

At the same time, we consider that gaining a social licence for TOUC will require community acceptance that it is applied in a fair and reasonable way and that it will have demonstrable net benefits in terms of reducing travel times on heavily congested roads and providing additional funding for alternative mode options.

We stress the importance of ensuring local community involvement in decision-making and requirements for impact assessments and meaningful public engagement as essential steps to inform equitable implementation.

### **2. Key Recommendations**

- Independent Chair
- Representation from local community
- Consultation requirement under s18 of LTMA or s83 of LGA
- Dispute resolution mechanism
- Ongoing impact assessments

### 3. Overall Position

HOTC has concerns with certain aspects of the Bill relating to governance, revenue, mitigations, timing and trials, and the process for monitoring community impacts.

HOTC generally supports the recommendations in Auckland Council's draft submission on the Bill as approved at the Council's Transport, Resilience and Infrastructure Committee on 3 April 2025.

**Our support for the Council submission is confined to the recommendations pertaining to clauses in the Bill and should not be construed as endorsing any option for a TOUC scheme design that may be under consideration by Auckland Council and Auckland Transport.**

#### Key points:

- i) It is appropriate for local authorities to be a partner with equal voting rights as central government on the proposed joint governance scheme board. The board should have an independent chair and aim for consensus voting.
- ii) The council should have decision making rights over schemes that could impact the local transport network and should be able to request to the Minister that a scheme be changed or terminated.
- iii) Net revenue should be applied to primarily fund public transport improvements and be targeted to benefit those who are particularly impacted by a TOUC scheme.
- iv) Additional provision should be made for limited mitigations, such as fare caps or exemptions, to address any significant impacts on impacted groups, where this does not materially reduce scheme effectiveness.
- v) Scheduled public transport buses should be exempt from being charged.
- vi) There should be provision for scheme boards, with the approval of impacted local authorities and the Minister, to implement short-term trials (e.g. by location and pricing) ahead of confirming a scheme proposal.

### 4. Additional Recommendations

We are concerned that the Bill does not provide adequate safeguards to ensure informed decision-making and mitigation of adverse effects. We therefore make additional recommendations below regarding membership of a scheme board and the scope and process for assessing and monitoring impacts at the local level.

#### 4.1 Local Representation

HOTC believes that submitters should at least have the right to ensure that decision-makers understand the unique circumstances and challenges of the impacted community, and bring a diversity of perspectives and expertise to the decision-making table, which should lead to better informed and robust decisions.

It is not clear through the draft legislation if a scheme board's consultation process under s65E will be carried out as per s18 of the LTMA (as applies to regional land transport plans).

HOTC is seeking confirmation that a TOUC proposal will be subject to s18 of the LTMA (or as an alternative, s83 of the LGA). We consider it is appropriate that the scheme board be required to hold hearings for submitters.

In addition, the scheme board should be required to provide a forum for direct community participation as part of its consultation process. This could be in the form of an advisory panel or direct representation on a scheme board throughout the consultation phase of a scheme proposal. A small number of representatives or panel members would be drawn from the local community in which a TOUC scheme is proposed to be initiated, with the total number depending on the geographic extent of a proposed scheme. The final legislation should therefore provide decision-making principles for a scheme board to be formed with additional members or an advisory panel from the primary community or communities of interest expected to be impacted by a scheme.

#### **4.2 Dispute Resolution**

We consider the Bill does not provide any effective mechanism for challenging decisions of a scheme board before it proposes a scheme to the Minister for a final decision. Section 65F requires a scheme proposal to be accompanied by a report that summarises submissions made, any changes made as a result of consultation, and the impact assessment required under s 65Z(1). HOTC is concerned that if a board errs in its decision-making (e.g. in terms of how the consultation process is conducted or the weight given to material evidence put before it), there is no recourse other than seeking a judicial review or raising concerns directly to the Minister.

We suggest that the legislation should provide for submitters to be able to seek a review of the scheme board's decision, which could start with an internal review and proceed to a dispute resolution process if requested by the submitter. The dispute resolution process could be subject to the appointment of a commissioner by the Minister to hear any disputes, similar to how s65N provides for the Minister to appoint a scheme commissioner to assume the functions and powers of a non-responsive scheme board.

Providing for such a process would imply the need to set a fixed time period in the legislation for parties to be able to seek a review after the scheme board had made its initial decision and before it sends its final report to the Minister.

#### **4.3 Impact Assessments**

**HOTC recommends that Section 65T should specifically spell out a requirement for the Secretary to report on all matters listed in Section 65Z (2), or at a minimum, report on the actual impacts of a scheme compared to what was expected to occur in respect to Section 65Z sub-clauses.**

We note that s65Z requires scheme impact assessments to be prepared ex-ante (i.e. prior to proposing a scheme) but are concerned that it does not require any ex-post impact assessments.

**Refer s 65Z (2) The time of use charging scheme impact assessment must set out and explain the following:**

*(c) the expected impacts on key communities of interest including the economic, social, and cultural and environmental impacts:*

*(d) any measures in the proposal designed to address negative network and distributional impacts:*

Instead, the Bill relies on the Secretary of Transport to monitor and annually review all operative schemes (refer **s 65T Secretary must monitor and review time of use charging scheme**). HOTC agrees that the Secretary of Transport should be responsible for monitoring scheme impacts to identify both intended and unintended consequences. Local authorities are well placed to contribute to such monitoring and to work with key stakeholders to mitigate any significant negative impacts. However, the scope of the s65T assessment is narrower than the impact assessments required under s65Z.

**Refer s 65T (2) In monitoring and reviewing a time of use charging scheme, the Secretary must consider whether the scheme is—**

*(a) achieving the service level changes identified in the scheme proposal; and*

*(b) contributing to an effective, efficient, and safe land transport system in the public interest in accordance with the purposes of this subpart and this Act.*

A TOUC scheme will intentionally discourage or divert vehicle trips during peak travel periods, but economic, social, and cultural, and environmental impacts may not be adequately anticipated at the design stage prior to a scheme being introduced. We consider that the scope of s65Z (2) (c) is sufficiently broad to require consideration of the risk of a scheme causing distortionary effects on the location of residents, business and jobs. Over time a TOUC scheme could conceivably lead to spatial diversion impacts on economic production and consumption locations – e.g. if a significant number of offices, shops, and other activities shift location to avoid losing staff or customers. There may be other significant consequences of a TOUC scheme beyond impacts on the transport network which should nonetheless be monitored.

Our concern is that the narrow scope of s65T will mean that the Secretary's report will not provide a sufficient basis for monitoring and assessment of actual impacts compared to the impacts regarded as 'expected' in the s65Z impact assessment reports.

#### **4.4 Trial Schemes**

We would expect any provision for a trial scheme should also be subject to an impact assessment under s65Z, and if in place for a period of 12 months or more, to also be subject to review by the Secretary under Clause 65T.

-ENDS-

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