

OC250661

25 August 2025

s 9(2)(a)

Tēnā koe s 9(2)(a)

I refer to your email dated 21 July 2025, requesting the following briefings under the Official Information Act 1982 (the Act):

- *“Next Steps to Improve the EV Charging Co-Investment Model (MoT)*
- *Interim Advice on Revenue Tools (MoT)*
- *The New Zealand Transport Agency Draft 2025/26 Statement of Performance Expectations (MoT)*
- *Early direction on changes to the Time of Use Charging Bill (MoT)*
- *New Zealand's Road Safety Objectives (MoT)*
- *Aide Memoire: Public Transport - Roles, Objectives and Funding (MoT)*
- *Lower North Island Rail Integrated Mobility (LNIRIM) Procurement Update (MoT)*
- *Approach to Vehicle Regulatory System Overhaul (MoT)*
- *GPS 2024 Implementation Reporting (MoT)*
- *Updated Draft Cabinet Paper on RUC Transition (MoT)*
- *Anti-Social Road Use Bill: Drafting Update and Options Forward (MoT)*
- *Budget 25 Metropolitan Rail funding Arrangements (MoT)*
- *Updated Draft Cabinet Paper on RUC Transition (MoT)*
- *Amendments to the Land Transport (Alcohol Interlock Devices) Notice 2012 (MoT)*
- *Draft Output Plan 2025/26 (Minister Bishop) (MoT)*
- *Aide Memoire: Marsden Point Rail Link (MoT)*
- *Transitioning to road user charges: initial decisions (MoT)*
- *Seeking Direction on Driver Licensing Changes Post Consultation (MoT)”*

Of the 18 documents requested, one is released in full, twelve are released with some information withheld, three are withheld in full and two are refused.

The document schedule attached as Annex 1 outlines how these documents have been treated under the Act. Certain information is withheld or refused under the following sections of the Act:

- 9(2)(a) to protect the privacy of natural persons
- 9(2)(b)(ii) to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
- 9(2)(h) to maintain legal professional privilege
- 9(2)(i) to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
- 9(2)(j) to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
- 18(c)(ii) the making available of 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	Date	Title of Document	Decision on request
1	OC250207	9/05/2025	Next Steps to Improve the EV Charging Co-Investment Model	Refused under section 18(d). Once published, it will be found here: https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/results
2	OC250405	9/05/2025	Interim Advice on Revenue Tools	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
3	OC250406	13/05/2025	The New Zealand Transport Agency Draft 2025/26 Statement of Performance Expectations	Released with some information withheld under sections 9(2)(a) and 9(2)(g)(i). Attachment withheld in full under section 9(2)(g)(i).
4	OC250411	14/05/2025	Early direction on changes to the Time of Use Charging Bill	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv) and some information refused in part under section 18(c)(ii). Attachment refused under section 18(d). The 'Cabinet Business Committee - Minute of Decision - Land Transport Revenue Action Plan: Time of Use Charging' is available here (page 2): https://www.transport.govt.nz/assets/Uploads/Time-of-Use-Charging-Cabinet-Material-Proactive-Release.pdf In line with section 18(c) much of this briefing is currently under consideration by the Transport and Infrastructure Select Committee. Under the Standing Orders of the House of Representatives, the release of this information would constitute contempt of the House. The Ministry plans to proactively release this information once decisions have been made later this year.
5	N/A	19/05/2025	New Zealand's Road Safety Objectives	Released in full.
6	OC250430	19/05/2025	Aide Memoire: Public Transport - Roles, Objectives and Funding	Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).
7	OC250403	22/05/2025	Lower North Island Rail Integrated Mobility (LNIRIM) Procurement Update	Withheld in full under section 9(2)(i).
8	OC250452	28/05/2025	Approach to Vehicle Regulatory System Overhaul	Released with some information withheld under section 9(2)(a).
9	OC250466	29/05/2025	GPS 2024 Implementation Reporting	Released with some information withheld under sections 9(2)(a), 9(2)(f)(iv), 9(2)(g)(i) and 9(2)(j)
10	OC250462	03/06/2025	Next steps in Transitioning all Vehicles to RUC	Refused under section 18(d).

Doc #	Reference	Date	Title of Document	Decision on request
				<p>The document you have requested is a draft Cabinet paper; however, the final version of this paper has been released at the following address:</p> <p>https://www.transport.govt.nz/assets/Uploads/Transitioning-to-Road-User-Charges_-_Initial-Decisions_Redacted.pdf</p> <p>The Ministry believes this approach satisfies the public interest for the information.</p>
11	OC250476 / BR/25/45	04/06/2025	Anti-Social Road Use Bill: Drafting Updated and Options Forward	Withheld in full under section 9(2)(f)(iv).
12	OC250354	04/06/2025	Budget 25 Metropolitan Rail funding Arrangements	<p>Refused under section 18(d).</p> <p>Once released the document will be available at the following address:</p> <p>https://www.transport.govt.nz/about-us/what-we-do/proactive-releases/results</p>
13	OC250534	12/06/2025	Updated Draft Cabinet Paper on RUC Transition	<p>Released with some information withheld under sections 9(2)(a) and 9(2)(f)(iv).</p> <p>Attachment refused under section 18(d).</p> <p>The attachment to this briefing is a draft Cabinet paper; however, the final version of this paper has been released at the following address:</p> <p>https://www.transport.govt.nz/assets/Uploads/Transitioning-to-Road-User-Charges_-_Initial-Decisions_Redacted.pdf</p> <p>The Ministry believes this approach satisfies the public interest for the information.</p>
14	OC250408	16/06/2025	Amendments to the Land Transport (Alcohol Interlock Devices) Notice 2012	<p>Released with some information withheld under section under 9(2)(a).</p> <p>The attachment has been refused under section 18(d) and is available here:</p> <p>https://www.legislation.govt.nz/regulation/public/2025/0142/8.0/whole.html#d20668402e129</p>
15	OC250508	18/06/2025	Draft Output Plan 2025/26 (Minister Bishop)	Released with some information withheld under sections 9(2)(a), 9(2)(f)(iv) and 9(2)(h).
16	OC250548	18/06/2025	Aide Memoire: Marsden Point Rail Link	Withheld in full under section 9(2)(g)(i).
17	OC250462	23/06/2025	Transitioning to Road User Charges: Initial Decisions	Released with some information withheld under sections 9(2)(b)(ii) and 9(2)(f)(iv).
18	OC250480	25/06/2025	Seeking Direction on Driver Licensing Changes Post Consultation	Released with some information withheld under section 9(2)(f)(iv).

IN CONFIDENCE



9 May 2025

OC250405

Hon Chris Bishop

Action required by:

Minister of Transport

Monday, 19 May 2025

INTERIM ADVICE ON REVENUE TOOLS

Purpose

Seeks your feedback on which of the existing and potential revenue tools available to fund transport investment you would like further advice on.

Key points

- The right package of revenue and demand management tools should achieve the following objectives:
 - **Efficient:** Tools should maximise net revenue and improve network efficiency at least cost.
 - **Fair and transparent:** People should understand how prices are set, and should pay in proportion to the benefits they receive and the costs they create.
 - **Easy to engage with:** It should be as easy as possible for people to pay and comply.
- This briefing provides a rapid assessment of revenue tools against these objectives, as well as their revenue potential.

s 9(2)(f)(iv)



IN CONFIDENCE

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- In the time available we have not been able to bring together a picture of how the expenditure funded from the National Land Transport Fund (NLTF) has changed over time, but that will be available next week.

Recommendations

We recommend you:

- 1 **provide feedback** on areas you would like to receive further advice on, and which areas you would explicitly rule out at this time. Yes / No

Paul

Paul O'Connell
Deputy Chief Executive, Sector Strategy

9 May 2025

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

- ☐ Approved
 ☐ Declined
☐ Seen by Minister
 ☐ Not seen by Minister
☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓

ANNEX ONE – Summary of existing revenue tools

	Meets objective		Mostly meets		Partially meets		Does not meet	N/A	Criteria not applicable
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	Revenue tool	Indicative revenue potential	Efficient	Fair and transparent	Easy to engage with
User charges	Fuel excise duty (FED)	\$\$\$	100% compliance, very low collection and implementation costs.	Mixed – is based on average fuel consumption levels. Some users pay much more than others despite driving the same distance. Incentivises drivers to buy fuel efficient vehicles.	Built into the cost of fuel. No compliance burden on individuals.
	Road user charges (RUC)	\$\$\$	Compliance and implementation costs are reasonable but not as good as FED.	Users pay based on distance travelled, but not where and why they travel. Prices in the current system are not fully cost-reflective but they could be made more so.	Currently requires people to take active steps to meet their obligations (although this can be somewhat mitigated with improvements).
	Public transport fares	\$	Some lost revenue through non-compliance and different transaction costs.	Transparency around rates (e.g. zone systems, on vs off-peak). Subsidies mean people do not fully pay in proportion to the benefits they receive and the costs they create.	Requires some manual engagement with the system (e.g. topping up payment cards).
	Annual vehicle licensing	\$\$	Some lost revenue through non-compliance. Some ongoing administration costs (e.g. over the counter sales, postage for manual label).	Charges are not proportionate to actual use of the land transport system.	Requires people to take active steps to meet their obligations.
	Tolling (NZTA-run)	\$	Relatively high proportion of revenue is currently spent on administration.	People pay to use a higher quality road than alternative routes. However, prices only partially reflect costs to system.	Requires some manual engagement with the system (especially for casual users).
	Time-of-use charging	\$	Improving network efficiency is a clear purpose of any scheme established under the Bill. Administrative efficiency will depend on scheme design but will use same back-office as tolling, and may require high upfront costs.	Users pay based on when and where they travel. However, depending on design, the prices may not be fully cost-reflective.	Requires some manual engagement with the system (especially for casual users).
	Parking fees and fines	\$	Some lost revenue through non-compliance. Requires manual enforcement.	Prices are reasonably transparent but not typically cost-reflective.	Requires some manual engagement with the system (i.e. paying at meter).
Beneficiary pays	Development levies and targeted rates	\$	Implementation costs could be relatively low.	Depends on design. Targeted to the people that benefit. Prices can be reasonably transparent but aren't necessarily cost-reflective.	Likely to be built into existing rates bills.
Taxation	Council contributions (via local rates)	\$\$	High compliance and low collection costs.	People do not pay based on use or fully in proportionate to the benefits they receive. However, given rating is based on property value this can capture some realised benefits.	Sourced from existing rates payments.
	Crown grants (via general taxation)	\$\$	High compliance and low collection costs.	People do not pay based on use or in proportion to the benefits they receive or costs they impose.	Sourced from existing tax mechanisms.
Other	Toll road concessions (one-off revenue rather than ongoing)	\$\$	Implementation costs are largely limited to the costs of the transaction/contracting process. However, this process may be complex and the cost may be significant depending on the complexity and nature of the transaction.	People pay to use a higher quality road than alternative routes. However, prices only partially reflect costs to system.	Requires some manual engagement with the system (especially for casual users) but private providers may have greater incentives to enhance user-friendliness of the toll roads they operate.

s 9(2)(f)(iv)

	Revenue tool	Indicative revenue potential	Efficient	Fair and transparent	Easy to engage with
	Sale of NZTA-owned land (one-off cash inflow rather than ongoing revenue)	\$	Legal complexities.	N/A	N/A
	Advertising and/or naming/sponsorship rights	\$	Implementation costs are largely limited to costs of contract management.	Companies will be willing to pay for advertising and/or sponsorship rights in proportion to the benefits they receive.	N/A

s 9(2)(f)(iv)

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OFFICIAL INFORMATION ACT 1982

ANNEX TWO – Summary of potential other revenue tools

s 9(2)(f)(iv)

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982



13 May 2025

OC250406

Hon Chris Bishop

Action required by:

Minister of Transport

Tuesday, 20 May 2025

cc Hon James Meager

Associate Minister of Transport

THE NEW ZEALAND TRANSPORT AGENCY DRAFT 2025/26 STATEMENT OF PERFORMANCE EXPECTATIONS

Purpose

This briefing provides advice and suggested feedback on the New Zealand Transport Agency's (NZTA's) draft Statement of Performance Expectations (SPE) for 2025/26.

Key points

- The draft SPE provides you with an important opportunity to influence the future direction and performance of NZTA.
- While the primary focus of this briefing is the SPE, it refers to a number of issues which are more relevant to NZTA's Statement of Intent (SOI). NZTA is due to provide you with a draft SOI by 1 October 2025, so now is a good opportunity to signal your expectations in relation to this strategic accountability document.
- NZTA has yet to adequately align its performance measures with the Government's strategic land transport priorities, as specified in GPS 2024. This issue is being addressed as part of the SOI process. NZTA also needs to improve its alignment with the Government's investment management and regulatory expectations, as part of the SOI process.
- The draft SPE includes reference to a number of strategic measures and targets. Some of these targets signal improved performance over time, but many do not. The draft feedback provided as part of this briefing encourages the Board to review the targets to ensure adequate performance 'stretch'.
- The Board has responded to your expectation for improved cost effectiveness by initiating another value-for-money review on head office costs. NZTA is expected to provide you with a briefing on this review shortly.

s 9(2)(g)(i)

Recommendations

We recommend you:

- 1 **note** that you are required to provide feedback (if any) on NZTA's draft Statement of Performance Expectations by 21 May 2025, to comply with the Crown Entities Act 2004
- 2 **agree** to sign the attached letter to the NZTA Chair (subject to any changes you wish to make) which provides feedback on the draft Statement of Performance Expectations.

Yes / No



Liz Anderson
Manager, Crown Entity Monitoring
13 / 05 / 2025

Hon Chris Bishop
Minister of Transport
..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Liz Anderson, Manager, Crown Entity Monitoring	s 9(2)(a)	✓
Chris Jones, Principal Adviser, Crown Entity Monitoring		

THE NEW ZEALAND TRANSPORT AGENCY DRAFT 2025/26 STATEMENT OF PERFORMANCE EXPECTATIONS

Background

SPEs provide an important opportunity for you to influence the future direction and performance of Crown entities you have responsibility for

- 1 The Crown Entities Act 2004 (the Act) specifies the purpose, process, timing and responsibilities associated with the SPE. The SPE enables you - as responsible Minister - to participate in the process of setting NZTA's performance expectations for 2025/26, inform Parliament of these expectations and provide a base against which NZTA's actual performance can be assessed at the end of the financial year.
- 2 NZTA submitted its draft 2025/26 SPE on 30 April 2025. If you wish to provide feedback, the Act requires you to do so within 15 working days of receipt, i.e., by 21 May 2025. NZTA must take any feedback into account before finalising the SPE by 30 June 2025.

Alignment

The Ministry has reservations about the alignment of NZTA's draft SPE with the GPS and Government expectations

- 3 It's important that NZTA's draft 2025/26 SPE is aligned to the Government's expectations and strategic priorities. The Ministry has assessed the alignment of the draft SPE against a number of key documents, including:
 - 3.1 the Government Policy Statement on Land Transport (GPS) 2024
 - 3.2 NZTA's 2025/26 letter of expectations (LOE)
 - 3.3 Enduring letter of expectations to all Statutory Crown Entities.
- 4 The draft SPE should also be aligned with NZTA's Statement of Intent (a more strategic statutory accountability document). Ideally, there should be a clear 'line of sight' between NZTA's draft 2025/26 SPE, its 2024-28 SOI and GPS 2024.
- 5 Unfortunately, due to the timing of NZTA's 2024-28 SOI, it was unable to adequately align its system outcomes with the four strategic priorities included in GPS 2024. For this reason, the previous Minister of Transport asked NZTA to amend its SOI before the end of 2025 - NZTA is due to submit a draft by 1 October 2025 for comment. Once NZTA has amended its SOI (including related strategic priorities and outcome measures), it may need to amend its short-term output measures and therefore its 2025/26 SPE.
- 6 NZTA's LOE focussed on three specific issues for 2025/26:
 - 6.1 Investment maturity
 - 6.2 Regulatory stewardship
 - 6.3 Value for money.

Investment maturity

- 7 Cabinet Office circular CO (23) 9 outlines an expectation that “Agencies must demonstrate a level of asset management practice and performance that is appropriate to the scale of assets under their management and the criticality of those assets to the delivery of key public services”¹.
- 8 s 9(2)(g)(i) [REDACTED]
- NZTA’s improvement programme is focused on implementing the recommendations made in the Transport Infrastructure Capital Projects (TICP) review and delivering the 2024 State Highway Asset Management Plan (SHAMP).
- 9 The TICP Improvement Plan coordinates existing and new initiatives to improve NZTA’s performance in infrastructure capital delivery. The Plan is designed to achieve significant improvements to NZTA’s capital project delivery function by the end of 2025. The Board (and Ministry on your behalf) will maintain oversight of the Plan’s progress and effectiveness.
- 10 The 2024 SHAMP outlines a work programme to address road pavement and surface condition issues over 10 years, and drainage issues over 15 years. The SHAMP forms part of NZTA’s broader asset management system, including the State Highway Asset Strategy, which outlines how NZTA will improve its state highway investments to 2034. The Strategy addresses the strategic priorities outlined in GPS 2024 and references Cabinet Office circular CO (23) 9.
- 11 GPS 2024 outlines a number of Ministerial expectations, including achieving long-term maintenance outcomes of:
- 11.1 Two percent rehabilitation of the state highway network each year
- 11.2 Nine percent resurfacing of the state highway network each year.
- 12 The draft SPE signals a gradual improvement in the quality of the state highway network over time, but it will take a number of years to reach both targets. NZTA advises that the focus over the next few years is to increase pavement rehabilitation, but that it will take longer to reach the two percent target because of the costs involved and the lower starting point². NZTA expects to reach the 9% resurfacing target by 2026/27, whereas the 2% rehabilitation target might not be reached until 2029/30.
- 13 NZTA acknowledges that it can improve its asset management performance story, but the most appropriate vehicle to address this is the SOI. The Ministry agrees.

Regulatory stewardship

- 14 The draft SPE notes that NZTA will “...continue to implement and monitor our progress on Tū aka, Tū māia (Regulatory Strategy 2023-32), including... measuring our regulatory maturity and the impact of our activity on the land transport system.” However, the draft SPE doesn’t

¹ With reference to paragraph 32 of [Cabinet Office circular CO \(23\) 9: Investment Management and Asset Performance](#)

² The average 2023/24 cost per lane kilometre for road rehabilitation was \$612,000, nearly ten times road resurfacing costs. The 2% target is estimated to cost at least \$300 million per annum (in 2023/24 prices).

include any measures, targets or specific actions which clearly demonstrate an improvement in NZTA's regulatory maturity or impact.

- 15 The Office of the Auditor-General has expressed reservations about NZTA's regulatory measures in the past, including:

15.1 A 2023 report on transport sector outcome reporting which found that "The current suite of measures presents some useful information on how Waka Kotahi delivers its regulatory functions. However, they do not present a clear view on how Waka Kotahi has improved its performance or the effectiveness of its regulatory functions."³

15.2 A 2025 report on regulating safety inspections, which recommended that NZTA develop its data and analytics capability to better measure the impact of its work and to "regularly publish information about the impact of its regulation of vehicle inspectors and inspecting organisations..."⁴

- 16 Whilst acknowledging that regulatory impacts and measures are more appropriately dealt with as part of the SOI, the draft feedback letter provides an opportunity for you to express your interest in seeing NZTA address the OAG's recent findings – and encourage NZTA to deliver on its own commitments - as part of the draft SOI due later this year.

