

OC250172

25 March 2025



I refer to your email dated 3 March 2025, requesting the following under the Official Information Act 1982 (the Act):

“the most recent Briefing to the Incoming Minister of Transport.”

There are two briefings in scope of your request. One is released with some information withheld or refused and one is refused.

The document schedule at Annex 1 details how the briefings have been treated. The following sections of the Act have been used:

- 9(2)(a) to protect the privacy of natural persons
- 18(c)(ii) the information requested would constitute contempt of court or of the House of Representatives
- 18(d) the information requested is or will soon be publicly available

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website www.ombudsman.parliament.nz

The Ministry publishes our Official Information Act responses, and the information contained in our reply to you may be published on the Ministry's website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Hilary Penman
Manager, Ministerial and Executive Services

Annex 1 - Document Schedule

Doc#	Reference	Document	Decision on release
1	OC250044	Briefing to the Incoming Minister January 2025	Refused under section 18(d). When published, the briefing will be available here: https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/SearchForm
2	OC250045	Tier Two Briefing to the Incoming Minister of Transport – Time of Use Charging	Released with some information withheld under section 9(2)(a) and refused under section 18(c)(ii).



12 February 2025

OC250045

Hon Chris Bishop

Action required by:

Minister of Transport

Monday, 17 February 2025

TIER TWO BRIEFING TO THE INCOMING MINISTER OF TRANSPORT – TIME OF USE CHARGING

Purpose

To brief you on the status of the time of use charging work and advise on the next steps with the *Land Transport Management (Time of Use Charging) Amendment Bill*.

Key points

- Time of use charging works by introducing a charge to travel on certain parts of the road network at congested times, encouraging people to change the time or mode of their travel. It is used in a handful of cities around the world, including London, Stockholm and Singapore.
- Currently, there is no effective framework to establish time of use charges on the road network in New Zealand. Work done in Auckland and a subsequent Select Committee inquiry showed that it would be beneficial in New Zealand's large urban areas.
- The *Land Transport Management (Time of Use Charging) Amendment Bill* (the Bill) establishes an enabling framework for time of use charging and was introduced to the House in December last year. The Bill gives effect to Cabinet's policy approval for time of use charging legislation in July 2024 (CAB-24-MIN-0072). Cabinet agreed that the Government propose to enact the Bill by the end of 2025 (CAB-24-MIN-0492).
- You have indicated the Bill will have its first reading early this year and will be referred to the Transport and Infrastructure Committee thereafter. We have attached a draft first reading speech, based on a similar speech that we prepared for Minister Brown late last year.

Recommendations

We recommend you:

- 1 provide feedback on the first reading speech notes attached to this briefing Yes/No



Daniel Cruden
Acting Manager, Revenue

12 / 2 / 25

Hon Chris Bishop
Minister of Transport

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Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Daniel Cruden, Acting Manager, Revenue	s 9(2)(a)	✓
James McDevitt, Senior Adviser, Revenue		

TIER TWO BRIEFING TO THE INCOMING MINISTER OF TRANSPORT – TIME OF USE CHARGING

Time of use charges are used in several cities around the world to manage road network demand

- 1 Charging people to drive on certain parts of the network at peak times has been shown to improve network efficiency and reduce congestion. People are encouraged to change the time or mode of their travel to avoid paying the charge.
- 2 Various cities around the world are using this approach, including London, Singapore and Stockholm. Most recently, New York City also instituted a scheme that went live in January 2025.
- 3 Scheme design and charges vary widely depending on the location, but the evidence suggests they have generally been successful where they are used to manage network demand where congestion is significant, rather than being used for revenue-raising purposes.

Work to date has demonstrated that time of use charging could be beneficial in New Zealand

- 4 The Congestion Question project investigated the potential effects of time of use charging in Auckland. This project brought together central government and Auckland Council agencies to investigate the potential for congestion pricing in Auckland. The study found that introducing a charge on all state highways and other major arterial roads could improve traffic flow to levels similar to those seen in the school holidays.¹
- 5 Following The Congestion Question project report the Transport and Infrastructure Committee conducted an inquiry into an Auckland scheme. The Committee report unanimously recommended that legislation be introduced to enable a demand-based charge on the road network.
- 6 Despite the focus of both The Congestion Question and the subsequent Committee inquiry on time of use charging in Auckland, the Committee recommended that the Government progress legislation that enabled time of use charging nationally as other high-growth urban areas may benefit from the policy.

