Ministry for Cities, Environment, Regions & Transport

OC260462

3 July 2026

[redacted]

I refer to your email dated 4 June 2026 received by the Ministry of Transport (the Ministry), requesting information under the Official Information Act 1982 (the Act) under the following headings:

> "1. Public land and road-corridor use
> 2. Financial beneficiaries and contractor arrangements
> 3. Consolidated Fund and Crown revenue
> 4. Economic harm, safety harm, and public affordability
> 5. AI, algorithms, modelling, and optimisation
> 6. Prevention versus revenue collection
> 7. Variable and confusing speed environments
> 8. Public compensation / public return
> 9. Accountability pathway"

The Ministry emailed you on 12 June 2026, asking you to refine your request with 'due particularity'. No response has been received, so the decision on the request has been made, based on the current request.

Your request was also sent to the New Zealand Transport Authority (NZTA), Treasury, Ministry of Justice and New Zealand Police. As such, it would not be appropriate to transfer any part of this request to the other agencies that have also received the request.

On 1 July 2026, the functions of the Ministry of Transport were transferred to the Ministry for Cities, Regions, Environment and Transport (MCERT).

I will address how each part of your request has been treated under the Act. Some parts of your request have not been made with due particularity. This means that it is not clear to us what specific information you are asking for. As you have not clarified your request and we are unable to interpret what information you are seeking, parts of your request not specified with due particularity have not been considered valid requests and as such have not been responded to.

The Ministry is not required to generate new information, opinions, or explanations to respond to requesters. Our obligation is to consider and provide information that is already held, subject to any applicable grounds for withholding or refusal. While we may choose to provide context or assistance where appropriate, the request process does not require us to create analysis, form a new view, or prepare explanatory material that does not already exist.

| Part | Details | Treatment under the Act |
|---|---|---|
| 1. Public land and road-corridor use | Please provide all final, relied-upon, policy, legal, financial, Cabinet, ministerial, Treasury, NZTA, Police, Ministry of Justice, or inter-agency records from 1 January 2020 to the present that identify:<br><br>**a.** the lawful basis on which the Crown, NZTA, Police, councils, contractors, or other agencies use public roads, road corridors, roadside land, transport corridors, signs, poles, gantries, cameras, sensors, data systems, or enforcement infrastructure;<br><br>**b.** whether the relevant road corridors or infrastructure are treated as Crown land, council land, public land, transport assets, commercial assets, enforcement assets, or mixed-use public/commercial assets;<br><br>**c.** whether any accounting, rent, licence fee, concession, public-return, compensation, or benefit-sharing mechanism exists where public land or road corridors are used to generate enforcement revenue, data value, contractor income, or Crown revenue;<br><br>**d.** whether the public receives any direct financial return, offset, rebate, reduction in charges, or compensation from enforcement revenue or commercial use of public road corridors. | It is not clear what you are requesting here. This part of your request has not been made with due particularity. |
| 2. Financial beneficiaries and contractor arrangements | Please provide all records identifying:<br><br>**a.** every private contractor, supplier, technology provider, camera operator, enforcement-system provider, data-processing provider, AI or algorithmic-system provider, maintenance contractor, or financial services provider involved in speed cameras, safety cameras, enforcement systems, infringement processing, payment processing, or related data systems;<br><br>**b.** the contracts, procurement summaries, statements of work, payment structures, incentive structures, performance targets, revenue-linked payments, volume-linked payments, service fees, commissions, or other financial arrangements for those providers;<br><br>**c.** whether any contractor or private entity is paid more where more infringements, camera detections, notices, enforcement actions, processing events, or payments occur;<br><br>**d.** whether any contractor, supplier, agency, or third party receives value from enforcement data, driver data, vehicle data, location data, camera data, behavioural data, or analytics derived from public-road users. | This part of your request is best responded to by NZTA. |
| 3. Consolidated Fund and Crown | Please provide all records showing:<br><br>**a.** where speeding, safety-camera, infringement, | Subsections a to c are covered by the request the Ministry's response to OC260458 also provided |