Value for money

- 17 The LOE reiterates an expectation that the Board focus on improving NZTA's productivity and cost effectiveness and in particular to "...achieve another reduction in NZTA's operating (or head office) expenditure during 2025/26."
- 18 The Board has responded to this expectation by signalling a new effectiveness and efficiency review for 2025/26⁵. NZTA is still confirming the scope and timing of this review, so not a lot of information is currently available, but it has committed to providing you with a briefing soon. The Ministry will ensure that you receive regular updates on progress on this review.
- 19 The Ministry will also maintain oversight of NZTA's response to the Transport Infrastructure Capital Projects (TICP) review, given its potential to deliver a significant uplift in performance which, in turn, should place downward pressure on project costs.

Delivery performance

The draft SPE provides a reasonable description of what NZTA will deliver in 2025/26 and how performance will be assessed

- 20 NZTA produces a wide range of products and services on behalf of the Government - these are grouped into "output classes". The draft SPE provides a brief description of each output class, and a summary of expected revenue & expenditure and performance measures for each output class.
- 21 NZTA has 17 output classes, nine of which are delivered directly by NZTA – the remaining eight are delivered in partnership with others. Five of the nine output classes delivered by

³ [Transport Sector: A case study of sector-level reporting](#)

⁴ [Regulating vehicle safety inspections](#)

⁵ Referred to as the 'MOVE' (Modern / Outcomes focused / Value for Money / Efficient) programme.

NZTA are regulatory outputs. The non-regulatory outputs align with the activity classes defined in GPS 2024.

- 22 The draft SPE includes 45 output measures, including a number of new measures. The changes represent an ongoing commitment by NZTA to improve the quality of its performance measures. However, the quality of individual measures varies significantly.
- 23 The biggest opportunity for improvement is in relation to NZTA's strategic measures, some of which are included in the draft SPE⁶. In addition, the multi-year targets presented in the draft SPE are largely non-aspirational as they don't signal improved performance over time.
- 24 In response to a question about why the majority of targets remain constant over time (and therefore appear non-aspirational), NZTA stated that the targets s 9(2)(g)(i)
- 25 The Ministry has a degree of sympathy for the Board's position given the significant constraints and challenges faced but also recognises the importance of ensuring that targets provide the right incentives for the Board to improve entity performance over time. This is primarily an issue for NZTA to address as part of its new SOI. This is reflected in the attached feedback letter.
- 26 Figure 1 compares budget and projected expenditure in 2024/25, and budget expenditure in 2025/26⁷, by output class. It highlights some significant variances between budget and projected output class expenditure in 2024/25 and higher-than-expected total spend of 6%.
- 27 While spend on state highway operations is below budget, state highway pothole prevention is tracking ahead of budget. Combined, the two output classes represent state highway maintenance expenditure, which is projected to equal budget in 2024/25. While projected rail and state highway improvement expenditure is significantly above budget, this is partly a timing issue and is expected to resolve itself over time.
- 28 There are some notable variations in 2025/26 budget expenditure (compared with projected expenditure in 2024/25), but these are largely due to higher- or lower-than-expected spend in 2024/25. NZTA advises that overall, its three-year budget and forecast expenditure is within the GPS 2024 range.
- 29 In addition to output classes, NZTA includes key milestones for significant capital projects (including RoNS and RoRS⁸) in its draft SPE. NZTA presents high-level milestones for each capital project over the three years to 2027/28. Not surprisingly, there are a number of gaps and caveats associated with these milestones, particularly related to RoNS.

⁶ Under "Strategic results and measures"

⁷ Excluding Budget 2025 decisions.

⁸ Roads of National Significance (RoNS) and Roads of Regional Significance (RoRS).

Figure 1: NZTA Output Class Expenditure (\$ million)

Output Class Expenditure (\$m)	2024/25			2025/26	
	Budget	Projected	Variance	Budget	Variance
State Highway Improvements	1,973	2,359	20%	2,293	-3%
State Highway Operations	1,089	1,002	-8%	1,023	2%
Public Transport Services	722	710	-2%	762	7%
State Highway Pothole Prevention	589	768	30%	700	-9%
Local Road Pothole Prevention	579	564	-3%	640	13%
Public Transport Infrastructure	618	592	-4%	619	5%
Safety	519	539	4%	574	6%
Local Road Operations	707	676	-4%	567	-16%
Rail Network	373	469	26%	339	-28%
Local Road Improvements	258	239	-7%	329	38%
Walking and Cycling Improvements	203	209	3%	117	-44%
Investment Management	87	68	-22%	83	22%
Regulatory Functions (various)	289	285	-1%	297	4%
Total	8,006	8,480	6%	8,343	-1%

Financial performance

s 9(2)(g)(i)

- 30 NZTA budgets a small surplus of \$10 million in 2025/26, following an estimated deficit of \$29 million in 2024/25 (before estimated state highway revaluations).
- 31 A growing proportion of NZTA's expenditure is funded by debt. Around 11% of NZTA's total 2025/26 expenditure will be funded by debt, which is expected to increase to \$4,400 million by 30 June 2026. This compares with just 4% debt-funded expenditure in 2021/22.
- 32 NZTA expects to draw-down half of its \$3,100 million GPS 2024 borrowing facility by 30 June 2026, leaving \$1,500 million to finance the final year of GPS 2024. NZTA's balance sheet remains modestly leveraged, however. Assuming that NZTA draws down the remainder of the GPS 2024 borrowing facility in 2026/27, NZTA's debt/equity ratio will increase by a maximum two percentage points to 8% by 30 June 2027.
- 33 NZTA's regulatory memo accounts have improved significantly over the past six months and are now expected to generate a surplus of \$26.5 million in the year to 30 June 2025, from total revenue of \$256 million. The draft SPE includes financial forecasts for 2025/26 – in total the memo accounts are expected to generate a surplus of \$23.6 million. NZTA is confident of repaying its regulatory debt of \$42.7 million on or before the due date of 2032.

34

s 9(2)(g)(i)

Risks

35

s 9(2)(g)(i)

36

37 NZTA is responding to these challenges and mitigating these risks in multiple ways, some of which are outlined in this briefing.

Next Steps

While the SPE must be finalised by 30 June 2025, you are able to request amendments at any time

38 NZTA submitted its draft SPE on 30 April 2025. The Act requires you to provide any feedback within 15 working days of receipt, i.e. by 21 May 2025.

39 Refer to **Annex One** for a draft letter to the Chair providing feedback on the draft SPE. NZTA *must* take your feedback into account before finalising the SPE by 30 June 2025.

40 NZTA must publish the SPE on its website as soon as practicable after providing a final version to you as responsible Minister. You must then table the final SPE. Tabling can occur at any time up to and including the Annual Report for the previous financial year.

41 If you're unhappy with the final SPE, you can direct NZTA to amend any provision under section 149J of the Crown Entities Act. Note that NZTA may need to amend its 2025/26 SPE once its SOI is finalised late 2025 or early 2026.

Attachment withheld in full under 9(2)(g)(i)



14 May 2025

OC250411

Hon Chris Bishop
Minister of Transport

Action required by:
Monday, 19 May 2025

EARLY DIRECTION ON CHANGES TO THE TIME OF USE CHARGING BILL

Purpose

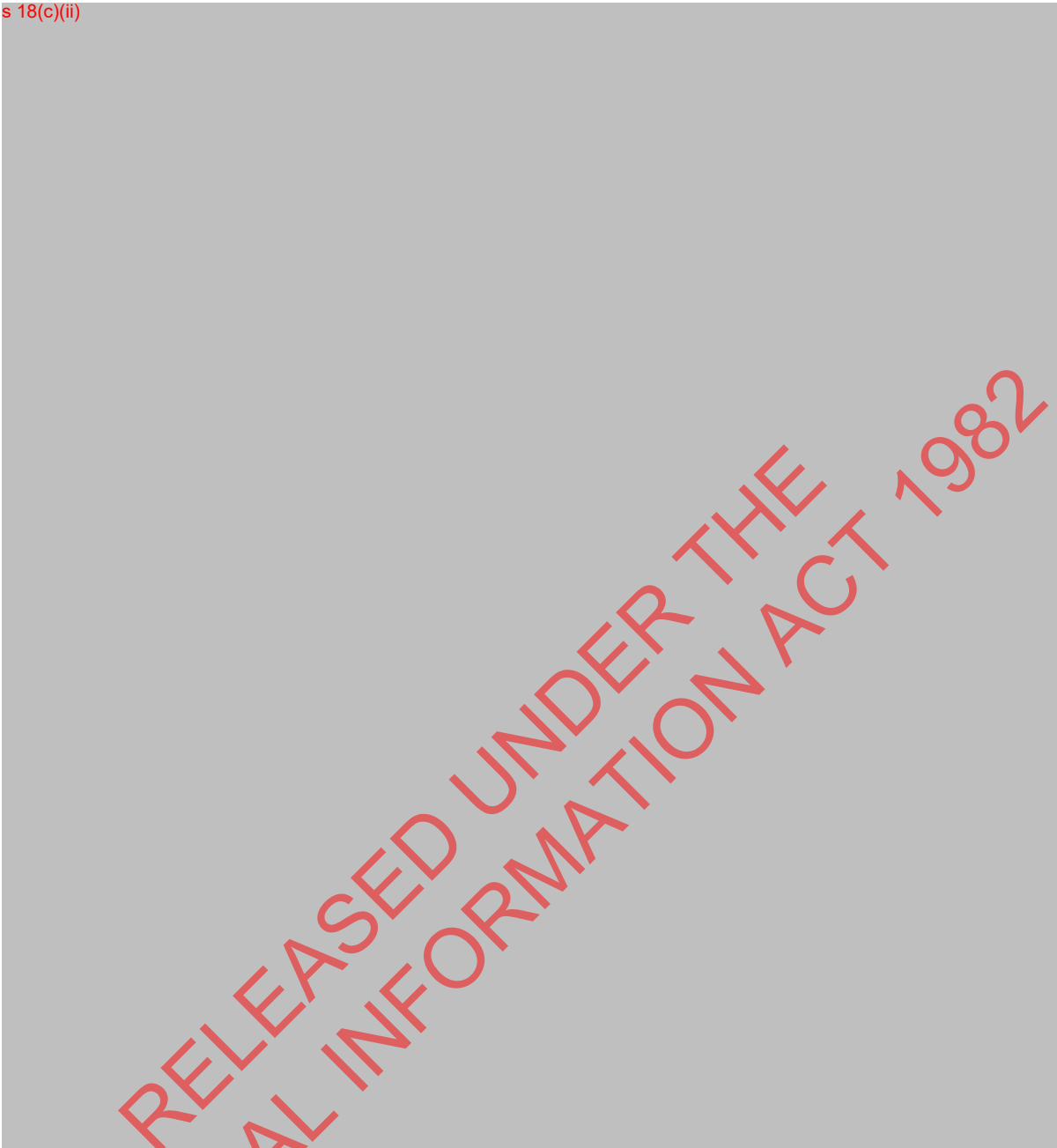
To seek your early direction on possible changes to the *Land Transport Management (Time of Use Charging) Amendment Bill* (the Bill).

Key points

- The Transport and Infrastructure Committee began hearing oral submissions on the Bill this week and expects to complete hearing submissions by 22 May 2025. Our Departmental Report is due with the Committee on 19 June 2025.
- To allow you time to engage Cabinet colleagues (if needed), we seek your early direction on several potential changes to the Bill. We will provide detailed advice about other changes to the Bill once we have completed submissions analysis.
- The Bill does not directly implement any charging scheme. Instead, it provides an enabling framework that allows local councils to propose a time of use charging scheme. It enables scheme boards led by the New Zealand Transport Agency (NZTA) to develop proposals, and for the Minister of Transport to assess and make decisions on proposals submitted and recommend enactment via Order in Council.

- s 9(2)(f)(iv)

• s 18(c)(ii)



- Annex 1 details the potential changes so you can indicate which ones you would like to receive further advice on. Should you decide on changes, the Ministry would likely need to prepare you a draft Cabinet paper because existing decisions may need to be changed. The timeframe is very tight to achieve Cabinet decisions before the Departmental Report is due. Annex 2 provides the CBC minute that formed the basis for the Bill's drafting instructions.

Recommendations

We recommend you:

1	indicate on Annex 1 which potential amendments to the Land Transport Management (Time of Use Charging) Amendment Bill you would like further advice on.	Yes/No
2	note, if you decide to pursue Bill amendments, Cabinet confirmation would likely be needed within a tight timeframe because the Departmental Report is due on 19 June 2025.	Yes/No



Paul O'Connell
Deputy Chief Executive, Sector Strategy
14/05/2025

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	
Daniel Cruden, Acting Manager Revenue		✓
John Edwards, Principal Advisor, Revenue		

ANNEX 1: POTENTIAL AMENDMENTS TO THE TIME OF USE CHARGING BILL

s 18(c)(ii)

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

ANNEX 2: CBC-24-MIN-0072

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

Attachment is refused under 18(d)

The 'Cabinet Business Committee - Minute of Decision - Land Transport Revenue Action Plan: Time of Use Charging' is available here (page 2):

<https://www.transport.govt.nz/assets/Uploads/Time-of-Use-Charging-Cabinet-Material-Proactive-Release.pdf>



MINISTRY OF TRANSPORT
TE MANATŪ WAKA

New Zealand's Road Safety Objectives

16/05/2025

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

Purpose

- **The Objectives build on the Government Policy Statement (GPS) on Land Transport, which guides expenditure from the National Land Transport Fund. A key focus of the GPS is to ensure cost-effective investment into the transport system.**
- The GPS strategic priorities include safety, value for money, economic growth and productivity, and increased maintenance and resilience.
- **The Objectives replace the Road to Zero strategy, building on the Government's priorities:**
 - Increased road policing and enforcement.
 - Investing in new and safe Roads of National Significance.

[The Government's approach

The Government's Road Safety Objectives are informed by the safe system approach.

The Four Road Safety Objectives are:

1. **Safer roads:** Lift the quality of our road infrastructure
2. **Safer drivers:** Ensure road users are alert, unimpaired and comply with the road rules
3. **Safer vehicles:** Improve the safety performance of our vehicle fleet
4. **Resetting speed:** A balanced and targeted approach to speed limits

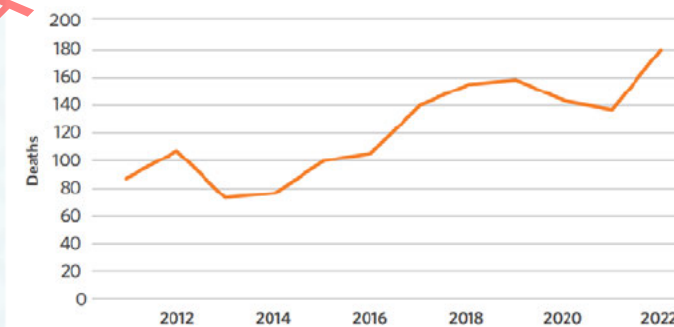
Safer roads

- **Investment in new roads built to high safety standards.**
- **Properly maintaining existing roads.**
- **Investing in proven, cost-effective safety enhancements to existing roads.**
- **Actions include:**
 - Investing in new Roads of National Significance and Roads of Regional Significance
 - Filling and preventing potholes
 - Rehabilitation and drainage maintenance
 - Investing in delivery/maintenance of targeted, cost-effective safety infrastructure improvements (including the NZTA value-for-money safety improvements programme)

Safer drivers

- Alcohol and drugs – when considered as one category – is the highest contributor to fatal crashes in New Zealand.
- Alcohol breath testing and drug testing are effective at saving lives.
- Investment towards road policing and enforcement is a priority, actioning:
 - Increase in road policing and enforcement
 - Implementation of roadside oral fluid testing to better detect and deter drug driving
 - Review of fines and penalties for traffic offences
 - Improving the graduated driver licensing system

Figure 3: Deaths in crashes involving driver alcohol or drugs



Source: Ministry of Transport

Other key areas include the education initiatives to support enforcement and encourage behavioural change.

Safer vehicles

35%

light vehicles have 1- or 2-star safety ratings,
involved in 46% of
crashes causing deaths or
serious injuries.

41%

light vehicles have 4- or 5-star
safety ratings,
involved in 27% of
crashes causing deaths or
serious injuries.

Improving access to safer vehicles (including heavy vehicles) involves:

- Reviewing the regulatory system to enable better management of safety performance
- Investigating the WoF and CoF systems to ensure they are fit for purpose
- Investigating new safety requirements for vehicles entering the fleet
- Continuing to raise public awareness about safety ratings



Resetting speed

7 in 10 New Zealanders agree that enforcing speed limits helps to reduce road deaths.

26% of people exceed speed limits on roads with a 100km/h limit.

The Government is taking a targeted approach to setting speed limits, considering safety, economic impacts (travel times) and community views.

Actions include:

- Implementing speed limit reversals on specified roads by 1 July 2025
- Implementing variable speed limits outside school gates by 1 July 2026
- Transferring existing speed camera functions from NZ Police to NZTA by June 2025

Ngā mihi
Thank you



Te Kāwanatanga o Aotearoa
New Zealand Government

**AIDE MEMOIRE**

19 May 2025

OC250430

Hon Chris Bishop
Minister of Transport

AIDE MEMOIRE: PUBLIC TRANSPORT – ROLES, OBJECTIVES AND FUNDING**Purpose**

- Advise you on how the public transport system in New Zealand works, and how you as Minister of Transport can use it to deliver on wider Government objectives, as you requested at the Transport Officials meeting on 11 March 2025.
- We welcome further discussion with you on the contents of this Aide Memoire.

What is public transport?

- 1 We think of the public transport system in New Zealand as consisting of bus, passenger rail, and small ferry services, along with cable car, on-demand services¹, and Total Mobility taxis. However, the legal definition in the Land Transport Management Act 2003 (LTMA) states public transport includes any passenger service which is available to the public generally for hire or reward, apart from air transport. This means that, for example, the Cook Strait ferries are technically part of the public transport system. We consider the narrower definition as services like the Cook Strait ferries have a much wider focus than passengers, and often the policy and regulatory functions sit elsewhere in the Ministry or wider government.
- 2 Most of the public transport system consists of services organised into groups of routes or modes known as “units”. These are planned and procured by a Public Transport Authority (PTA) which is a regional council with a public transport function, and Auckland Transport. Complete units are tendered out to the market to be operated by a commercial Public Transport Operator (PTO) under contract to the PTA. This ensures that the units are designed to meet public good outcomes, but also achieve commercial tension and efficiency from PTOs competing to operate the units.
- 3 There are also a small number of exempt (entirely commercially operated) services, with the Waiheke Island ferries, Wellington Cable Car, and InterCity buses being the main examples. Under the LTMA, central and local government cannot provide funding to exempt services,

¹ For example, MyWay in Timaru which uses small shuttle buses that users can book to travel point-to-point within a certain area rather than the buses travelling on a fixed route. On-demand services attempt to combine different users’ trips for efficiency.

except in the case of concessions (like SuperGold), or to small passenger operators for Total Mobility services.

- 4 Through the National Land Transport Plan (NLTP) 2024-2027, \$6.4 billion is planned to be invested across both public transport infrastructure (\$2.6 billion) and services (\$3.7 billion). Major investments in the current NLTP for improving public transport include \$658 million for the Eastern Busway and \$650 million for the Northwestern Busway in Auckland. Maintaining existing services costs the National Land Transport Fund (NLTF) around \$1.4 billion annually.
- 5 On top of the NLTP investment, the Crown is also directly funding the City Rail Link and Lower North Island Integrated Rail Mobility projects.
- 6 Figure 1 depicts how Auckland and Wellington dominate both the funding and usage of public transport. Given the majority of NLTF funding is for operating and maintaining existing services rather than for expansion, it makes sense to target funding where current usage is. It also means the overall success of national public transport initiatives depends on delivery in these two regions.

