

1 July 2022

To Ministry of Transport
From The New Zealand Infrastructure Commission, Te Waihanga
Subject Submission on the Regulatory Systems (Transport) Amendment Bill

Te Waihanga welcomes the opportunity to submit on the Ministry of Transport's consultation on *the Regulatory Systems (Transport) Amendment Bill*. Our submission relates to *Proposal 2.1: Remove Road Controlling Authorities' restrictions on cost recovery for residents parking*.

Te Waihanga's purpose is to co-ordinate, develop, and promote an approach to infrastructure that improves the well-being of New Zealanders. [Hanganga o Aotearoa, the New Zealand Infrastructure Strategy 2022 – 2052](#) sets out the country's infrastructure challenges and how to address them.

The principles and recommendations outlined in the *Strategy* underpin our view of the reforms that are needed in the transport sector. The *Strategy* recommends the use of demand management in the transport sector to resolve congestion issues, contribute to emissions reductions, and avoid the need for costly infrastructure investments.

Question 1: Which of the proposed options do you think offer the best solution? Why?

We believe that *Option 2 (remove the cost recovery restriction in the LTA)* offers the best solution because it would enable Road Controlling Authorities to:

- effectively manage demand through pricing when parking demand exceeds the supply of parking spaces (in alignment with the decision-making hierarchy outlined in *the Strategy*),
- avoid having to find ways of increasing the supply of parking, for example by constructing car parking buildings, or requiring car parking as part of a resource consent for building (in alignment with the *Recommendation 4 of the Strategy*),
- charge a price for a parking that is reflective of the externalised costs of parking (e.g., the cost of using land for parking vs other community purposes) (in alignment with the infrastructure funding and financing principles outlined in *the Strategy*), and
- more easily deliver transport improvements, such as cycleways and mass transit, by giving Road Controlling Authorities the means to manage demand when parking supply is reduced (in alignment with the *Recommendation 4 of the Strategy*).

Furthermore, we believe that there would be few, if any, disbenefits to Option 2. In the absence of explicit restrictions on fees, Councils would still be required to give consideration to community views and preferences, assess all reasonably practical options in terms of their advantages and disadvantages, and follow its significance and engagement policy when making decisions (Sections 76, 77, and 78 of the Local Government Act).

Question 2: Which of the proposed options do you think would not offer a good solution? Why?

We believe that *Option 3 (remove the cost recovery restriction and replace it with reasonable costs)* does not offer a good solution because:

- it would unnecessarily limit the ability of road controlling authorities to effectively manage demand within their networks,
- It is not in alignment with *Recommendation 4 of the Strategy*, which recommends 'a full consideration of non-built solutions and decarbonising existing infrastructure in all business cases'.
- the definition of 'reasonable costs' is unclear and may lead to inconsistent application across Councils, and
- it may limit the ability of Road Controlling Authorities to meet their emissions reductions targets¹.

Furthermore, the consultation does not present a case for why *Option 3* is preferred over *Option 2*. Presumably, *Option 3* is preferred because the existing controls in the Local Government Act (2002) are deemed to be inadequate, and there is a fear Road Controlling Authorities may charge unreasonable costs. If so, analysis should be presented to demonstrate this case, and show that the benefits would outweigh the substantial disbenefits associated with this option.

Thank you for the opportunity to make a submission on *the Regulatory Systems (Transport) Amendment Bill*. We are happy to discuss the contents of this submission further with the Ministry of Transport, if required.

¹ Several studies have found that the price and availability of residential on-street parking has a substantial impact on car ownership and car use; one study even found that residential on-street parking availability had a larger impact on travel patterns than mass transit. This suggests that pricing of residential parking can significantly contribute to achieving carbon reduction goals in the transport sector.

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