Legislative change is required, and a bill was introduced to the House last year

- 7 The *Land Transport Management (Time of Use Charging) Amendment Bill* (the Bill) establishes an enabling framework to introduce time of use charging on the road network. The Bill adds a new subpart to the *Land Transport Management Act 2003* (the LTMA) to:
 - 7.1 introduce a framework to enable time-of-use charging to improve traffic flow to improve network productivity;

¹ <https://www.transport.govt.nz/assets/Uploads/Report/TheCongestionQuestionsTechnicalReport.pdf>

- 7.2 outline processes for local authorities (with the New Zealand Transport Agency (NZTA)) to propose and implement schemes, ensures public consultation and impact assessments, and establishes roles for governance, monitoring, and reporting; and
- 7.3 establish mechanisms for adjusting charges, managing scheme operations, safeguarding fairness, and reinvesting revenues into local transport improvements.

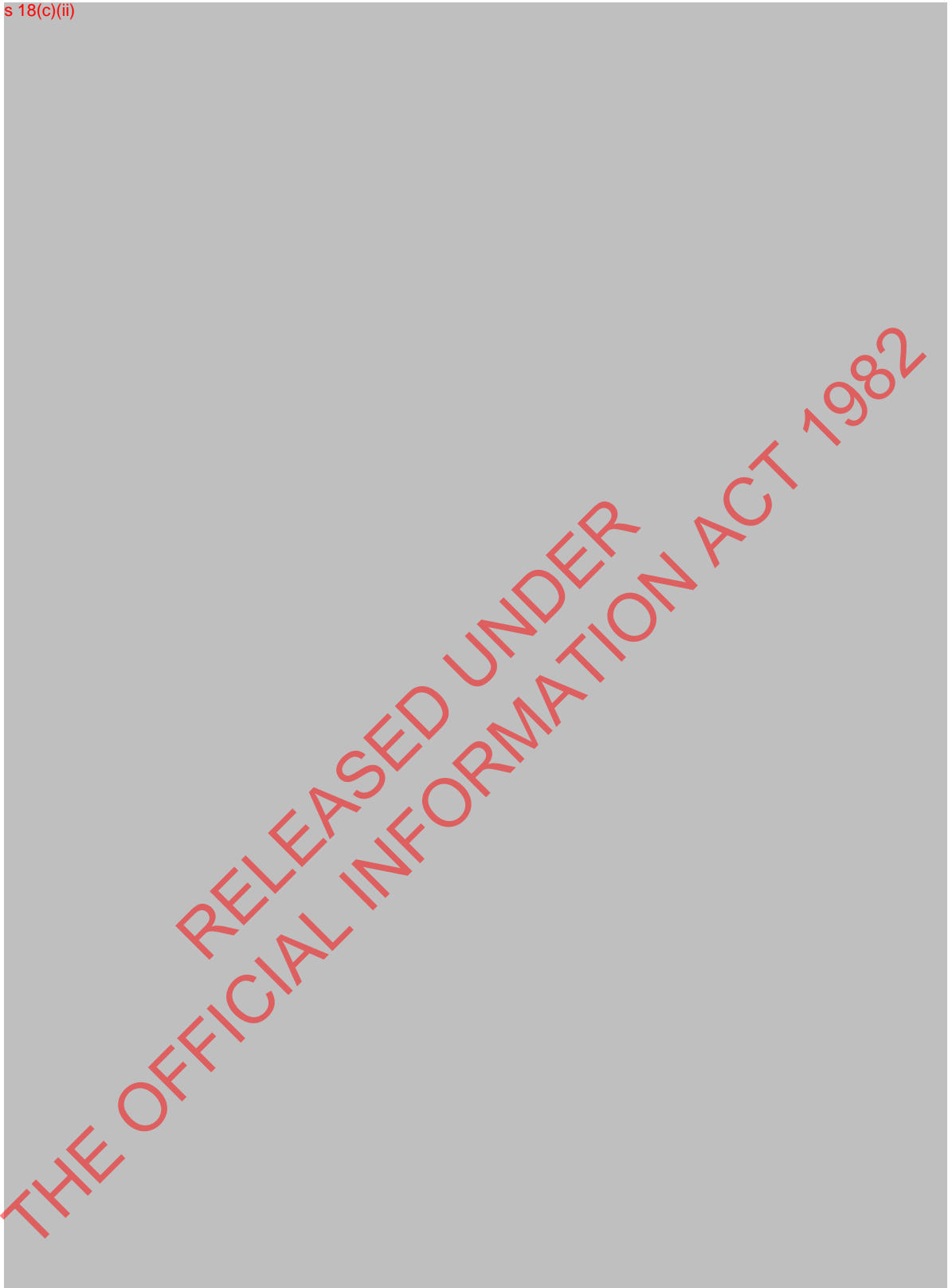
The Bill also amends the *Land Transport Act 1998* to make the non-payment of time of use charges a moving vehicle offence.