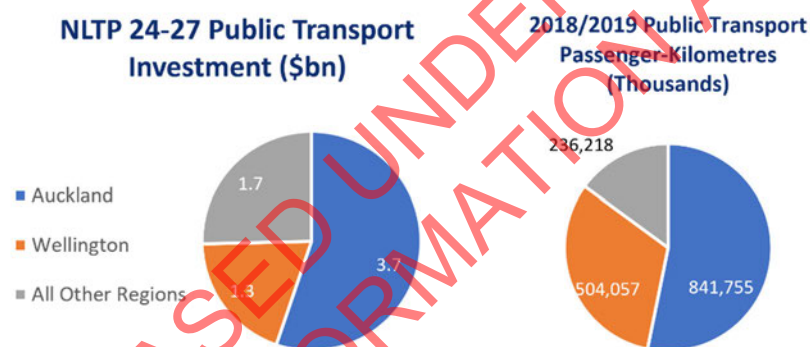


Figure 1 - Depiction of how the public transport system is focused on Auckland and Wellington

- 7 The most recent fundamental reform to the public transport system was the Public Transport Operating Model (PTOM) introduced in stages from 2009, mostly in the form of amendments to the LTMA. These amendments took the bus and ferry system from being largely privately controlled and operated, albeit with substantial public subsidies, to a system with significantly more public control to match the level of subsidy provided. The previous Government introduced a programme known as the Sustainable Public Transport Framework in 2021, which mainly consisted of further amendments to the LTMA to address perceived shortcomings of the PTOM reform.

Why should you care about public transport?

- 8 Public transport has two key primary benefits it can enable²:
 - 8.1 It provides access to economic, welfare, and social activities for those who need it.

² ITF (2024), The Future of Public Transport Funding, ITF Research Reports, OECD Publishing, Paris

- 8.2 It enables more people to move around the transport network than is possible in private vehicles.

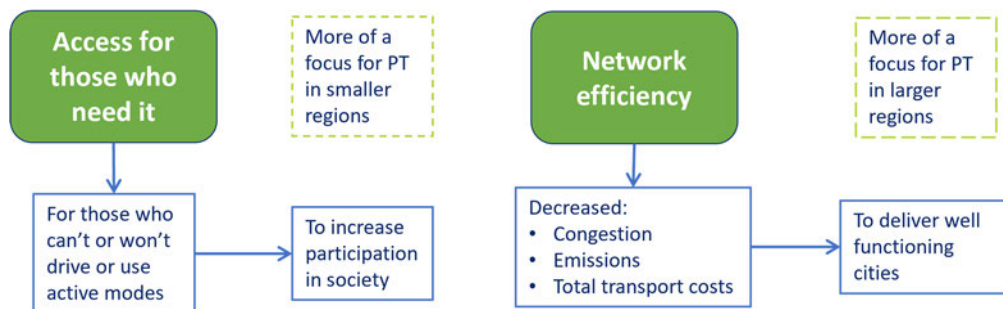


Figure 2 - Primary benefits public transport can enable

- 9 There are a number of secondary benefits that can result from public transport including increased economic activity, reduced congestion, reduced emissions, and lower cost for network construction and maintenance³.
- 10 Examples of the network efficiency benefits include:
- 10.1 37.5 percent of commuters entering central Wellington during the morning peak in 2019 used public transport⁴. If public transport disappeared overnight, and all of these users switched to cars, it would nearly double the number of cars on Wellington's road network at peak travel times.
- 10.2 Research has shown new rapid transit projects increase median property values in their catchment by around 5 percent⁵. The Northern Busway in Auckland achieved approximately 4 percent⁶.
- 11 We have stated that public transport is only an enabler of these benefits. It should be (and, within the transport system, usually is) traded off against other ways of achieving the same outcomes. As a very rough example, instead of funding public transport services that connect to a tertiary education facility, a government could look to provide courses online to achieve the same outcome of increasing access to education.

Non-Transport Government Priorities that Public Transport supports:

Going for Housing Growth

- 12 Public transport enables the Going for Housing Growth programmes and instruments by supporting higher density and mixed-use development than is possible using a purely private vehicle system (primarily by enabling a reduction in parking space).

³ *How does public transport benefit New Zealanders*. (2013).

<https://www.nzta.govt.nz/assets/resources/public-transport-information-pack/docs/public-transport-information-pack-no-1.pdf>

⁴ Wellington CBD Cordon Survey 2001-2019

⁵ Baker, K., & Nunns, P. (2015). Access, amenity, and agglomeration: what can we expect from rapid transit projects? *Transport Research Forum*.

⁶ Filippova, O., & Sheng, M. (2020). Impact of bus rapid transit on residential property prices in Auckland, New Zealand. *Journal of Transport Geography*, 86, 102780. <https://doi.org/10.1016/j.jtrangeo.2020.102780>

- 13 There is also a virtuous circle of higher density development improving the economics of public transport, while better public transport enables the higher density.

The Second Emissions Reduction Plan

- 14 By being generally less energy intensive than private vehicles, particularly when highly patronised, public transport helps reduce transport system emissions to enable us to meet our Emissions Budgets and reduce the burden faced by harder-to-abate sectors of our economy. The Second Emissions Reduction Plan committed to supporting public transport in our main cities for this reason.

Disability sector

- 15 Public transport (including Total Mobility) provides additional ways for disabled people to participate in their communities by removing barriers for them to access services including health and education, employment, and housing.

Your position in the delivery of public transport is at the top of a very bottom-heavy structure

- 16 Figure 3 illustrates a highly simplified version of how public transport strategic direction flows through various organisations to actual delivery by PTOs. The resourcing rapidly increases with each level, and by the time the PTO level is reached, there are tens of thousands of employees.

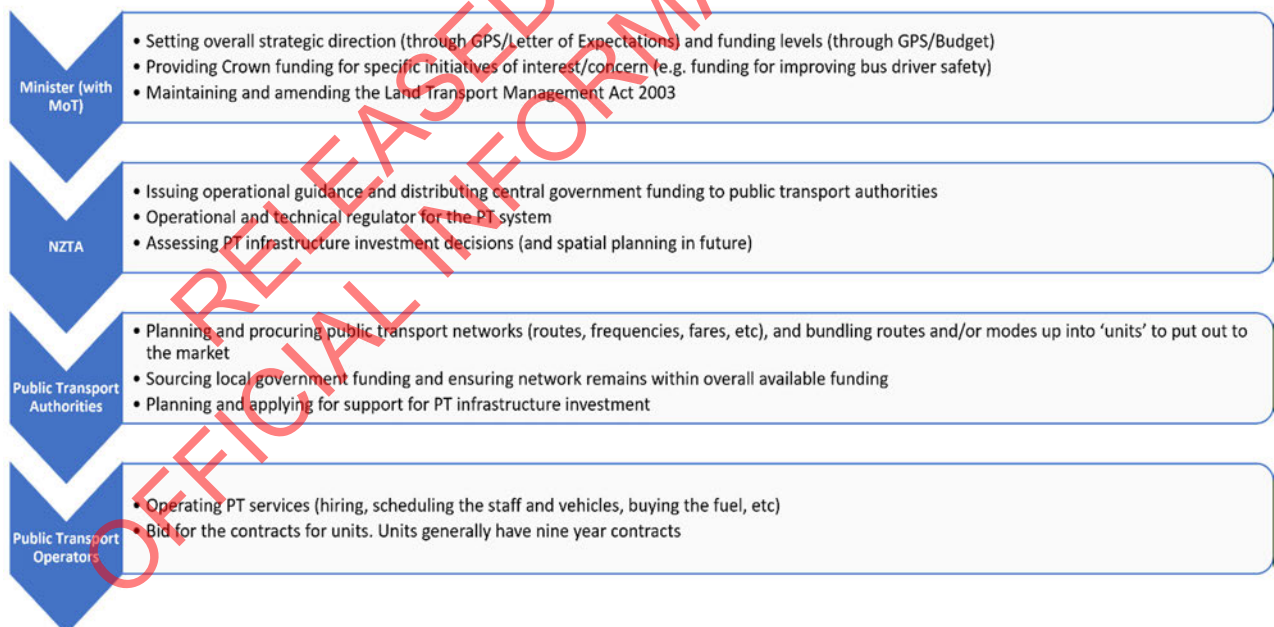


Figure 3 - Simplified structure of the governance of public transport in New Zealand

- 17 While our view is that this overall system is the most appropriate for the current context of public transport in New Zealand, there are challenges such as:

- 17.1 A change in direction for the system may take years to flow through to operations, given the delays between direction, planning, and negotiating contracts, especially as the timing of central government statutory documents and direction such as the

Government Policy Statement on land transport may not align with local government planning cycles.

- 17.2 PTAs are given a lot of power to design and shape their network. Based on local community input, they often develop ambitious plans, but lack the full control of the funding required to deliver them. As the balance comes from the NLTF or the Crown, PTAs may then take the view that central government funding decisions or direction is preventing them from delivering local priorities.
- 17.3 The system greatly benefits from transparency, given it allows operating costs to be accurately compared, potential network or workforce issues to be resolved early, and overall performance to be measured, but there are strong disincentives and misalignments for information sharing between parties. This is largely a result of the differing objectives of central and local government agencies (to deliver an agreed network in a way that delivers value for money for rate- and taxpayers) compared with PTOs (to achieve a certain level of profit or return on investment).
- 18 Sixty percent of bus contracts are due to be retendered between now and the end of 2027, including major contracts in Auckland and Wellington. This means the NZTA-set procurement guidelines and operational policy at the time of retendering will be locked in for large parts of the network for up to nine years.

Delivering on cost effective public transport services was a priority for Minister Brown

- 19 Minister Brown set expectations through the Government Policy Statement on land transport 2024-2034 (GPS 24) that public transport must:
 - 19.1 deliver more choices for commuters
 - 19.2 decrease travel times, congestion, and emissions
- 20 while ensuring Value for Money by:
 - 20.1 being cost effective
 - 20.2 increasing patronage by being safe, affordable, and reliable.

Implementation of these expectations

- 21 At times, the NZ Transport Agency (NZTA) and PTAs will need to weigh up and trade off some of these expectations, particularly in the short-term. For example, new services might not be cost effective when first established, but strongly deliver the other outcomes sought and grow to become cost effective over time.
- 22 NZTA has taken these expectations into account as it develops procurement guidelines and operational policy for PTAs and PTOs.

Public perception of public transport is a powerful factor as to whether it is valued and used

- 23 Public transport patronage has generally increased over time, until the effects of the COVID-19 pandemic. Since 2010, national patronage growth has been primarily driven by Auckland, as shown in Figure 4 below.

Public transport boardings over time, 2009/10 to 2023/24

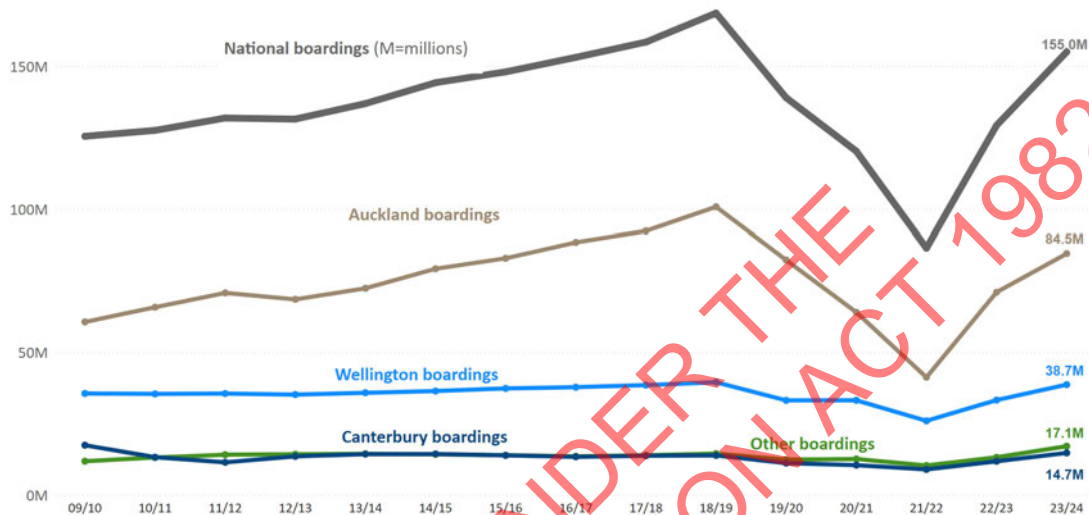


Figure 4 - National Public Transport Patronage

- 24 Research shows there are four key factors impacting whether people choose to use public transport⁷, namely that they need to perceive it as safe, reliable, frequent and affordable, at least in comparison to other ways that they could travel⁸.
- 25 Internationally, the most economically efficient public transport systems receive significant and ongoing investment for regular improvements and expansion. This encourages patronage growth and can support increasing private share as users are more likely to use public transport and willing to pay higher fares as the system improves.

Officials are doing work to support the public transport system to achieve the four factors

- 26 **Safe:** NZTA has an ongoing work programme to improve the safety of public transport nationally for both users and staff. The Ministry sits on the governance group of an Auckland Transport – NZ Police workstream which is piloting some direct interventions.
- 27 **Reliable:** NZTA has a Public Transport Workforce Steering Group intended to highlight issues with the bus driver workforce and address them early. The driver workforce is a key determinant of the long-run reliability of services.

⁷ Göransson, J., & Andersson, H. (2023). Factors that make public transport systems attractive: a review of travel preferences and travel mode choices. *European Transport Research Review*, 15(1).

<https://doi.org/10.1186/s12544-023-00609-x>

⁸ Wang, J. (2011). *Appraisal of factors influencing public transport patronage*.

<https://www.nzta.govt.nz/assets/resources/research/reports/434/docs/434.pdf>;

- 28 **Frequent:** Transport officials are giving effect to the GPS 24 direction to focus on major public transport projects in our largest cities, which will enable several new frequent and high-capacity services in Auckland and Wellington.
- 29 **Affordable:** The Ministry is progressing work on how public transport fare concessions work and are funded to ensure those who most need affordable fares can access them. This is largely being driven by the Total Mobility funding pressures, but includes SuperGold and Community Connect too [OC250294 refers]. NZTA's Increasing Private Share initiative aims to ensure that the public transport system is otherwise adequately funded by users rather than rate- or taxpayers. This initiative has set interim private share targets with each PTA, and is now working towards setting longer term targets, as well as assessing the systematic issues that may be reducing private share. The Ministry and NZTA are both aware that while increasing private share is important to ensure users are contributing fairly to the system, the initiative needs to avoid reducing patronage in the short term.

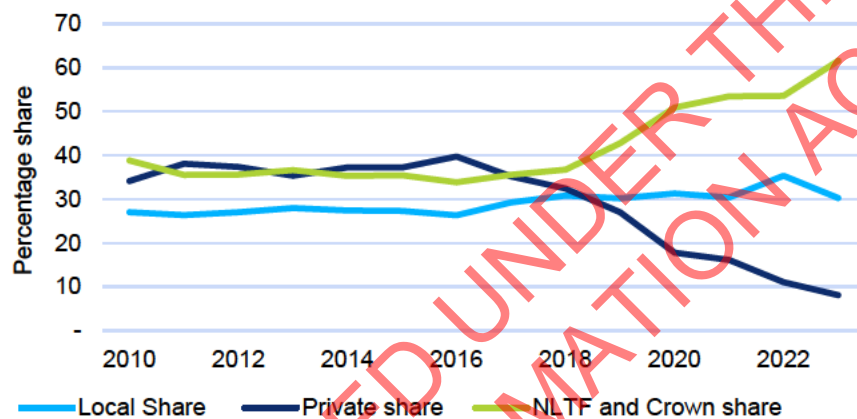


Figure 5 - Local, private, and NLTF/Crown shares of public transport services and infrastructure funding

- 30 As can be seen from Figure 5, while the COVID-19 pandemic contributed to an increased NLTF and Crown share, the decline in private share had begun in 2016.

You have levers to influence the public transport system

Directing NZTA

- 31 NZTA is giving effect to GPS 24 priorities through its current work programme which includes updating the procurement guidelines and supporting PTAs to increase their private share. The Ministry is involved in this work and can advise you if we have concerns that your priorities are not being effectively translated into on-the-ground decisions.
- 32 You can also provide further direction to NZTA to emphasise your priorities especially if there is anything additional you wish it to consider beyond what is in GPS 24.

Investment

- 33 Crown investment (particularly in infrastructure) allows you to buy certain outcomes.
- 34 The GPS allows you to set the broad funding settings for public transport every three years

35

s 9(2)(f)(iv)

Legislation

- 36 The broad system settings are controlled by the LTMA (specifically, Part 5 of the LTMA). If you want to make changes to the current system settings, the LTMA would require amendment. Minor changes to the public transport principles listed in Section 115 of the LTMA are currently underway through a Regulatory Systems (Transport) Amendment Bill led by Minister Meager.
- 37 The Metropolitan Rail Operating Model Review provides an opportunity to set the structure and governance of passenger metro rail.

Contacts

Name	Telephone	First contact
Siobhan Routledge, Acting Deputy Chief Executive - Policy Group	s 9(2)(a)	
Marian Willberg, Manager – Maritime, Freight and Access		✓



28 May 2025

OC250452

Hon Chris Bishop

Action required by:

Minister of Transport

Friday, 20 June 2025

APPROACH TO VEHICLE REGULATORY SYSTEM OVERHAUL

Purpose

Regarding the workstream within your Land Transport Rules Reform programme to investigate overhauling the vehicle regulatory system and import requirements, this paper seeks your:

- agreement to workstream objectives and scope
- decision on the approach and phasing for the work.

Key points

- As part of your Land Transport Rules Reform programme (the programme), you have agreed to progress a workstream to investigate overhauling the vehicle regulatory system and import requirements (OC241461 and OC250164 refer).
- We propose that the system overhaul workstream focus on the objectives of making the vehicle regulatory system more efficient, effective and adaptable. This paper proposes a set of key questions to consider in order to meet these objectives.
- The legislative framework for vehicle regulation (see **Annex One**) was intended to enable efficient and effective management of safety risks. However, the regulatory system has not kept pace with the current vehicle market, or New Zealand's position in it. **Annex Two** contains a problem tree illustrating the root causes of this problem, and its flow-on effects.
- A key root cause is the fact that the system is set up as though New Zealand still manufactures vehicles. It is a bespoke regulatory system, but the industry it was designed for no longer exists.
- We now receive vehicle technology from international markets, and can gain efficiencies by better aligning our regulatory system with the regulations in those markets, focussing our regulatory effort on matters where New Zealand's specific context requires a different approach.

We recommend you:

- | | | |
|---|--|----------|
| 1 | agree that the objectives for the system overhaul workstream of your Land Transport Rules Reform programme will be to make the vehicle regulatory system more efficient, effective and adaptable. | Yes / No |
| 2 | agree to the proposed scope for the system overhaul workstream of your Land Transport Rules Reform programme. | Yes / No |
| 3 | agree to an approach to phasing the work – either: | |
| | <ul style="list-style-type: none"> Option One: a first-principles approach, beginning by considering (and consulting on) high-level options for the system's scope and legislative framework (including a range of options for incorporating international standards). | Yes / No |
| | <ul style="list-style-type: none"> Option Two (recommended): starting by considering (and consulting on) simplifying entry processes and streamlining recognition of international standards, before considering the broader legislative framework. | Yes / No |

Hon Chris Bishop
Minister of Transport
..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive Sector Strategy	s 9(2)(a)	
Katrina Quickenden, Manager Regulatory Reform		✓

APPROACH TO VEHICLE REGULATORY SYSTEM OVERHAUL

Problem definition

The vehicle regulatory system is not as efficient or effective as it could be

- 1 The framework for the regulation of motor vehicles is largely set out in the *Land Transport Act 1998* (the Act), with some additional provisions in the *Land Transport Management Act 2003* and others. **Annex One** gives an overview of the current legislative framework, including secondary legislation such as the Land Transport Rules (the rules), which contain a mix of performance-based and prescriptive requirements.
- 2 The rules are time-consuming and complex to change. Some rules:
 - cite overseas standards
 - cross-reference other rules
 - contain exemptions or definitions inconsistent with other rules.
- 3 The vehicle regulatory system has not kept pace with the current market and New Zealand's position in it. This can lead to inefficient or unnecessary regulation and compliance costs, and be a barrier to accessing affordable, fit-for-purpose vehicles.
- 4 **Annex Two** maps out the effects of this problem further and identifies a range of causes.
- 5 As part of your Land Transport Rules Reform programme (the programme), you have agreed to a workstream to investigate overhauling the vehicle regulatory system and import requirements (the system overhaul workstream) (OC241461 and OC250164 refer).