- 8 The Bill gives effect to Cabinet's policy approval for time of use charging legislation in July 2024 (CAB-24-MIN-0072). It enables local authorities to propose time of use charging schemes that work for their local area. It does not automatically introduce a scheme in any city. Cabinet approved the draft Bill for introduction into the House on 9 December 2024 and agreed to propose enactment by the end of 2025.
- 9 You have indicated that you will seek to give the Bill its first reading in the next few weeks. Attached to this briefing are draft first reading speech notes we prepared for Minister Brown, and we are available to adapt these for your preferences

10 s 18(c)(ii)



s 18(c)(ii)



- 11 If you wish to request the Committee focus on a particular topic, we can prepare a letter for you to send to the Chair of the Committee or we can include a section in our initial briefing to the Committee that outlines your expectations or topic areas that you want to highlight to the Committee. The Committee may also invite you to a hearing on the Bill.

² Community Panel on Time of Use Charging in Auckland: Report on the deliberative process and outcomes. May 2024

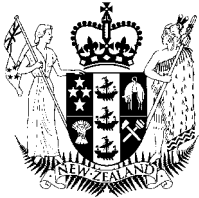
Next steps

- 12 Auckland Council is scheduled to release a report containing financial estimates of the cost of congestion in Auckland to coincide with the Bill's first reading. It is likely this will increase attention on the Government's work to implement time of use charging. We can work with your office to prepare for potential media requests.
- 13 Below is an indicative timeline of the key events and decision points for the legislative programme, based on first reading occurring this month. We are available to discuss time of use charging and the associated work programme.

2025	House and legislative stage
February	First reading and referral to select committee Portal for public submissions opens (6 weeks)
March	Ministry Officials provide an initial briefing to the Committee Portal for public submissions closes
April	Oral submissions
May	Ministry Officials present the departmental report to the Committee
June-Aug	Committee consideration – revised tracked versions of the Bill and Committee commentary prepared
Sept-Dec	Committee report back Second reading, Committee of the Whole House, and third reading Bill enacted

ANNEX 1 – FIRST READING DRAFT SPEAKING NOTES

House of Representatives: First reading speech: *Land Transport Management (Time of Use Charging) Amendment Bill*



First reading speaking points

Bill Title: *Land Transport Management (Time of Use Charging) Amendment Bill 2024*

Portfolio: Transport

Legislative statement:

- I present the legislative statement on the *Land Transport Management (Time of Use Charging) Amendment Bill*.

[The speaker will state that the legislative statement is published under the authority of the House and can be found on the Parliamentary website]

First reading speech:

Introductory remarks

- Mr Speaker, I move that the *Land Transport Management (Time of Use Charging) Amendment Bill* be now read a first time.
- I nominate the Transport and Infrastructure Committee to consider the Bill.

Background

- Congestion is a tax on time and productivity. It means we are away from home for longer, sitting in gridlock. It results in fewer jobs being done, fewer goods being moved, and delays to services.
- Faster, more reliable travel times will increase productivity, and lower costs for businesses and their customers. That is why we are enabling time of use schemes on our road network to be put in place.
- Today, I am pleased to present the *Land Transport Management (Time of Use Charging) Amendment Bill*, a vital step toward improving the performance of our transport networks through a nationally consistent yet locally adaptable framework.
- This piece of legislation represents a strategic response to some of the most pressing challenges in the transport network, including congestion and the demand for better transport solutions.
- Overseas, time of use and congestion charging have been implemented with varying degrees of success. These experiences have provided useful lessons for the policy design we have adopted - some of the key lessons include:
 - Schemes need to be **scalable** so there is an option to start small, build support, and expand where needed.
 - The purpose of the charge needs to be clear and the **performance against this purpose needs to be measured and monitored**.

- We have seen that the **overuse of exemptions can undermine the fairness** of schemes and erode public support.
- **Revenue needs to be reinvested** into the area paying the charge and used to improve mobility and transport in the area.
- **Charges need to be easily adjustable** and linked to network service levels.
- **Central and Local Government need to collaborate for schemes to be effective** - aligned in all aspects of the schemes from their operation to the subsequent revenue investment decisions.