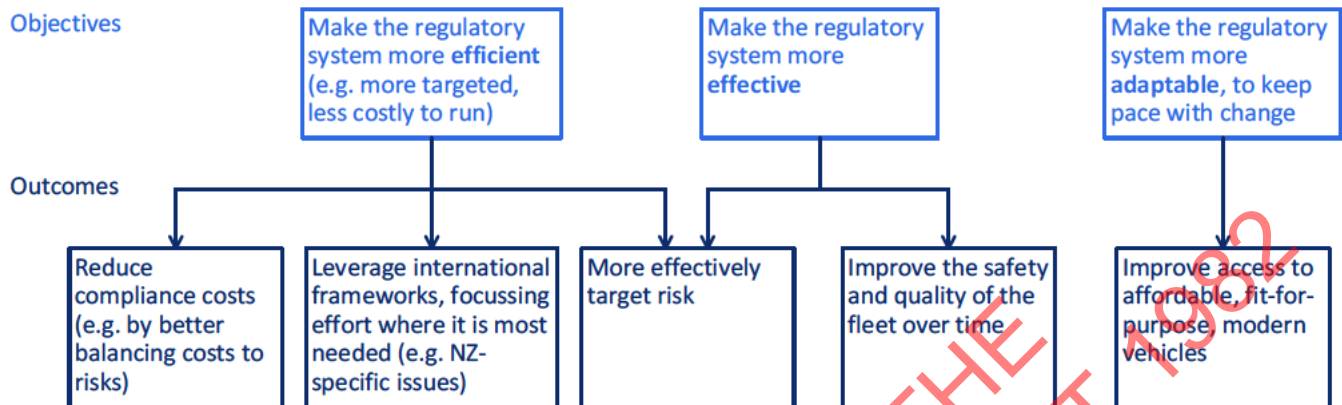
Harmonising with international systems could save regulatory effort, and make it easier to import vehicles

- 6 The vehicle regulatory system is set up as though New Zealand still manufactures vehicles. We developed a bespoke regulatory system in the context of a local industry which no longer exists.
- 7 We now receive vehicle technology from international markets and can gain efficiencies by better aligning our regulatory system with the regulations in those markets, focussing our regulatory effort on matters where New Zealand's specific context requires a different approach.
- 8 For example, our import markets commonly use vehicle type approval. Type approval is a system where manufacturers are certified to provide confirmation that their products will meet performance standards. Harmonising our system with international standards and recognising type approval would give importers more confidence about which vehicles they would be able to import. If a vehicle were approved in an import market we had elected to recognise (for example the EU, Australia, or Japan), importers would have certainty it would be approved here.

Proposed objectives

9 Figure one below shows the objectives we propose for the system overhaul workstream:

Figure One: proposed objectives



10 These objectives are consistent with the objectives for the overall Land Transport Rules Reform Programme, reframed for this workstream to emphasise the overarching goals of efficiency, effectiveness and adaptability.

Proposed scope

11 To meet the objectives above, the system overhaul workstream will need to consider a range of interrelated policy questions. We propose that the scope of the programme include the following key areas:

- **Legislative framework**, including questions such as:
 - How could the system be more adaptable, so it takes less effort to respond to changing circumstances (e.g. emerging technology and vehicle types?)
 - What should be set in primary, secondary and tertiary legislation? What details could be specified outside of legislation?
 - How could we harmonise our system with international systems to focus our regulatory effort where it is most needed (e.g. NZ-specific issues)?
- **System scope**, including questions such as:
 - What should and should not be considered a motor vehicle (and therefore subject to vehicle regulations)?
 - What features/elements of vehicles should the regulatory system focus on?
- **Vehicle classification**, including questions such as:
 - How should vehicles be classified at entry?
 - How should vehicles already in the fleet be classified?
- **Requirements**, including questions such as:
 - How can we make it easier to import vehicles that are covered by type approvals?
 - What requirements should attach to the new classifications used for vehicle entry?
 - How should in-service requirements change to reflect the broader changes?¹

¹ Warrant of fitness and Certificate of fitness scope and frequency for light vehicles are being considered in a separate workstream. Officials are ensuring coordination and collaboration between these workstreams.

- 12 Regulator performance and operational service provision would be out of scope – the focus would be on the system framework and settings.

Options for approach

Sector bodies want changes to occur quickly, but system overhaul will take time

- 13 Answering the questions above will involve complex and broad-reaching analysis and may involve changes to primary legislation as well as rules. This workstream is therefore on a longer timeframe than most of the rest of the programme.
- 14 Motor vehicle sector stakeholder bodies who we have spoken to about the programme have expressed a desire for changes across the programme to be implemented as early as possible. They cite a range of challenges facing the industry, and a strong desire to prioritise changes that will reduce compliance costs and regulatory barriers.

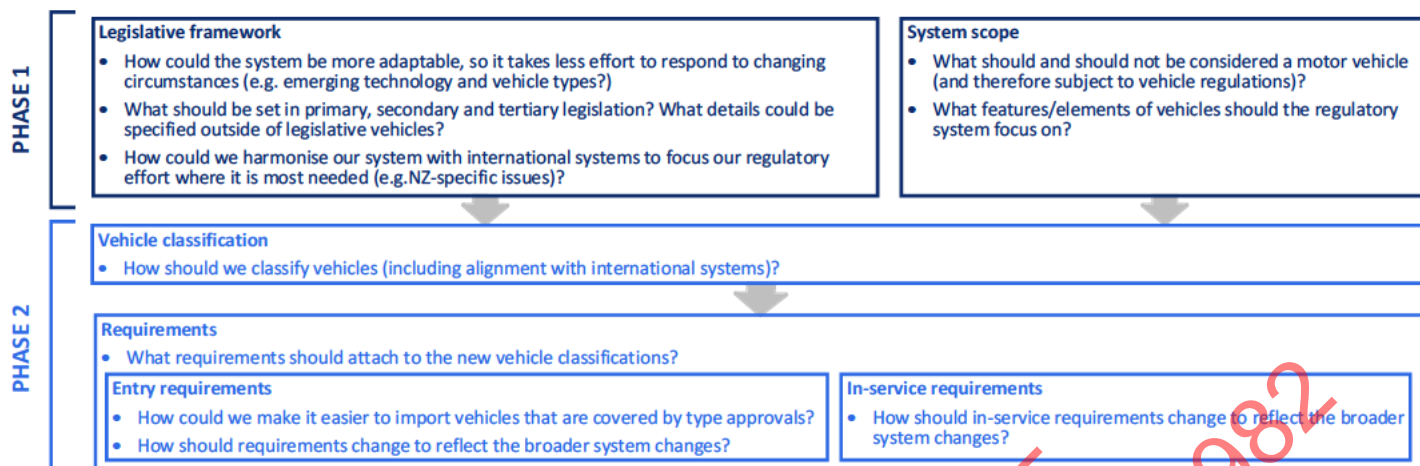
There are options for how to approach and phase the work

- 15 There are two approaches we could take, which would inform how the work was phased:
- **Option 1:** A first-principles review, including considering a range of options for how New Zealand's system could incorporate international standards
 - **Option 2:** Taking international regulatory approaches as a default starting point (beginning with type approval), and assuming that we will harmonise our system with them unless there is a reason not to (recommended).
- 16 Your draft Cabinet paper on the programme (OC250315 refers) commits to consultation on options within the system overhaul workstream in May 2026. Both approaches above would have an initial round of public consultation in May 2026 and also use targeted stakeholder engagement to inform future policy development.
- 17 **Annex Three** shows indicative timelines for the two approaches, and their pros and cons.

Option 1: first-principles approach

- 18 We could take a first-principles approach, beginning by developing high-level options for the system's scope and legislative framework for public consultation in May 2026. On the basis of your decisions following this consultation, we would then design the specific system requirements.
- 19 This allows for a broader public conversation to gauge appetite and gain buy-in to the scope and tenor of system change. We would still use international comparison to inform the development of options, but would consider a range of ways for the system to incorporate international standards. However, we consider it unlikely that this would result in a system that would not accept type approvals or would be profoundly different from that developed under Option 2.

Figure Three: Option 1 for phasing



20 This approach allows us to design a new system while the old system is still in place, minimising confusion and disruption. The sector would also benefit from opportunities to engage early on the design and legislative framework for the regulatory system.

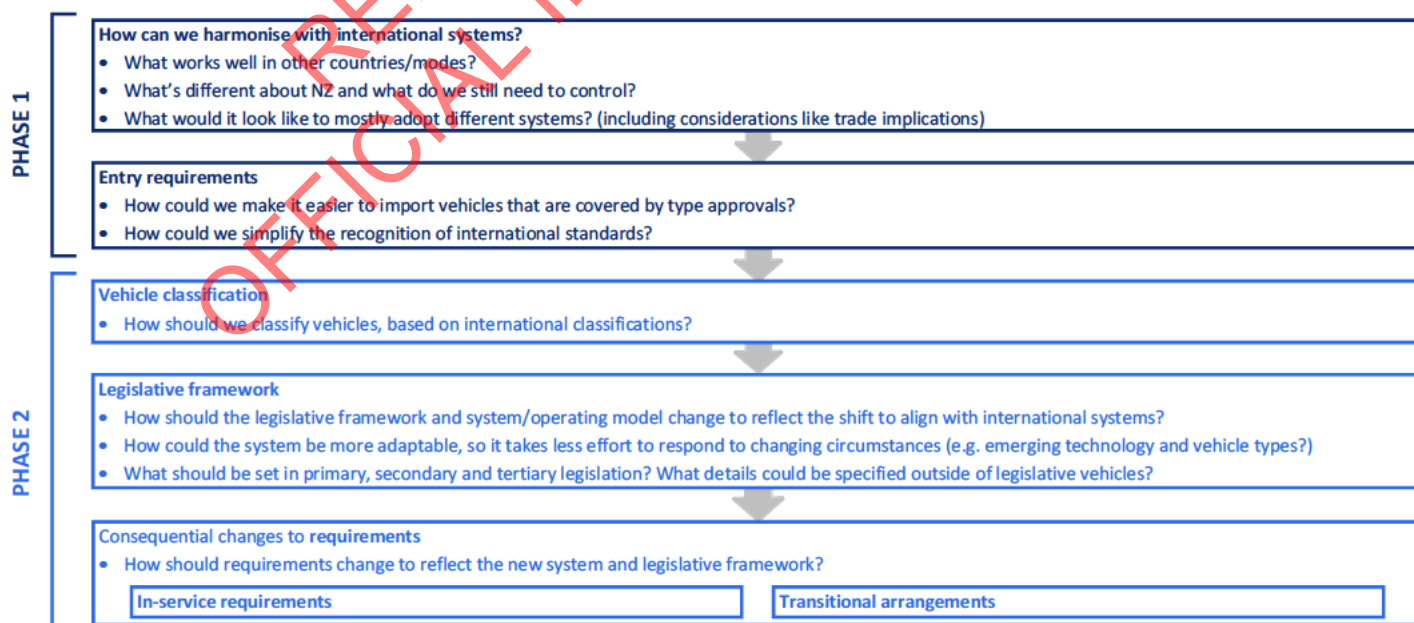
21 In the meantime, your Rules Reform Programme includes a range of other rule changes to be implemented over the next approximately 18 months, which should benefit the sector and show tangible progress toward your reform objectives, such as reducing regulatory compliance costs.

Option 2: start with harmonisation and entry requirements

22 To allow some changes to be implemented earlier, we could prioritise work to:

- simplify entry requirements** by making it easier to import vehicles with type approvals
- harmonise our system with international standards** through a streamlined (or in some cases automated) acceptance of international standards.

Figure Four: Option 2 for phasing

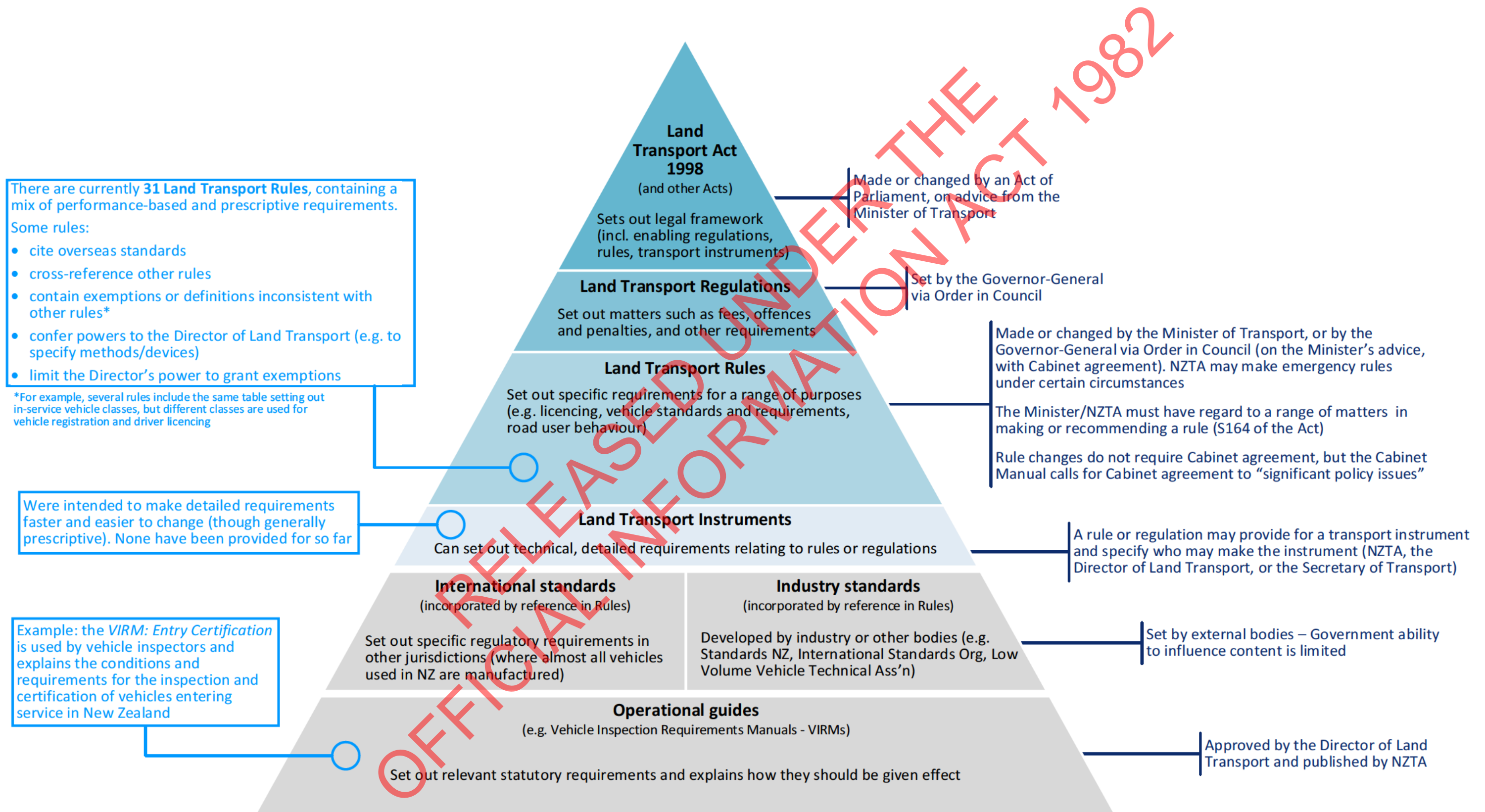


- 23 In this option, the public consultation in May 2026 could be on entry requirements proposals, which may progress to rule changes following consultation.
- 24 Allowing for changes to entry requirements to be implemented more quickly would give the industry certainty that if a vehicle would be accepted here if it was accepted in key larger markets. It could address sector concerns about needing to wait for our rules to catch up to changes in international standards. This may open the market up for vehicles not normally earmarked for New Zealand sooner than with Option 1.
- 25 This option somewhat pre-empts the overall review of the regulatory system. However, we consider that this approach strikes a good balance between progressing changes quickly, and broad consideration of transformative changes to the vehicle regulatory system.
- 26 There is a risk that the staged implementation of changes could lead to some confusion – however, either option is likely to result in different settings for vehicles entering the fleet and those already present. Any confusion could be mitigated through clear communication with the sector and the public.
- 27 There is also a risk that, following the initial changes, the broader system changes get deprioritised due to other more pressing work, which would result in the problems in the status quo continuing. Without the second phase of work addressing broader system concerns, the initial changes could add complexity to the existing system. This will be mitigated by your seeking Cabinet agreement to the Rules Reform Programme, and announcing the programme once agreed.

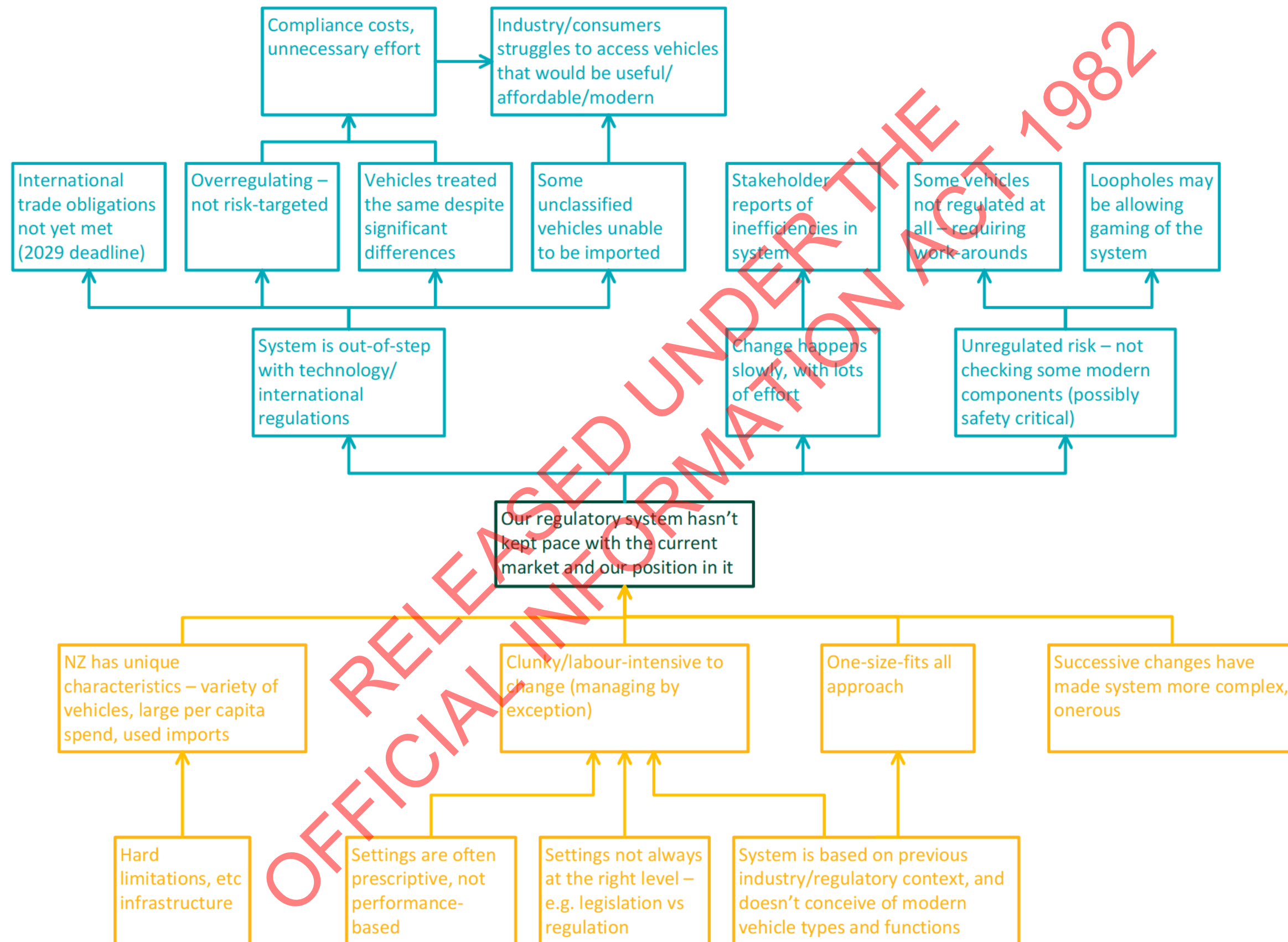
Next steps

- 28 Whichever option you agree to, we will:
- Progress policy work and targeted sector consultation
 - Update you on the work as it progresses, providing opportunities to test your views as appropriate
 - Advise you on high-level options in early 2026, for public consultation starting in May 2026.

ANNEX ONE: LAND TRANSPORT LEGISLATIVE FRAMEWORK



ANNEX TWO: INDICATIVE PROBLEM TREE



ANNEX THREE: POSSIBLE APPROACHES TO PHASING THE WORK

s 9(2)(f)(iv)

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28 May 2025

OC250466

Hon Chris Bishop

Action required by:

Minister of Transport

Wednesday, 11 June 2025

GPS 2024 IMPLEMENTATION REPORTING

Purpose

This briefing provides you with a high-level assessment of the implementation of the Government Policy Statement (GPS) 2024 along with an update on the New Zealand Transport Agency's (NZTA's) major capital projects, as at the end of March 2025 and recommends that we revise the current GPS reporting arrangements so that in future, advice to you about GPS implementation is provided quarterly rather than monthly.

Key points

- The previous Minister of Transport directed the Ministry of Transport (the Ministry) and NZTA to provide regular reporting on the delivery of GPS 2024. To meet these expectations, the Ministry and NZTA have worked together to produce monthly reporting that captures progress across GPS 2024 actions, along with information about NZTA's financial position and progress on the major capital projects (including Roads of National Significance (RoNS) and Roads of Regional Significance (RoRS)).
- The Ministry also provides you with quarterly performance reports on NZTA's SOI, SPE, and major capital projects, along with analysis of progress against the measures in NZTA's performance and efficiency plan (PEP).
- The Ministry will continue to receive monthly updates from NZTA but is proposing to revise the current GPS reporting arrangements, by providing you with quarterly updates on GPS implementation and NZTA's performance (rather than monthly). This will streamline processes and reduce repetition of similar information (given that there is generally minimal change month by month).
- If there are significant in-quarter changes, we propose using the weekly report to update you, or where appropriate, prepare a bespoke briefing.
- If you agree with our proposal to consolidate the content of both reports into a single quarterly briefing, the next quarterly report (in July/August 2025) will include this consolidated content.

We recommend you:

- 1 **Note** that the delivery of the Government Policy Statement (GPS) on Land Transport 2024, NZTA's maintenance programme and the delivery of NZTA's major capital programmes is broadly progressing well.
- 2 **Agree** that from July 2025 onwards, we will move to a consolidated quarterly briefing to you on NZTA's SOI, SPE and GPS implementation. Yes / No



Bryan Field
**Manager, Programme Monitoring and
Investment Management**

28 May 2025

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Bryan Field, Manager, Programme Monitoring & Investment Management	s 9(2)(a)	✓
James Turner, Principal Adviser, Programme Monitoring & Investment Management		
Dewi Kurnia, Senior Adviser, Programme Monitoring & Investment Management		

GPS 2024 IMPLEMENTATION REPORTING

Background

- 1 The previous Minister of Transport directed the Ministry of Transport (the Ministry) and NZTA to provide regular updates on the delivery of the GPS 2024. To meet these expectations, since July 2024 the Ministry and NZTA have collaborated to produce monthly reporting that captures progress across GPS 2024 actions. The reporting also includes information about NZTA's financial position and progress on major capital projects, including RoNS and RoRS.
- 2 The Ministry also provides you with quarterly performance reports on NZTA's SOI, SPE, revenue and expenditure, major capital projects, and the PEP.

GPS 2024 Implementation Update – Period Ending March 2025

The transport sector policy programme is progressing relatively well with 13 of 19 projects on track, while 6 are rated at moderate risk, mainly in relation to short term timing issues

- 3 Two Ministry led actions are currently assessed as being at moderate risk. These are:
 - *Action 1: Reforms to the National Land Transport Fund's (NLTF) revenue system.* This action continues to face challenges, primarily related to concerns about public acceptance of changes to the transport revenue system. The Ministry is working closely with NZTA to support the proposed system changes and is planning a public engagement exercise to improve understanding and acceptance of these changes. Earlier resourcing risks have been broadly mitigated.
 - *Action 15: Coastal Shipping Resilience Fund.* This remains on amber status due to delays in launching the fund, which has created the risk of an underspend.
- 4 This reporting period, NZTA has advised that there are three actions that are currently on amber status. These are:
 - *Action 9.4: Review road safety investment.* The timeframe to complete the design of road safety review has been delayed from March to May 2025, as work to rescope and define data requirements for the road safety review is still underway.
 - *Action 10: Public Transport Funding.* Two out of fourteen Public Transport Authorities (PTAs) have signalled that they will only be able to adopt the NZTA-approved private share targets in June/July 2025 (later than initially assumed), following the adoption of their Regional Public Transport Plans. This has pushed the timeframe for all PTAs to adopt NZTA-approved private share targets from the end of March to the end of July 2025.
 - *Action 11: Reduce expenditure on temporary traffic management.* The implementation of new audit and assurance process required further work than initially planned, causing a delay from March to April 2025. Resources have been acquired, with the expectation that implementation would be underway by April 2025.

- 5 *Action 3.5: City and regional deals (led by the Department of Internal Affairs).* This action has shifted from green to amber this reporting period. This is due to tight timeframes in progressing deals with some regions that have been assessed as meeting the criteria outlined in the Regional Deals Strategic Framework.

Maintenance Programme

- 6 NZTA is on track to exceed its targets for the key maintenance performance metrics.
- 7 In March, NZTA *resealed and resurfaced* 421 lane-kilometres of pavement, reflecting the advantageous summer conditions. Across the country as a whole, the year-to-date figure is 89% of the full-year target of 1,690 lane-kilometres, with three months still to go, providing reassurance that the final year target will be exceeded.
- 8 In March, NZTA rehabilitated 39 lane-kilometres of pavement, compared to 27 lane-kilometres in February. These in-month figures are much higher than the rate required to meet the annual target, but it is important to note that they reflect better conditions available in the summer months to undertake work of this nature. Nevertheless, based on the year-to-date results for March (99% of the full year target), NZTA expects to exceed the annual target of 217 lane-kilometres for *pavement rehabilitation* well before 30 June 2025.
- 9 A total of 1,445 potholes were reported in March, with 1,389 repaired within 24 hours of being logged with the contractor. This equates to a 96% monthly achievement against a target of $\geq 90\%$. For the year to date, 32,629 potholes have been repaired, 97% of which have been done so within the 24-hour target.

Major Capital Programmes

10 s 9(2)(j)

11

12



13

s 9(2)(f)(iv)

- 14 The Ministry continues to closely monitor the delivery of NZTA major capital programmes, including milestones, project forecasting, and contingency. Any issues will be raised with you as appropriate.

Future GPS reporting

How we propose reporting to you on GPS 2024 implementation and NZTA's performance

- 15 You currently receive a monthly GPS update (which also includes a brief assessment of NZTA's performance), along with more detailed quarterly reporting on NZTA's performance, from two different teams within the Ministry (*Programme Monitoring and Investment Management and Crown Entity Monitoring*). These reports have some overlapping coverage, and some content (for example, major capital projects) with similar but sometimes slightly different reporting metrics.
- 16 We are keen to test your views on consolidating the content of both reports into a single quarterly report. This would help to reduce repetition and duplication (given that much of the information currently reported does not change significantly month to month) and enable comprehensive targeted analysis of trend data. The table below sets out our proposed revised approach.

Report frequency	Current reporting content	Consolidated content for quarterly reporting
Monthly	<ul style="list-style-type: none"> • GPS actions • Maintenance programme • National Land Transport Plan (NLTP) forecast • Significant capital projects 	<ul style="list-style-type: none"> • SOI and SPE <ul style="list-style-type: none"> ○ SOI and SPE targets ○ Road safety ○ NLTP forecast.
Quarterly	<ul style="list-style-type: none"> • SOI and SPE <ul style="list-style-type: none"> ○ SOI and SPE targets ○ Road safety ○ NLTP forecast • GPS <ul style="list-style-type: none"> ○ PEP ○ Significant capital projects 	<ul style="list-style-type: none"> • GPS <ul style="list-style-type: none"> ○ GPS actions ○ PEP ○ Maintenance programme ○ Significant capital projects

- 17 There are three other considerations:

- First, the existing NZTA quarterly performance report is published, whereas the information sent to us monthly is not. This should not be a significant issue in terms of briefing you. Any information provided to the Ministry by NZTA that is not appropriate for wider public sharing, could be included in a confidential annex to the existing publicly available NZTA quarterly report.

- Secondly, the GPS implementation report includes commentary on actions that are the responsibility of agencies other than NZTA. This can continue to be managed effectively through our reporting to you, even though the main bulk of the proposed quarterly reporting would be focused on NZTA's performance.
- Thirdly, should you agree to the revised briefing arrangements NZTA will continue to provide some information to the Ministry monthly (notably, progress on major capital projects and NLTF forecasts). We will also continue to monitor GPS implementation progress. This will ensure that, should there be any significant in-quarter variances or issues arising, these could be included in your weekly report or, where appropriate, through a bespoke briefing.

Next Steps

- 18 If you agree with our proposal to consolidate the content of both reports into a single quarterly reporting, the next full quarterly report (which will cover the full year ending June 2025) will include this consolidated content. From then on, you would be briefed just over a month after the end of each relevant quarter.

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**ANNEX ONE – GPS 2024 IMPLEMENTATION MONTHLY REPORT –
MARCH 2025**

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IN CONFIDENCE

GPS Implementation Monthly Report

Version control	
Date prepared	April 2025
Reporting for the period	as at 31 March 2025
Prepared by	Ayman Ahmed
Approved by	Bryan Field

Part A: GPS Implementation Programme

Produced by MoT and NZTA

This section sets out progress across the actions in the GPS 2024 Implementation Programme

Ministry of Transport led actions

Progress on Actions to the end of March 2025

Action	Progress this month	Risks, issues or barriers	RAG status	Upcoming milestones
Each Ministry-led action in the GPS Implementation Programme will be included. Your priority actions will be highlighted.				
Action 1: Reforming the National Land Transport Fund's revenue system	Tolling: The Ministry has issued instructions and received a draft Bill reflecting decisions Cabinet made regarding reforms of the LTMA's tolling provisions in December 2024. We are working with the Parliamentary Counsel Office (PCO) to ensure this part of the Bill is complete by the middle of this year.	<ul style="list-style-type: none"> Resource constraints at NZTA. The Ministry is considering dedicating funding to NZTA to support their work on transition to RUC. Lack of coherence in transport changes and public acceptability regarding the transition to RUC. The Ministry is proposing to undertake a broad but straightforward engagement exercise to start public consultation and get a better understanding of this risk. 	Amber	Tolling: Further iteration of the Bill with PCO.
	Time of Use: The Bill has been referred to select committee, and we are preparing for the initial engagement with the committee.		Amber	Time of Use: Initial briefing to Committee: 2 May. Departmental report: 19 June
	Transition to RUC: The Minister agreed to a programme of work, separating upcoming decisions into system design and specific transition design. The Ministry has been developing this advice through a series of internal papers (on which NZTA will provide detailed feedback) and will use this analysis to feed into the final advice		Amber	Transition to RUC: Advice on system design by 26 March. Advice on funding NZTA by mid April. Possible Cabinet paper on public

	seeking decisions.			engagement by mid April. Advice on transition options by May.
Action 5: Ten-year investment planning	Officials are finalising an information request, seeking an 'investment proposal' from NZTA that sets out its proposed expenditure and performance measures and targets to deliver the outcomes and outputs that New Zealand transport users value.	None	Green	A draft letter and information request to the NZTA Board will be provided to the Minister of Transport in April for feedback and signature.
Action 8: Road safety reforms	Supported the passage of the Drug Driving Amendment Bill through the final legislative stages (committee of the whole House and third reading).	Roll out of roadside oral fluid drug screening is scheduled for December 2025. The Police has developed an implementation plan but note there are risks and external dependencies which could impact delivery timeframes.	Green	Develop regulations to support implementation of the new legislation

Progress on Actions to the end of March 2025

Action 12: FED and RUC increases	MVR increases took effect on 1 January 2025.	None	Green	Increase existing charges: planning for work on the FED and RUC increases signaled in GPS 2024 to commence in late 2025.
Action 13: NZTA funding profile	None	None	Green	s 9(2)(f)(iv)
Action 14: Establish Reporting on spend and borrowing	Action Complete - NZTA is now reporting monthly on its drawdown of debt facilities and repayments.	None	Complete	Monthly GPS reporting.
Action 15: Coastal Shipping Resilience Fund	Joint Ministers approved an approach to administering the Fund on 4 November, but have not yet made a public announcement to launch the Fund.	Fund is not yet live - no major risks are identified at present, but the delayed launch of the Fund creates a risk of underspend.	Amber	Announcement (date TBC) from Joint Ministers on the process for inviting applications to the fund, evaluation criteria, and timeline for distributing grants from the Fund.

NZTA led actions

Progress on Actions to the end of March 2025

Action	Progress this month	Risks, issues or barriers	RAG status	Upcoming milestones
Each NZTA-led action in the GPS Implementation Programme will be included. Your priority actions will be highlighted.				
Action 2: Implementing alternative funding, financing, and delivery models				
Action 2.1: Considering alternative funding and financing	<ul style="list-style-type: none"> NZTA is actively working with Treasury to support the development of its Public Private Partnership model. 	None	Green	s 9(2)(f)(iv)
Action 2.2: Considering tolling for new roads	<ul style="list-style-type: none"> Engaging with the Ministry on Preparing NZTA's refreshed toll policy for review by NZTA senior management. NZTA senior management is considering the results from the operational efficiency review. 	None	Green	<p>Report to Minister on outcomes from operational efficiency review – delayed from December 2024 and a new date to be agreed with the Ministry.</p> <p>NZTA Tolling Policy updated and agreed by senior leadership – due May 2025.</p>

Action 4: Management of land				
Action 4.1: Land disposal	<ul style="list-style-type: none"> Workstreams to improve the disposal timeframes identified and underway (milestone completed). Workstreams include assessing the current business processes involved with reviewing our land holdings to promote streamlining documentation and decision-making processes. A workshop was held in March which identified the opportunities for improvement in the disposal process. Work underway to incorporate efficiencies in the way business processes are undertaken and clarifying responsibilities between NZTA and external consultants regarding contracts and business manuals. 	None	Green	<p>Overarching Land Disposal Strategy – due June 2025.</p> <p>Land Disposal Strategy implemented - due September 2025.</p>
Action 4.2: Land acquisition	<ul style="list-style-type: none"> Completed the investigation, stakeholder consultation, and detailed design for land acquisition (milestone completed). 	None	Green	<p>Position statement finalised – due June 2025.</p> <p>Implement new property approach – due 2025/26.</p>
<p>Action 6: National Land Transport Plan (NLTP):</p> <ul style="list-style-type: none"> Action 6.1: Roads of National Significance (RoNS) Action 6.2: Roads of Regional 	None	None	Complete	Action complete and now part of business-as-usual reporting where appropriate.

<p>Significance</p> <ul style="list-style-type: none"> • Action 6.3: Projects for further investigation • Action 6.4: Waitematā second crossing • Action 6.5: Investments in major public transport projects • Action 6.6: Investments in walking and cycling 				
Action 9: Road Policing Investment Programme (RPIP):				
Action 9.1: Oral fluid testing	<ul style="list-style-type: none"> • Land Transport (Drug Driving) Amendment Bill has received Royal assent (milestone completed). The commencement date will be 1 April 2026 at the latest, but the legislation could come into force earlier on a date set by Order in Council. • The tender process for oral fluid testing equipment closed on 25 March 2025. 	None	Green	Police are considering implementation steps, including assessment of responses from the procurement process for oral fluid testing equipment - due December 2025.
Action 9.2: Drink driving enforcement	None	None	Complete	Action complete and now part of business-as-usual reporting where appropriate.
Action 9.3: Road policing	None	None	Complete	Action complete and now part of business-as-usual reporting where appropriate.
Action 9.4: Review road safety investment	<ul style="list-style-type: none"> • Received feedback from the Ministry on the road safety investment review. Scope to be revised on this basis. • Continued to define data 	None	Amber	Design of the review to be completed – delayed from March to May 2025.

	<p>requirements for the road safety review.</p> <ul style="list-style-type: none"> Started work to summarise existing findings of road safety investment. 			Procurement of third party to undertake analysis of effectiveness of road safety investment – due May 2025.
Action 10: Public Transport Funding	<ul style="list-style-type: none"> Of the 14 Public Transport Authorities, 12 have now adopted NZTA approved private share targets. Two Public Transport Authorities have signalled they will adopt the NZTA approved private share targets in June/July 2025 following the adoption of their Regional Public Transport Plans. Completed Phase 1 activities (identify initiatives to increase private share funding, agree interim private share targets with PTAs, establish national expenditure and revenue definitions, measures, and baselines) (milestone completed). 	None	Amber	<ul style="list-style-type: none"> Public Transport Authorities to have council-adopted targets – delayed from 31 March to 31 July 2025. Phase 2 (implement initiatives to increase private share funding, commence initiatives that require longer lead times to develop and implement, develop evidence base for setting longer-term private share targets) – due December 2025. Phase 3 (Agree on longer-term private share targets with PTAs, identify initiatives for achieving the longer-term targets) – due March 2026.
Action 11: Reduce expenditure on temporary traffic management	Assurance process required further work than intended. Resource has been acquired with an expectation to begin	None	Amber	Implementation of new audit and assurance process – delayed from

	implementation by April 2025			March 2025 to April 2025.
Action 16: Business case process	<ul style="list-style-type: none"> Launched the Decision Led Approach guidance, emphasising decision-making, risk tolerance, and uncertainty management in business cases. Standards and guidance updates are progressing in stages, prioritising the Project Management Guidance and Business Case guidelines. Gathered internal NZTA insights to refine Māori engagement and inform the National Standards of Practice for project delivery. Exploring internal project development transformation for Approved Organisations to help streamline processes and ensure teams focus on essential work. 	None	Green	Wider guidance development and implementation including 'Go Live' for full extent of application of the new process – due 30 June 2025.
Action 17: Performance and Efficiency Plan	N/A	None	Complete	Action complete and PEP reporting are integrated into business-as-usual reporting.
Action 18: Road Efficiency Group (REG)	<ul style="list-style-type: none"> Completed the terms of reference for the REG Technology Roadmap (milestone completed). REG Governance Group has agreed the scope of the Technology Roadmap and the REG 10-year strategy. Developed strategy for REG data 	None	Green	<p>Asset Management Plan assessments to be endorsed by REG Governance Group - due 23 May.</p> <p>Develop REG 10-year strategy – due June 2025.</p>

	<p>storage.</p> <ul style="list-style-type: none"> Planned REG learning and development workshop series delivered on time. 			<p>Commence business planning to support establishing the CCDC Centre of Excellence - due 1 July 2025.</p> <p>Competency project – due December 2026 (with several group workshops throughout 2025).</p>
Action 19: Monitoring and reporting	N/A	None	Complete	<p>Action complete. Improvements to reporting implemented and business as usual.</p>

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Actions led by other agencies

Progress on Actions to the end of March 2025

Action	Progress this month	Risks, issues or barriers	RAG status	Upcoming milestones
<i>Each action in the GPS Implementation Programme will be included. Your priority actions will be highlighted.</i>				
Action 3.1: 30-year transport plan (Lead: Infrastructure Commission)	On 5 November, the Infrastructure Commission released a discussion document which outlines the Commission's thinking in developing the 30-year plan, including looking at what's needed over the next 30 years, planned investments over the next decade, and what the gap is between the long-term needs and planned investments.	None	Green	The Ministry will be engaging with Infrastructure Commission to understand how its National Infrastructure Plan may usefully inform our advice on asset and service improvement options for GPS 2027.
Action 3.2: Fast Track consents legislation (Lead: MfE)	The Act went live on 7 February 2025.	None	Green	Action complete – no other upcoming milestones.
Action 3.3: Emissions Reduction Plan 2 (Lead: MfE)	ERP 2 was released on 11 December 2024.	None	Complete	Action complete – no other upcoming milestones.