Key features of the bill

- I'm proposing a set of legislative amendments to the *Land Transport Management Act 2003* and the *Land Transport Act 1998* designed to improve traffic flow and improve network productivity.
- The *Land Transport Management (Time of Use Charging) Amendment Bill* is enabling legislation – it creates a framework for time of use charging but does not actually put a scheme in place.

It takes a partnership approach

- At its core, the Bill adopts a partnership approach. It empowers local authorities to collaborate with the New Zealand Transport Agency (NZTA) in forming scheme boards tasked with proposing and developing time-of-use charging schemes.
- This approach ensures that decisions take full account of those closest to the challenges, fostering local ownership and tailored solutions.

- Neighbouring councils within the region are invited to participate, promoting regional collaboration and alignment.
- This is a significant step in creating a more connected and efficient transport network that works seamlessly across boundaries.

A network solution to a network problem

- Schemes are not about generating revenue from drivers.
- All net revenue from the schemes will be reinvested directly into transport projects in the region where the revenue is collected. This creates a self-sustaining cycle of continuous improvement, enhancing mobility and infrastructure over time.
- These funds will be additional—supplementing rather than replacing existing national and local transport funding. This ensures that the schemes genuinely contribute to making our transport systems better, without compromising other essential investments.
- Time of use schemes can even defer the need for network investment. By reducing peak demand and improving traffic flow successful schemes optimise the use of existing infrastructure.

We have prioritised a fair and transparent implementation to protect the social licence for schemes

- We have seen from overseas experience that public trust is crucial, and this Bill is designed to ensure fair and transparent implementation.

- All proposed schemes will undergo mandatory public consultation and detailed impact assessments. This guarantees that public input is considered from the outset, fostering accountability and community engagement.
- Once proposals are developed, they are submitted to the Government to assess the schemes to ensure they are robust, fair, and effective.
- Approved schemes are then implemented through an Order in Council, providing a clear and legally binding framework for their operation.

Flexibility with strong oversight is a key design feature of this Bill

- Schemes will be run by scheme boards – this model allows for central and local government to work collaboratively.
- Scheme boards are given the authority to manage and adapt their schemes over time, ensuring they remain effective in addressing evolving challenges.
- Within established limits, boards can adjust charges with a 28-day notice period, balancing the need for flexibility with the obligation to maintain transparency. Charging areas within a scheme area can also be adjusted with a 28-day notice period, after undergoing public consultation.
- Significant changes, such as altering the maximum charge limit or service levels, require further public consultation and impact assessments. This ensures that any adjustments continue to align with public interests and the broader goals of the scheme.

The Bill does not limit schemes to a specific type of technology

- The legislation is technology-neutral.
- In New Zealand, both central and local government have extensive experience with Automatic Number Plate Recognition (ANPR) for tolling and parking charges.
- Therefore, ANPR is probably the most likely approach in the short term but over time there may be opportunities to explore more sophisticated collection and operation technology.

We are proposing a gradual rollout with safeguards in place

- The Bill is set to commence 12 months after receiving Royal Assent, with an expected start date in late 2026.
- From that point, scheme boards can be established and begin their work on proposals.
- This timeline allows for careful preparation and implementation, ensuring the framework is robust from the outset.
- NZTA chairs all scheme boards and holds a casting vote to resolve deadlocks, ensuring alignment with national transport priorities.
- Scheme boards are also required to set traffic flow targets and report annually on their performance.
- The Secretary for Transport maintains an ongoing oversight role, regularly reporting to the Minister of Transport on scheme performance.

- Should issues arise, the Minister of Transport can intervene. These include directing charge adjustments, appointing a commissioner to oversee underperforming schemes, or even terminating schemes that fail to meet their objectives.
- Provisions are in place in the Bill to protect privacy and data security, ensuring public confidence in the system.

Closing remarks

- This Bill is informed by global best practices and insights from studies such as The Congestion Question.
- It emphasises informed public engagement and strong governance, key pillars of any successful transport initiative.
- By enabling local solutions within a nationally consistent framework, we are tackling network productivity head-on while enhancing economic productivity and quality of life for all New Zealanders.
- This Bill is not just about addressing immediate issues; it's about building a transport system fit for the future—one that supports our aspirations for a thriving, connected, and sustainable nation.
- This is a good Bill, and I am pleased to commend this to the House.