Action 3.4: Emissions Trading Scheme (ETS) Reform (Lead: MfE)	ETS Auction on 19 March 2025.	None	Complete	Action complete – no other upcoming milestones.
Action 3.5: City and Regional Deals (Lead: DIA)	The Government Q2 Action Plan includes agreeing the first MOU by 30 June. Ministers for Infrastructure and Local Government met to discuss outcomes of the assessment process.	Meeting tight timeframes.	Amber	Ministers recommended regions to be discussed at IIMG on 14 May. Cabinet decisions on IIMG's recommended regions and MOUs due 3 June (CBC considering on 26 May)
Action 7: Rail Network Investment Programme (Lead: KiwiRail)	The Ministry delivered RNIP advice in November 2024 and the Minister has subsequently approved the RNIP 2024-27 with a set of conditions.	None	Green	KiwiRail to submit a revised RNIP 2024-27 by the end March, with NZTA advice due end May and with the Ministry advice forthcoming after this.

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Part B: NLTP Forecast

Produced by NZTA

Ministerial expectation - actual and forecast spend by each GPS
2024 activity class

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Part C: Maintenance Programme

Produced by NZTA

Ministerial expectation - delivery of maintenance programmes across State highways and local roads (reporting by councils), showing lane kilometres resealed, land kilometers rehabilitated, pothole repairs in the reporting month, and cumulative year to date totals.

Part D: Major Capital Programmes

Produced by NZTA

Ministerial expectation – to also include RoNS, RoRS, and major PT

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Part E: NZTA Exceptions Reporting

Produced by NZTA

Ministerial expectation - outline where any maintenance, renewals, or capital projects are tracking 20 percent outside of estimated cost and delivery timeframes. Where projects are not on track, the reasons for this will be explained and actions being taken to return the project to the expected timeframe and cost will be outlined.



NZ Transport Agency Monthly Performance Report

March 2025

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Roads of National Significance, Roads of Regional Significance and major public transport projects



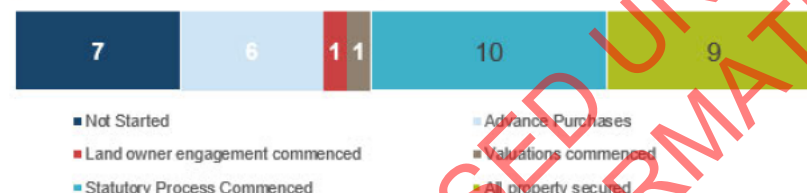
Project Health Summary



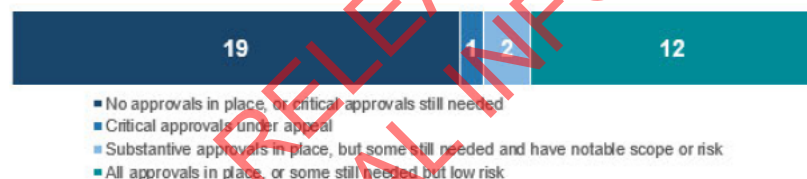
Project Development Progress



Property Acquisition Progress



Consenting Progress



Highlights

Roads of National Significance

The investment cases for *Mill Road Stage 1* and *SH29 Tauriko West (Wider Scope)* were approved by the NZTA Board. All investment cases remain on track for completion by June 2025, with 5 projects for consideration by the NZTA Board in August 2025 (including *Northland Corridor Sections 2 & 3* route protection which have been combined).

Roads of Regional Significance

The investment case for the *Second Ashburton Bridge* was approved by the NZTA Board. Commercial agreements were approved by Hutt City Council and Greater Wellington Regional Council, which will progress *SH2 Melling Transport Improvements* signing of the Project Alliance Agreement. *SH75 Halswell Road Improvements* Aidanfield Drive Intersection was completed.

Other Major Projects

The investment case for *Northwest Rapid Transit* was approved by the NZTA Board. *Papakura to Drury Great South Rd/SH22* intersection has been completed. Progress updates on Waikare Gorge has been added to this report this month.

Property













All property work on RoNS Wave 1 projects is on track or ahead of programme. Notices of desire to acquire land continue to be served for *Warkworth to Te Hana (Northland Corridor)*, *Cambridge to Piarere*, *Belfast to Pegasus and Woodend Bypass*, with this process to be completed in April. s 9(2)(j)

Consenting

Pre-application engagement is underway with Ministry for the Environment (MfE) and Environmental Protection Authority (EPA) on specific Fast-track Approvals Act 2024 matters which influence the approvals process and timeframes for RoNS projects that may lodge this year.

Northland Corridor represents one project in these counts.

Key

OVERALL HEALTH		TIME	FORECAST COST		
	The programme or project is on track to deliver within agreed tolerances. There are no major outstanding risk or issues that appear to significantly threaten delivery.		On track to deliver within agreed delivery timeframes		On track to deliver within approved project budget
	Successful delivery of the programme or project is feasible but major risks or issues are apparent across key health indicators requiring management attention.		Delayed 5-20% of agreed timeframes		5-20% exceeding approved project budget
	Successful delivery of the programme or project is in doubt, and changes or interventions are required to ensure successful completion		Delayed >20% of agreed timeframes		>20% exceeding approved project budget
	Not available		Not available		Not available

s 9(2)(j)

Significant capital project	Current phase	Exception (cost or time)	Exception summary	Remediation plan
RoRS O Mahurangi Penlink	Construction	s 9(2)(j)		
RoRS SH58 Safety Improvements Stage 2	Construction			
RoRS SH2 Melling Transport Improvements	Design			
Te Ara o Te Ata SH3 Mt Messenger	Construction			

Mega projects/key commitments

Significant capital project (phase)	Next major milestone	Estimated construction start	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
Additional Waitematā Harbour Crossing (investment case)	s 9(2)(j)									
Te Ara o Te Ata SH3 Mt Messenger (construction)										
Te Ahu a Turanga: Manawatū Tararua Highway (construction)										
Te Ara Tupua: Ngā Ūranga ki Pito-One (construction)										
Northwest Rapid Transit Network (investment case)										

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Roads of National Significance

Significant capital project (phase)	Next major milestone	Estimated construction start	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
Northland Corridor – Section 1 (Warkworth to Te Hana) (investment case)	s 9(2)(j)									
SH1 Wellington Improvements (investment case)										
North-West Alternative State Highway (not started)										
East-West Link (investment case)										
Mill Road – Stage 1 (investment case)										
Cambridge to Piarere (design)										

Significant capital project (phase)	Next major milestone	Estimated construction start	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
Hamilton Southern Links (investment case)	s 9(2)(j)									
Takitimu North Link Stage 1 (construction)										
Takitimu North Link - Stage 2 (design)										
SH29 Tauriko (Omanawa Bridge) (design)										
SH29 Tauriko (Wider Scope) (investment case)										

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Significant capital project (phase)	Next major milestone	Estimated construction start	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
Hawkes Bay Expressway (investment case)	s 9(2)(j)									
Ōtaki to North of Levin (design)										
Petone to Grenada and Cross Valley Link (investment case)										
Belfast to Pegasus Motorway (& Woodend Bypass) (design)										
SH6 Hope Bypass (investment case)										

Roads of Regional Significance

Significant capital project (phase)	Next major milestone	Estimated construction start	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
O Mahurangi Penlink (construction)	s 9(2)(j)									
Papakura to Drury (construction)										
Waihoehoe Rd (Drury Upgrade) (design)										
SH1-29 Intersection Improvements (construction)										
SH58 Safety Improvements Stage 2 (construction)										

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Significant capital project (phase)	Next major milestone	Estimated construction start	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
SH2 Melling Transport Improvements (design)	s 9(2)(j)									
Canterbury Package: SH76 Brougham Street upgrade (design)										
Canterbury Package: SH75 Halswell Road Improvements (construction)										
Canterbury Package: Rolleston Access Improvements (design)										
Canterbury Package: Rural Intersections (construction)										
Second Ashburton Bridge (investment case)										

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Significant capital project (phase)	Next major milestone	Estimated construction start	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
Queenstown Package (construction)	s 9(2)(j)									

Major public transport projects

North West Rapid Transit Network is reported under Mega projects on page 6.

Significant capital project	Next major milestone	Overall health	Time	Forecast cost	Indicative investment range (\$m)	Approved budget (\$m)	Forecast (\$m)	Spend to date (\$m)	Progress update
Eastern Busway	s 9(2)(j)								




Capital project property requirements

s 9(2)(j)







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s 9(2)(j)

Maintenance programme delivery

Key:  On track to meet target  Not on track but likely to recover  Not on track and unlikely to recover

State highways

Measure name	Target (30 June 2025)	Monthly Result	2024/25 YTD result	Status	Monthly trend ¹	Commentary
SHP1 Percentage of network with resealed and resurfaced pavement	≥7% (1,690 lane kms)	1.7% (421 lane kms)	6.2% (1,503 lane kms)			Both Southern and Central North Island regions have achieved June 2025 target delivery levels and are continuing to deliver to stretch targets. Wellington/Upper South Island region and Auckland/Northland region are both forecast to exceed their June 2025 targets in March. Waikato/Bay of Plenty region is tracking up to 20 lane km behind programme, which may improve based on retrospective delivery data signalled by the region.
SHP2 Percentage of network with rehabilitated pavement	≥0.9% (217 lane kms)	0.16% (39 lane kms)	0.87% (212 lane kms)			We expect to exceed the annual target before year end, in the March year-to-date results
SHP3 Percentage of potholes repaired within 24 hours from being logged by contractors	≥90%	96%	97%			A total of 1,445 potholes were reported in March and 1,389 were repaired within 24 hours. Year to date, 32,629 potholes have been repaired. ²

Local roads

Delivery data will be provided in later iterations of the monthly report once Road Controlling Authorities can report this information to us in a timely manner.

Exception reporting on maintenance tracking 20% outside of agreed cost and delivery timeframes

Maintenance delivery has not fallen outside of the 20% threshold. In March, the Minister received a full breakdown of this information through a July – February report by region and treatment type.

¹ Previous monthly results are updated retrospectively and can differ from previous reporting. We have updated the trend graphs to represent year-to-date figures.

² The pothole dashboard is updated weekly and is a live database. Because of this, exact figures can differ slightly between reports.

Actual and forecast revenue and expenditure

National Land Transport Fund Net Revenue

	MONTH		YEAR TO DATE				FULL YEAR	NLTP 2024-27
	Actual	Budget	Actual	Budget	Variance		Budget	Budget ³
	\$m	\$m	\$m	\$m	\$m	%	\$m	\$m
State highway improvements	111	108	749	746	(3)	(0%)	1,000	1,068
Local road improvements	7	12	75	76	1	1%	160	130
Walking and cycling improvements	8	12	100	78	(22)	(28%)	146	135
State highway operations	41	98	627	730	103	14%	1,232	1,089
State highway pothole prevention	124	71	611	424	(187)	(44%)	749	589
Local road operations	46	60	366	474	108	23%	740	707
Local road pothole prevention	58	65	388	391	3	1%	584	579
Public transport services	46	58	405	434	29	7%	603	608
Public transport infrastructure	68	59	482	480	(2)	(0%)	757	741
Safety	55	50	378	384	6	2%	531	519
Investment management	20	7	45	65	20	31%	66	87
Rail	47	39	384	353	(31)	(9%)	502	471
Activity class expenditure	631	639	4,610	4,635	25	1%	7,072	6,722
Housing Infrastructure Fund	2	5	28	38	10	26%	131	50
PPP, debt and interest repayment	0	0	151	144	(7)	(5%)	191	192
Other debt and interest repayment	11	30	548	183	(365)	(199%)	742	273
Total NLTF funded expenditure	644	674	5,337	5,000	(337)	(7%)	8,136	7,237
Climate Emergency Res. Fund	4	11	43	75	32	43%	90	107
Crown Infrastructure Partners	1	8	14	57	43	75%	12	82
Eastern Busway	7	7	69	55	(14)	(25%)	84	84
Major Crown Investment Projects	68	77	520	566	46	8%	870	811
Ngauranga to Petone	2	2	18	16	(2)	(13%)	25	23
Regional resilience	5	9	28	63	35	56%	101	90
Retaining/recruiting bus drivers	1	2	10	15	5	33%	24	21

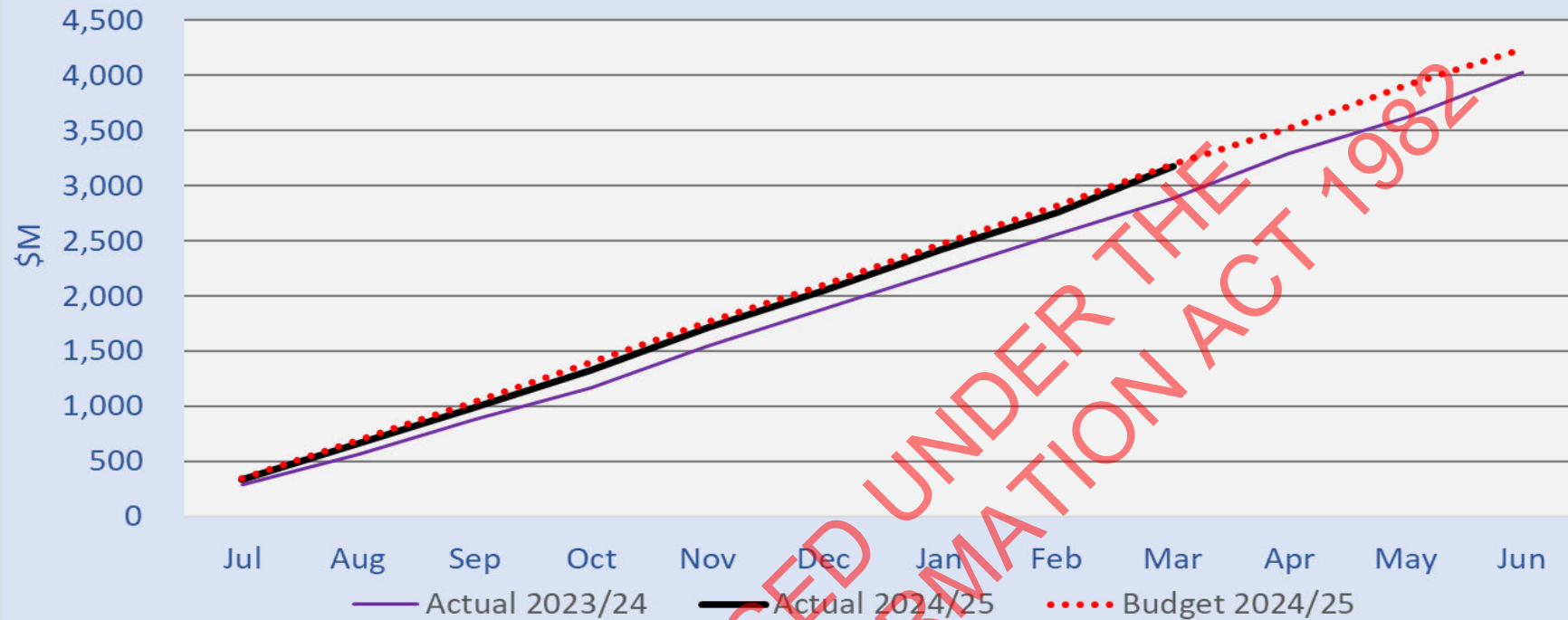
³ Budget was set at the start of the NLTP 2024-27 period.

	MONTH		YEAR TO DATE				FULL YEAR	NLTP 2024-27
	Actual	Budget	Actual	Budget	Variance		Budget	Budget ³
SuperGold card	1	0	38	36	(2)	(6%)	41	39
Supporting Regions Programme	0	2	12	12	0	0%	12	17
Crown funded expend. (non NLTF)	89	118	752	895	143	16%	1,259	1,274
NLTF & Crown funded expenditure	733	792	6,089	5,897	(194)	(3%)	9,395	8,511

National Land Transport Fund Revenue

	MONTH		YEAR TO DATE				FULL YEAR		NLTP 2024-27	
	Actual	Budget	Actual	Budget	Variance		Forecast	Budget	Forecast	Budget
	\$m	\$m	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m
Fuel Excise Duty	200	155	1,420	1,390	30	2%	1,814	1,830	5,680	5,716
Road user charges	184	188	1,510	1,563	(53)	(3%)	1,973	2,062	6,510	6,709
Other NLTF revenue	33	35	238	242	(4)	(2%)	354	345	1,484	1,427
NLTF revenue	417	378	3,168	3,195	(27)	(1%)	4,140	4,237	13,675	13,852
Crown revenue top-ups	474	170	2,233	1,992	241	12%	3,609	2,881	8,668	8,016
Total NLTF revenue incl. Crown top-ups	890	548	5,400	5,187	213	4%	7,750	7,118	22,343	21,868

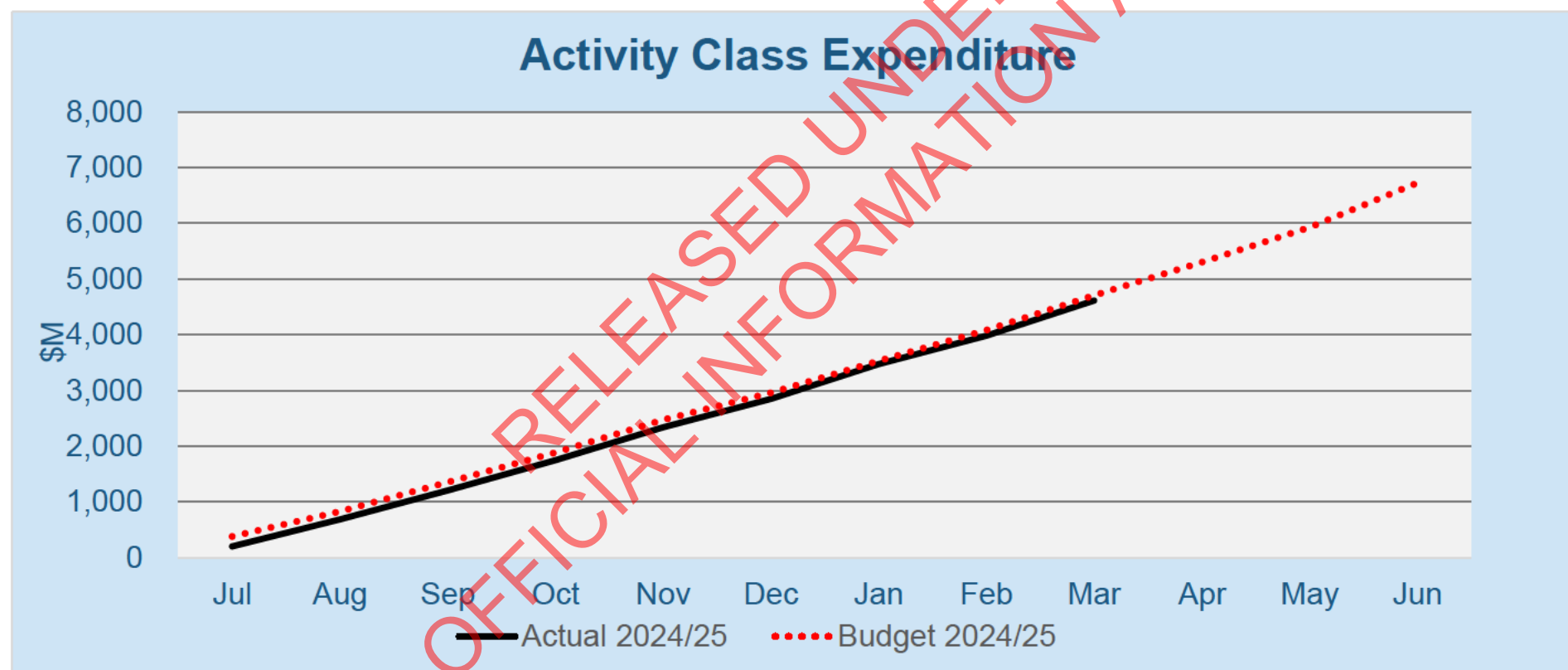
NLTF Revenue excluding Crown Top-ups



Year to date NLTF revenue is \$27m (1%) below budget, this is driven by lower Road User Charges. Crown tops-ups are \$241m above budget (12%). Capital grant drawdown is ahead of budget (\$318m) as well as Rail Network Investment Programme (RNIP) (\$221m), offset by lower drawdown of NLTP loan (\$70m) and lower NIWE spend (\$219m). The budget for capital grant drawdown was set at a time when the capital spend was expected to be lower. A large drawdown was done in March for \$381m to bring year to date into line with spend. The full year forecast is \$607m higher than the budget. The budget for RNIP was set before the full extent of the rail activity (and Crown funding) was known.

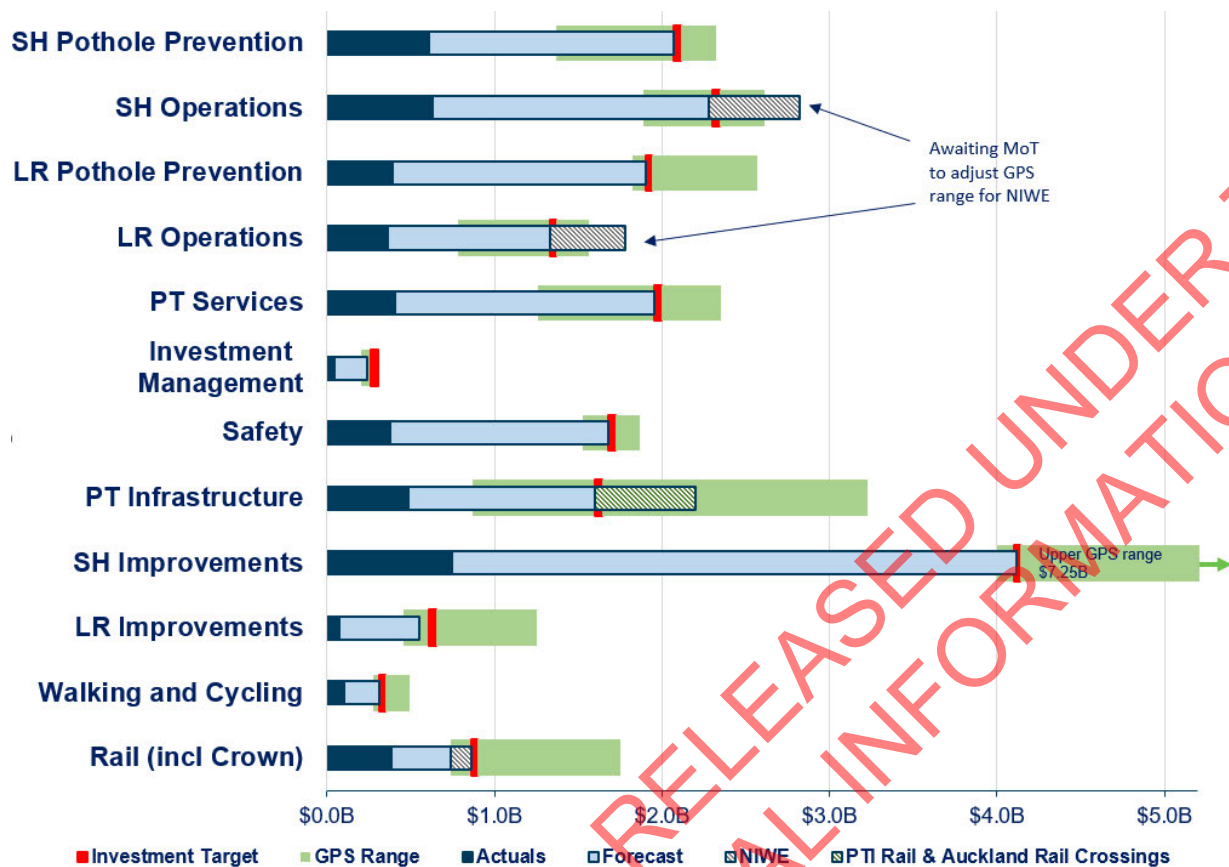
National Land Transport Programme (Funded from the National Land Transport Fund and Crown-Funded Expenditure)

	MONTH		YEAR TO DATE				FULL YEAR		NLTP 2024-27	
	Actual	Budget	Actual	Budget	Variance		Forecast	Budget	Forecast	Budget
	\$m	\$m	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m
Activity class expenditure	631	639	4,610	4,635	25	1%	7,072	6,722	20,444	20,584
Debt and interest repayment	11	30	699	327	(372)	(114%)	933	465	2,013	1,851
Housing Infrastructure Fund	2	5	28	38	10	26%	131	50	233	152
Total NLTF funded expenditure	644	674	5,337	5,000	(337)	(7%)	8,136	7,237	22,690	22,587
Crown funded expenditure (non NLTF)	89	118	752	895	143	16%	1,259	1,274	3,815	4,989
NLTF & Crown funded expenditure	733	792	6,089	5,895	(194)	(3%)	9,395	8,511	26,505	27,576



Overall NLTF funded expenditure is 7% (\$337m) above budget. The large variance is not concerning as it is reflecting early repayment of our revolving short-term facilities. Crown funded expenditure is 16% (\$143m) below budget with lower spend in the Crown Infrastructure Partners 75% (\$43m) below budget, due to a delay in the Brigham Creek project and the Crown Resilience Programme is also 56% (\$35m) below budget, due to low council claims.

National Land Transport Programme activity class spend



Activity class expenditure is \$25m below budget. For most activity classes, actual spend is on track with budget, noting significant acceleration expected in delivery and spend in most of the Improvements activity classes from 2025/26 (including State Highways). Combined spend on State Highway maintenance continues to track with total allocation – however with State Highway pothole prevention ahead of forecast and State Highway operations behind. Three-year forecasts remain highly dependent on costs-savings achieved through the new Integrated Delivery Model. Public Transport infrastructure forecast (exceeding investment target) reflects Crown funding for Public Transport Rail and tagged contingency for Auckland Level Crossings Removal Programme.




Barriers and risk to delivery

s 9(2)(j)

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North Island Weather Event reporting

Key:  High confidence that the programme will be completed within the conditions of the appropriation  Medium confidence that the programme will be completed within the conditions of the appropriation  Low confidence that the programme will be completed within the conditions of the appropriation

Programme (Appropriation)	Schedule	Forecast against approved funding	Project risk	% complete	Total appropriation (\$m)	Spend to date (Since Feb 23) (% of appropriation)	Spend since last reporting (\$m)	Approved spend and/or allocated to councils (\$m)	Funds remaining (\$m)	Progress update
Out of budget cycle Cabinet decision 2023 (SH Response)	s 9(2)(i)									
National Resilience Plan 1 (SH Recovery)										

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Programme (Appropriation)	Schedule	Forecast against approved funding	Project risk	% complete	Total appropriation (\$m)	Spend to date (Since Feb 23) (% of appropriation)	Spend since last reporting (\$m)	Approved spend and/or allocated to councils (\$m)	Funds remaining (\$m)	Progress update
National Resilience Plan Phase 2 (SH Minor Resilience Bailey Bridges)	<div> <div>s 9(2)(j)</div> <div> <div>RELEASED UNDER THE</div> <div>OFFICIAL INFORMATION ACT 1982</div> </div> </div>									
National Resilience Plan Phase 1 (SH Minor Resilience)										
LR Response (LR Response)										
LR Recovery (LR recovery)										

Programme (Appropriation)	Schedule	Forecast against approved funding	Project risk	% complete	Total appropriation (\$m)	Spend to date (Since Feb 23) (% of appropriation)	Spend since last reporting (\$m)	Approved spend and/or allocated to councils (\$m)	Funds remaining (\$m)	Progress update
Budget 24 (LR recovery)	s 9(2)(j)	<p>RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982</p>								

19. The metro network in Auckland and Wellington is not in a steady state because of the affordability-based contributions, past underinvestment and previously unknown asset conditions which have escalated costs.

Changes we will explore over the coming months

20. We now have a much clearer picture of the investment required to bring metro rail to a steady state and deliver the metro rail service levels parties expect. ^{s 9(2)(i)}

21. ^{s 9(2)(f)(iv)}

22.

23.

Next steps, risks and mitigations

24. We have attached draft letters at Annex Three that:

- a. confirm the Budget 25 metro rail funding, and
- b. signal your intention for the Ministry to start discussions with parties to confirm the allocation of the Budget 25 metro rail overdue renewals funding.

25. When we engage with the parties, they may raise other issues related to metro rail funding and affordability issues by the councils.

26. ^{s 9(2)(j)}

^{s 9(2)(f)(iv)}

³ \$149.6m comprises the \$143.6m announced at Budget 25 for metro overdue renewals, and \$6m from Budget 2024 that is still in the appropriation and has not been allocated.

ANNEX ONE: SUMMARY OF CURRENT METRO FUNDING ARRANGEMENTS

Category	What this Incorporates	How it is Currently Funded
Above rail infrastructure and operations		
Metro passenger services (operating costs)	Council-operated commuter services in Auckland and Wellington including Electric Multiple Unit (EMU) train operating costs, ticketing infrastructure, operator staff, EMU maintenance and renewals, etc	<ul style="list-style-type: none"> Farebox revenue Council contribution (Ratepayers) - 49% of costs after fares NLTF (Public Transport Services Activity Class) - 51% of costs after fares
Metro passenger rolling stock and associated facilities, and train stations (capital costs)	Council-operated commuter services in Auckland and Wellington including the capital cost of EMU trains, stabling facilities, and train stations/platforms	<ul style="list-style-type: none"> Council contribution (Ratepayers) (49% of costs) NLTF (Public Transport Infrastructure Activity Class) - 51% of costs Crown operating budget. For example, funding for the trains associated with the Lower North Island Integrated Mobility Programme (LNIRIM)
Below rail infrastructure and operations		
Metro network – routine maintenance and on time renewals (operating costs)	<p>Land, rail formation, bridges, tunnels, track, signals, power in Auckland and Wellington metro networks.</p> <p>Inspections and monitoring, preventive maintenance, corrective and emergency maintenance</p> <p>Insurance and performance fees</p> <p>On-time renewal of assets at the end of their serviceable life in Auckland & Wellington metro networks</p>	<ul style="list-style-type: none"> Overall cost apportioned to freight and passenger providers through proportion tables in network access agreements. Passenger share funded through NLTP (Public Transport Services Activity Class): <ul style="list-style-type: none"> 49% Council contribution 51% NZTA Freight share funded through RNIP (Rail Network Activity Class)
Metro network – overdue renewals (capital costs)	<p>Land, rail formation, bridges, tunnels, track, signals, power in Auckland and Wellington metro networks.</p> <p>Overdue renewals refer to infrastructure that previously reached the end of serviceable life but was not replaced. This has been the</p>	<ul style="list-style-type: none"> To date, central government, through the NLTF and the Crown operating budget, has fully funded overdue renewals. There is an expectation from AT and GWRC that the Crown, as asset owner, will continue to meet the cost of bringing



13 June 2025

OC250534

Hon Chris Bishop
Minister of Transport

Action required by:
Thursday, 19 June 2025

UPDATED DRAFT CABINET PAPER ON RUC TRANSITION

Purpose

This briefing attaches a revised draft of the road user charges (RUC) transition Cabinet paper following departmental and Ministerial consultation.

Key points

- We have completed departmental consultation on the draft Cabinet paper. An updated version which reflects this feedback is attached.
- Most departments generally supported the draft paper, and we have made minor changes to reflect some feedback.
- The main substantive changes we propose are to respond to feedback from Ministerial consultation, including:
 - presenting three broad pathways for transitioning to RUC (responding to feedback seeking a clearer narrative)
 - comments on the potential for the use of in-vehicle technology for new vehicles (responding to feedback relating to greater ^{s.9(2)(f)(iv)} [REDACTED])
 - inclusion of five key principles to guide the transition and next steps.
- We have included detail on three possible pathways for the transition to RUC, and the rationale for Pathway 2 – the recommended approach.

Recommendations

We recommend you:

- 1 **provide feedback on the updated draft Cabinet paper**
- 2 **agree to lodge the Cabinet paper by 10:00am Thursday 19 June 2025 for consideration by the Cabinet Economic Policy Committee on 25 June 2025.**

Yes / No



Anna Wilson-Farrell
Director - Revenue
13 / June / 2025

Hon Chris Bishop
Minister of Transport
..... / /

Minister's office to complete:

☐ Approved☐ Declined☐ Seen by Minister☐ Not seen by Minister☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Anna Wilson-Farrell, Director - Revenue	s 9(2)(a)	✓
Matthew Skinner, Manager - RUC Transition		

UPDATED DRAFT CABINET PAPER ON RUC TRANSITION

- 1 An updated version of the road user charges (RUC) transition Cabinet paper is attached, reflecting feedback from departmental and Ministerial consultation, which took place between 5 and 10 June 2025.

Departmental consultation

- 2 From departments, we received the following feedback and have made small corresponding amendments to the paper:
 - 2.1 **Treasury:** Supported the paper being clear that the shift to RUC will not necessarily increase revenue but is primarily about addressing fairness among road users (as efficient vehicles currently pay less fuel excise duty). They viewed the proposals, aimed at boosting competition and efficiency in the RUC retail market, as sensible “no regrets” changes.
 - 2.2 **Infrastructure Commission:** While supporting the RUC transition, the Commission suggested broadening the paper's scope. They highlighted the need to address potential revenue risks, improve enforcement, analyse private versus public e-RUC cost-effectiveness, clarify the retail market, and emphasise the “manual” RUC system's ongoing importance. These points will be picked up in the next stage of work and on the August 2025 Cabinet paper.
 - 2.3 **New Zealand Transport Agency (NZTA):** Suggested clarity about what is meant by the “manual” description of its RUC system, wanted stronger acknowledgement of revenue risks, and sought clarity on their future RUC sales role and the competitive retail market plan. We have adjusted the reference to its system (“largely manual”) and emphasised the revenue risk more strongly.
 - 2.4 **Ministry of Business, Innovation and Employment (Fuel Markets):** Noted its preference for Customs to continue collecting the Petrol and Engine Fuel Monitoring Levy (a separate levy included in the cost of fuel) despite the RUC shift. No changes are required to address this.
 - 2.5 **Inland Revenue:** Sought clarification on a comment implying government inefficiency in tax collection. We have confirmed the paper is clear that it is referring to market structures and retail, not tax collection broadly, and the wording does not require changes.
 - 2.6 **Ministry of Social Development (Office for Seniors):** Noted that changes could benefit older people with less fuel-efficient cars who drive less but stressed the need for clear communication and easy processes. No changes are required to address this.
 - 2.7 **Office of the Privacy Commissioner:** While offering no immediate feedback, stressed the importance of safeguarding privacy as the market develops. We will continue to engage with the Office.

Updates from Ministerial consultation

- 3 We have also updated the paper to reflect comments passed on by your Office as set out below.

Including principles for the next stages of the work programme

- 4 Feedback suggested including overarching principles to guide the work programme. As we progress towards the August 2025 Cabinet report back, the principles will support us to ensure that legislative proposals and policy direction reflect Government priorities. We have included five principles in the paper, which are consistent with both the feedback from your Office, and the work the Ministry and NZTA have been doing. These principles are described in more detail in the Cabinet paper, and are summarised below:
- 4.1 End-user focus: Changes to the RUC system should consider end user satisfaction, including aspects such as cost, ease of use, and privacy.
 - 4.2 Revenue protection: Changes should aim to minimise revenue leakage and ensure effective sanctions against evasion.
 - 4.3 Future-proofing: Regulatory settings should have the flexibility to enable integrated road pricing in the future, including time and location.
 - 4.4 Market-led solutions: The system settings should enable retail service providers to compete and innovate.
 - 4.5 Rapid results: Improvements should be expedited, aiming to take clear and rapid steps towards fleetwide RUC, balancing the achievability of implementation.

Presenting a clear roadmap

- 5 Additional clarity was sought on milestones. We have amended the Cabinet paper to provide a clearer pathway towards a transition and an explicit recommendation that you report back in **August 2025** with greater detail on policy proposals and milestones on the preferred Pathway.
- 6 To prepare the August report back to Cabinet, we will provide you with advice in **July 2025**, and any additional changes will be considered as part of the August 2025 Cabinet paper. In preparing this advice, we will continue to work with NZTA on the expected costs and delivery timeline.

Other changes

Detail on transition pathways, and the preferred approach

- 7 At the Officials' Meeting on Wednesday 28 May 2025 you indicated that your priority for the RUC system is to get the system settings right before progressing with the fleetwide transition. Your preference was to take steps to enable competitive technological solutions within the existing system and then move the remaining fleet to RUC over time as technology and process changes improve the customer experience and lower the cost of collection.

8 We have incorporated more content about the potential pathways for the RUC transition and the rationale for this approach (Pathway 2) which is the recommended pathway in the Cabinet paper. Each Pathway has different implications for the timeline and alignment with the guiding principles. **Annex 1** provides more detailed analysis of each pathway against the principles.

8.1 **Pathway 1 - rapid 2027 transition to the current system:** This pathway enables a swift shift to the existing system by 2027, aligning with the Government's commitment to immediate action. It uses the current, largely manual RUC system, offering speed and decisiveness. However, this means moving to a system with limited upgrades, relying heavily on active user compliance to guarantee revenue. NZTA would retain a dominant retail role, potentially leaving limited opportunity for innovative, market-led retail solutions.

8.2 **Pathway 2 - future-proofing and market-led transition:** This pathway is focused on modernising the RUC system and developing a competitive retail market for RUC over 2025–2027, with a commitment to transition as soon as the market is ready. It aims for a user-friendly and potentially cost-effective system, competition among providers and encourages innovative electronic solutions. It relies on a competitive RUC retail market emerging. While we know there is interest from companies, there is a risk that if the market does not develop, the transition could be delayed.

8.3 **Pathway 3 - natural fleet transition to RUC:** This pathway also focuses on initial modernisation of the RUC system, but with no commitment of a hard switchover date. This allows for a gradual RUC transition as electric vehicle uptake increases, with petrol vehicles contributing via excise duty for a longer period. This approach offers a less disruptive transition for petrol vehicle owners than an immediate shift. However, its extended timeline means the fleet's transition to RUC would be delayed, leading to a portion of the fleet under-contributing through excise duty for many years. It also delays the full application of a "user pays" system for road funding. This approach would allow for incremental improvements to be made to the RUC system over time (including the development of a retail market), but not necessarily with the pace envisaged by pathway 2 due to the smaller market scale.

9 The Cabinet paper recommends Pathway 2: "future-proofing and market-led transition". By doing this, it **implicitly rejects** the "2027 transition" (expanding the current manual system) due to its risk. Meanwhile, the "fleet composition" pathway (Pathway 3) is too slow to meet stated government commitments for a full transition.

Explore options for changing standards to better enable in-vehicle technological solutions

10 Your office also asked us to include material in the Cabinet paper exploring s 9(2)(f)(iv) use of in-vehicle technology for new vehicles (which is installed, but in some cases not enabled, in most new vehicles imported to New Zealand since 2018).

11 We have updated the Cabinet paper to note that officials will explore the feasibility of adapting vehicle regulatory standards to ensure this technology is available for electronic RUC (eRUC) purposes. We will consider the opportunity for this to be progressed through the Ministry's ongoing rules reform programme, which is considering broader regulatory requirements for vehicles.

Annex 1: Analysis of the guiding principles and indicative pathways for transition of the fleet to RUC

Principle	Pathway 1: rapid 2027 transition to the current system	Pathway 2: enable the market, then transition	Pathway 3: gradual transition through changes in the fleet composition
Transition approach	Immediate focus to transition all petrol vehicles to the current largely manual RUC system, with minor system improvements. Future decisions for a move towards market-provided solutions and eRUC mandates as the market develops.	Immediate focus to reform the system to open it up to new technological solutions and competitive retail. Future consideration of moving petrol vehicles to RUC once the market can provide for the transition.	Immediate focus to improve the system to open it up to new options, and competitive retail. Once there is a wide range of eRUC options, the Government could consider progressing a transition.
End user focus	– Likely a poor end-user service due to reliance on manual system and limited innovation, potentially leading to higher ongoing costs for users.	++ Aims for a better end-user experience through moving only when there are reasonable competitive technological solutions available through the market.	+ Simple for users as they continue to pay through excise duty. Reliance on the current system reduces fairness, and may limit potential to achieve future improved service and cost efficiency.
Revenue protection	-- High revenue leakage risks due to heavy reliance on a largely manual system, odometer readings, and limited roadside enforcement.	++ Aims to deliver robust revenue protection through advanced, competitive solutions, mitigating long-term risks associated with a less efficient system.	+ Limited risk of revenue loss, but would require progressively larger increases to excise duty to reflect improving fuel economy.
Future proofing	– Existing system inefficiencies, limiting flexibility for road pricing (congestion charging, time/location-based pricing) beyond distance and weight.	++ Creates a flexible legislative framework capable of supporting integrated road pricing (time, location, etc) and accommodating future technological advancements, moving towards a truly future-proofed system.	-- Does not build a system for integrated road pricing. It is a passive approach that leaves the underlying system unchanged, meaning future work would still be required for advanced pricing.

Principle	Pathway 1: rapid 2027 transition to the current system	Pathway 2: enable the market, then transition	Pathway 3: gradual transition through changes in the fleet composition
Market-led solutions	– Over-reliance on NZTA as a dominant provider to enable a fast transition limits private sector competition and innovation.	++ Explicitly focuses on enabling a competitive RUC retail market by removing regulatory barriers and fostering private sector innovation and competition in service delivery.	+ Provides some progress toward market provision, but this may be limited by the smaller scale of the existing RUC fleet and unclear timeframes for expansion.
Rapid results	++ Provides a fast transition to RUC for most vehicles by 2027	– The full fleet transition will only occur once the market is established, likely involving a multi-year process. However, it aims for faster <i>long-term</i> progress towards a better system.	-- Will take a long time as it relies on the gradual turnover of the vehicle fleet.

Key

- ++ Option strongly achieves principle
- + Option demonstrates progress towards principle
- Option counter to principle
- Option strongly counter to principle



18 June 2025

OC250408

Hon Chris Bishop

Action required by:

Minister of Transport

Monday, 30 June 2025

AMENDMENTS TO THE LAND TRANSPORT (ALCOHOL INTERLOCK DEVICES) NOTICE 2012

Purpose

Seek your approval of the Land Transport (Alcohol Interlock Devices) Amendment Notice 2025 (the Amendment Notice).

Key points

- Section 2(1) of the Land Transport Act 1998 enables the Minister of Transport to approve an alcohol interlock device by notice.
- On 21 May 2025, you agreed that officials could issue drafting instructions to the Parliamentary Counsel Office (PCO) to amend the Land Transport (Alcohol Interlock Devices) Notice 2012 to include two new alcohol interlock devices, enabling their use in New Zealand's alcohol interlock programme [OC241415 refers].
- Attached is the Land Transport (Alcohol Interlock Devices) Amendment Notice 2025 (Annex 1) for your signature. The Amendment Notice inserts the Dräger Interlock 7500 and the LifeSafer L250 into the list of approved devices in the Land Transport (Alcohol Interlock Devices) Notice 2012.
- The Minister of Science, Innovation and Technology has been consulted on the proposal to include new interlock devices. He wrote back to you confirming he was comfortable that proper process had been followed.
- Once you have signed the Amendment Notice, we will inform the PCO. The PCO will publish it on the NZ Legislation website and notify it in the *New Zealand Gazette* (the *Gazette*). The Amendment Notice will come into force on the 28th day after notification in the *Gazette*.
- We will also work with your office to arrange for the Amendment Notice to be presented to the House of Representatives within 20 working days after the Amendment Notice is signed, in accordance with Standing Order 325A.

Recommendations

We recommend you:

- 1 sign the Land Transport (Alcohol Interlock Devices) Amendment Notice 2025 which adds the Dräger Interlock 7500 and the LifeSafer L250 devices to the list of approved alcohol interlock devices for use in New Zealand's alcohol interlock programme Yes / No
- 2 refer this briefing to Hon Dr Shane Reti, Minister of Science, Innovation and Technology Yes / No
- 3 note that the Amendment Notice will be notified in the *Gazette* and published on the NZ Legislation website Yes / No
- 4 authorise the presentation of the Land Transport (Alcohol Interlock Devices) Amendment Notice 2025 to the House of Representatives.



Joanna Heard
Manager, Safety

12 / 06 / 2025

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Joanna Heard, Manager, Safety	s 9(2)(a)	
Jessica Maynard, Senior Adviser, Safety		✓
Sophia Trewavas, Adviser, Safety		

**ANNEX 1 – LAND TRANSPORT (ALCOHOL INTERLOCK DEVICES) AMENDMENT
NOTICE 2025**

Attachment is refused under 18(d)

The 'LAND TRANSPORT (ALCOHOL INTERLOCK DEVICES) AMENDMENT NOTICE 2025' is available here:

<https://www.legislation.govt.nz/regulation/public/2025/0142/8.0/whole.html#d20668402e129>

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18 June 2025

OC250508

Hon Chris Bishop

Action required by:

Minister of Transport

Monday, 30 June 2025

DRAFT OUTPUT PLAN 2025/26

Purpose

To obtain your agreement to the 2025/26 Output Plan in Appendix A.

Key points

- The Ministry's current Output Plan with you ends on 30 June 2025. For the April – June 2025 quarter, we expect to meet 90 percent or more of the Output Plan deliverables. The 'at risk' deliverable relates to our Anti Social Road Users work where there are tight timeframes.
- Agreeing a new Output Plan for 2025/26 is an important tool for us to communicate your priorities with Ministry staff and ensure that our resources are focussed on delivering your highest priorities. The attached Plan is focussed on what we understand are your priorities but does not cover all of the Ministry's business.
- The Plan also does not include risks that could affect our resources. For example, the potential need to support the costings of election commitments in the lead up to Election 2026, nor any substantive resourcing for the Transport and Infrastructure Select Committee Inquiry into Ports and the Maritime Sector. As and when such risks arise, we will discuss how to manage these with you.
- We have not included deliverables that are dependent on actions by third parties e.g. Parliamentary Counsel Office drafting legislation and progressing through the House. Appendix B sets out the planned Bills for 2025/26 and their expected timeframes.
- The plan will also support the requirements in the Estimates 2025/26 to report the percentage of Output Plan deliverables met each year in our Annual Report and publish a list of the deliverables achieved on our website. This supports transparency on the Ministry's performance.
- If any changes are needed to the Output Plan, we will continue to seek your agreement on these through the Weekly Report. We will also review the plan at around six months to assess if it needs a wider update to reflect additional priorities and workstreams.
- We are separately proposing a draft Output Plan to the Associate Minister of Transport.

Recommendations

We recommend you:

- | | | |
|---|--|----------|
| 1 | Agree to the attached Output Plan 2025/26 | Yes / No |
| 2 | Agree that the Ministry publish a list of the achieved Output Plan deliverables on our website (as required by the Estimates 2024/25) following the finalisation of our Annual Report 2024/25. | Yes / No |



Chris Nees
Acting Chief of Staff

18/06/2025

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Chris Nees, Acting Chief of Staff	s 9(2)(a)	✓
Hilary Penman, Manager Ministerial & Executive Services		
Robert McShane, Principal Adviser, Ministerial & Executive Services		

Appendix A

Draft Output Plan 2025/26 attached

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Appendix B**Expected timeframes for transport Bills in 2025/26**

Name of Bill	Policy Approval	LEG	Introduction	SC Report Back	Commencement
Land Transport (Time of Use Charging) Amendment Bill	Complete	Complete	Complete	4 September 2025	December 2026

s 9(2)(h)

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Output Plan 2025/26

For Hon Chris Bishop, Minister of Transport

July 2025

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Ministry of Transport Output Plan Deliverables for the Minister of Transport in 2025/26

Programme, Project & Deliverable	Deliverable due
Anti-social Road Users	
Anti-social Road Users	
Briefing with legislative package supporting the introduction of the Bill	Jul-25
Auckland	
Transport governance reform in Auckland	
Paper considered at s 9(2)(h) Committee meeting in August	Aug-25
Budget 2026	
Performance Plan 2026/27	
Briefing on submission of the Vote Transport Performance Plan for 2026/27	Oct-25 TBC
Budget 26	
Briefing on submission of Budget 2026 bids	Dec-25
Briefing with Budget bilateral advice	Feb-26
Crown Monitoring	
NZTA Appointments	
Briefing on state of play for NZTA appointments and fees	Feb-26
Emergency Ocean Response Capability (EORC)	
Emergency Ocean Response Capability	
Briefing with Cabinet paper and draft consultation document for EORC specific levies	Jul-25
Briefing to provide analysis of first stage of consultation on EORC specific levies and to obtain direction of travel for any ongoing work	s 9(2)(f)(iv)

Programme, Project & Deliverable	Deliverable due
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Funding Reviews	
NZTA funding review	
s 9(2)(f)(iv)	

Investment	
GPS 2027	
Briefing seeking indicative direction from Minister on the overall strategic direction	Oct-25
Roads of National Significance (RoNS)	
s 9(2)(f)(iv)	

Land Transport Rules reform programme	
Land Transport Rules	
Briefing seeking approval for public consultation on improving lane use and use of traffic control devices	Feb-26
Briefing on rule changes for WOF settings and vehicle safety features	May-26
Briefing on rule changes for freight permitting	May-26
Briefing on rule changes for improvements to lane use and use of traffic control devices	Jun-26

Rail	
Lower North Island Rail Integrated Mobility (LNIRIM)	
Briefing on the LNIRIM contract	Jul-25
Briefing on progress with the programme	Sep-25
s 9(2)(f)(iv)	

Programme, Project & Deliverable	Deliverable due
----------------------------------	-----------------

Metro Rail Operating Model Review	
Briefing confirming the policy problems, options and preferred option	Oct-25

Revenue	
Heavy EV RUC exemption	
Briefing with final Cabinet ^{s 9(2)(h)} paper	Oct-25
Modernising the RUC system	
Briefing with final Cabinet paper seeking policy decisions	Aug-25
Time of use charging	
Briefing with final Regulations	Jun-26
Tolling	
Briefing or Weekly Report update ^{s 9(2)(h)} for tolling reforms and any issues arising	Aug-26

Road Safety	
Driver Licensing	
^{s 9(2)(f)(iv)}	
Oral Fluid Testing Regulations	
Briefing with draft Cabinet ECO paper – seeking policy decisions and approval to issue drafting instructions	Jul-25

Total Mobility	
Total Mobility Review	
Briefing on narrowed options for stabilising Total Mobility and option impacts	Jul-25
^{s 9(2)(f)(iv)}	

Transport Financing	
Toll Road Concessions	
Briefing on findings from market sounding to support decisions on progressing an asset recycling programme starting with toll roads	Aug-25

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Te Kāwanatanga o Aotearoa
New Zealand Government



Cabinet Committee Background Information and Talking Points

Date and time: 12 noon, Tuesday 24 June 2025

Paper Title: Transitioning to road user charges: initial decisions

Portfolios: Transport

Attendees: Paul O'Connell, Deputy Chief Executive, Sector Strategy
Anna Wilson-Farrell, Director - Revenue

This paper reports back on plans for transitioning petrol vehicles to the road user charges (RUC) system

- In the Coalition Agreement between National and ACT we agreed to:
 - “Work to replace fuel excise taxes with electronic road user charging for all vehicles, starting with electric vehicles.”
- We also have a 2025 Q2 Action Plan item to:
 - “Take Cabinet decisions on the fleetwide transition to Road User Charges”
- We moved over 100,000 light electric vehicles onto RUC from 1 April 2024.
- I'll soon be coming to Cabinet with a paper seeking agreement to the end date of the heavy EV RUC exemption which is expected to bring an additional 1400 heavy vehicles onto RUC at the point the exemption ends.
- There are more than a million vehicles in the RUC system (around 180,000 heavy vehicles and 1 million light vehicles), but 3.5 million petrol vehicle users still pay \$2 billion per year through fuel excise duty.
- Cabinet agreed in 2024 that RUC should replace FED for light petrol vehicles, and noted a target to start the transition in April 2027.

Moving all vehicles to RUC in 2027 would be possible but carries risks and has limited immediate benefit

- To transition in 2027, we would need to rely heavily on the existing system. The risks around user experience, compliance, and revenue leakage outweigh the benefits of a rapid transition.
- There are good reasons to move petrol vehicles to RUC:
 - it is fairer to collect revenue based on distance travelled than fuel use, and
 - RUC is a step closer to road pricing based on distance, location and time of use.

- However, we need to protect \$2 billion of revenue currently collected from fuel excise duty:
 - public support will be vital as we are moving from a largely unnoticed and unavoidable tax to a visible charge that needs regular compliance
 - the RUC system is somewhat outdated, largely manual for users, and based on odometer readings. This makes it susceptible to evasion and some inefficiency.

I'm proposing to make system improvements first, and a clear transition pathway

- This paper sets out the direction of improvements to the RUC system to modernise it and provide options that make it easier for users.
- I'll come back in August with specific legislative proposals with a focus on fostering a market of competitive technological solutions for RUC.
- This will include removing prescriptive requirements, such as:
 - requirements to physically display RUC licences
 - requirements around electronic distance recorders that prevent low-cost solutions and modern in-vehicle tech being used.
- My August paper will also include more detail on the plan to implement these changes and progress the transition itself.

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Questions and answers

Will the transition to RUC generate additional revenue?

- The RUC transition is not expected to generate additional revenue.
- The current light vehicle RUC rate is about 17% higher than the fuel excise duty paid at the average petrol vehicle fuel economy. Therefore, a transition to RUC with perfect revenue recovery would create a revenue increase. However, this is likely to be offset through no longer receiving revenue from off-road use of petrol (e.g. in boats), non-compliance (e.g. through odometer tampering) and additional administrative costs.
- By improving the RUC system before the transition, we can reduce these revenue risks.
- s 9(2)(f)(iv)

What are the benefits and costs of transitioning to RUC after system improvements have been implemented vs a rapid transition?

- Given the RUC transition is not expected to generate additional revenue, there is no significant revenue or financial impact associated with a slower transition.
- Transitioning the remaining fleet to RUC once system improvements are embedded:
 - reduces revenue risks – by ensuring user-friendly and tech-enabled options are available to people to manage their RUC obligations.
 - allows more time for a market to establish and lead on customer service and technology direction.
 - potentially reduces the scale of government investment needed in NZTA's front-end retail system as other providers will offer retail solutions.
- The key trade-off is that it will take slightly longer to have everyone on the RUC system and being charged more fairly for their road use. This will be compounded by planned increases to fuel excise over coming years which will see some people pay increasingly more than others based on the fuel efficiency of their vehicles.

What market interest is there in RUC retail?

- The market for RUC is dominated by NZTA which sells RUC through its website and contracts some private providers for over-the-counter sales.
- There are also three main electronic RUC sellers (EROAD, Teletrac Navman, and Picobyte) that target heavy vehicles and combine their offerings with other fleet management services.
- The Ministry of Transport has heard from providers interested in offering simple technological solutions, but this needs legislative change to enable.

What are the restrictions for electronic devices?

- The legislation was put in place in 2012, designed for robust electronic distance recording for heavy vehicles.
- It makes it hard for private providers to offer affordable devices for private vehicle owners. For example, devices need to be attached to the vehicle, record distance from both vehicle sensors and GPS, and have an electronic display for RUC licences and distance travelled.
- Most devices cost at least \$500 to install, ^{s 9(2)(b)(ii)}

What are the benefits of removing labels?

- Removing requirements for physical licences will mean:
 - users who buy RUC online (the majority) will no longer have to wait to receive a label in the mail
 - costs of printing and posting labels will be saved
 - low-cost digital devices will be more feasible, as having a screen that displays the RUC licence adds significantly to their cost.

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25 June 2025

OC250480

Hon Chris Bishop

Action required by:

Minister of Transport

Wednesday, 2 July 2025

SEEKING DIRECTION ON DRIVER LICENSING CHANGES POST CONSULTATION

Purpose

This paper seeks your direction on policy decisions for improvements to the graduated driver licensing system (GDLS) after public consultation. The next step will be to seek Cabinet agreement to issue drafting instructions to the Parliamentary Counsel Office to amend the Land Transport (Driver Licensing) Rule 1999 (the Rule).

Key points

- Public consultation on proposed improvements to the GDLS ran from 14 April to 9 June 2025. A draft summary of submissions is attached at Annex one.

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SEEKING DIRECTION ON DRIVER LICENSING CHANGES POST CONSULTATION

The Government publicly consulted on changes to the driver licensing system

- 1 In April 2024, Cabinet invited the Minister of Transport to report back with options to make getting a licence cheaper and easier, and support drivers to have the skill set to drive safely [CBC-24-MIN-0016].
- 2 In March 2025, Cabinet agreed to release a consultation document with proposed changes to the driver licensing system [ECO-25-MIN-0017]. The proposed changes included removing the full licence test and introducing mitigating measures to maintain road safety.
- 3 Consultation ran for eight weeks. We received 4,134 submissions. They came from individual submitters and a range of organisations including driver licensing and road safety groups, local government, and youth groups. We have attached a draft summary of submissions. The numbers should be treated as provisional as we are still finalising the analysis. You will receive a final version as part of the Cabinet package.

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