| Part | Details | Treatment under the Act |
|---|---|---|
| revenue | enforcement, and road-policing revenue is paid;<br><br>**b.** which agency accounts for it;<br><br>**c.** which agency forecasts it;<br><br>**d.** whether Treasury receives, models, estimates, forecasts, allocates, monitors, or reports this revenue;<br><br>**e.** whether any Crown budget, appropriation, Vote, business case, funding model, or financial forecast assumes revenue from speed cameras, safety cameras, infringement notices, fines, enforcement, or road-user penalties;<br><br>**f.** whether any annual revenue target, forecast, budget line, expected collection amount, or collection-performance measure exists for speed-camera, safety-camera, speeding, infringement, or enforcement revenue.<br><br>If the figure of approximately $2.3 billion, or any similar transport, enforcement, fine, fee, penalty, or revenue figure, has been used in any briefing, Cabinet paper, Treasury paper, budget paper, appropriation paper, agency plan, or financial forecast, please provide the record and identify what the figure relates to. | to your organisation. Safety-camera fines are now administered by NZTA. NZTA forecasts, monitors, distributes and reports that revenue. It pays the revenue to the Ministry each month, and the Ministry then pays to the Treasury's consolidated fund.<br><br>I can advise that the Ministry does collect and report on speed camera revenue and this is reported in its Annual Report. The 2024/25 Annual Report is published at:<br><br>https://www.transport.govt.nz/assets/Uploads/MOT-6074-Annual-Report-2025_FA_WEB.pdf |
| 4. Economic harm, safety harm, and public affordability | Please provide all records showing how the Crown, Ministry, NZTA, Police, Treasury, or Ministry of Justice define and assess "safety", "harm", "economic impact", and "public benefit" in the context of speed-limit policy and enforcement.<br><br>In particular, please provide records showing whether the following are included or excluded:<br><br>**a.** household financial harm;<br><br>**b.** infringement and fine burden;<br><br>**c.** public affordability;<br><br>**d.** hardship caused by enforcement debt;<br><br>**e.** increased travel time;<br><br>**f.** fuel and vehicle operating costs;<br><br>**g.** small-business and trade impacts;<br><br>**h.** rural-driver impacts;<br><br>**i.** freight and productivity impacts;<br><br>**j.** crash and injury impacts;<br><br>**k.** Crown revenue benefit;<br><br>**l.** contractor revenue benefit;<br><br>**m.** data value or surveillance value.<br><br>If financial harm to the public is excluded from the definition of "safety" or "harm", please provide the record or legal basis for that exclusion. | In response to an earlier Official Information Act request made by your organisation (our reference OC260408), we provided your organisation with the relevant Cabinet paper and Regulatory Impact Statement on the Land Transport Setting of Speed Limits Rule 2024. These documents illustrate how "safety", "harm", "economic impact", and "public benefit" were considered in this context. In particular, the expected impact of the proposed rule changes on deaths, serious and minor injuries from road crashes, and impacts on vehicle travel times. I have attached a copy of that response to this letter. Some information is withheld from this letter under section 9(2)(a) of the Act to protect the privacy of natural persons. Further information is available in the Ministry's briefing providing advice on the matters the Minister of Transport must consider before making the Land Transport Setting of Speed Limits Rule 2024, available at:<br>https://www.transport.govt.nz/assets/Uploads/Cover-briefing-Final-Land-Transport-Rule-Setting-of-Speed-Limits-2024.pdf |
| 5. AI, algorithms, modelling, and | Please provide all records from 1 January 2020 to the present showing whether AI, algorithms, | This part is best answered by NZTA. |

| Part | Details | Treatment under the Act |
|---|---|---|
| optimisation | automated decision-making systems, machine-learning tools, optimisation models, predictive analytics, geospatial tools, traffic-flow models, revenue models, risk models, camera-placement tools, or data-matching systems have been used to:<br><br>**a.** select speed-camera or safety-camera locations;<br><br>**b.** determine where enforcement would be most effective;<br><br>**c.** determine where enforcement would produce the most detections, infringements, revenue, or deterrence;<br><br>**d.** model the financial return or cost-effectiveness of cameras;<br><br>**e.** model the safety return of cameras;<br><br>**f.** model the public affordability or hardship impacts of fines;<br><br>**g.** determine where speed-limit reductions should occur;<br><br>**h.** determine where speed-limit reversals should occur;<br><br>**i.** assess driver behaviour, traffic flow, crash risk, or enforcement yield.<br><br>Please include the name of each system, tool, model, contractor, supplier, data source, decision-maker, privacy assessment, algorithmic-impact assessment, business case, procurement document, and governance document. | |
| 6. Prevention versus revenue collection | Please provide all records showing whether the agencies considered the difference between:<br><br>**a.** active prevention of dangerous driving at the time it occurs; and<br><br>**b.** passive camera detection followed by later financial penalty.<br><br>Please provide all records showing whether camera enforcement was assessed against alternatives such as:<br><br>**a.** visible Police presence;<br><br>**b.** warning-first systems;<br><br>**c.** education;<br><br>**d.** real-time intervention;<br><br>**e.** road engineering;<br><br>**f.** signage improvements;<br><br>**g.** speed-feedback signs;<br><br>**h.** targeted enforcement of genuinely dangerous driving;<br><br>**i.** hazard removal;<br><br>**j.** road redesign. | The part of your request has not been asked with due particularity.<br><br>In relation to the second part in this section, I refer you to part 10 of the response to an earlier Official Information Act request made by your organisation (our reference OC260408). This letter is attached. |

| Part | Details | Treatment under the Act |
|---|---|---|
| | Please provide all records showing whether delayed financial penalties were assessed as actually preventing harm, rather than merely producing enforcement events and revenue after the alleged conduct had already occurred. | |
| 7. Variable and confusing speed environments | Please provide all records showing whether the Ministry, NZTA, Police, councils, or contractors assessed the safety and infringement impact of roads where speed limits frequently vary over short distances, including areas where limits move between 30 km/h, 40 km/h, 50 km/h, 60 km/h, 80 km/h, 100 km/h, or 110 km/h.<br><br>Please include records for Queenstown and any other areas where variable, mixed, school-zone, rural, commercial, tourist, or temporary speed environments create driver confusion or increased infringement exposure.<br><br>Please provide all records showing whether driver confusion, signage placement, camera placement, tourist-driver behaviour, local-driver affordability, or technical breach risk was assessed before enforcement was increased. | This part is best answered by NZTA. |
| 8. Public compensation / public return | Please provide all records showing whether the Crown, NZTA, Police, councils, Treasury, Ministry of Justice, or any other agency has considered whether the public should receive compensation, rebate, offset, public dividend, infrastructure credit, local reinvestment, or other return where public roads and public land are used to generate enforcement revenue, data value, or private contractor income.<br><br>If no such compensation or public-return mechanism exists, please provide the legal, policy, accounting, or Cabinet basis for that position. | This part has not been asked with due particularity. |
| 9. Accountability pathway" | Please identify the lawful accountability pathway where the following are in issue:<br><br>**a.** use of public land and road corridors for enforcement revenue;<br><br>**b.** use of public land and road corridors by private contractors;<br><br>**c.** Crown revenue from enforcement;<br><br>**d.** financial hardship caused by enforcement settings;<br><br>**e.** contractor profit from enforcement systems;<br><br>**f.** AI, algorithmic, or modelling tools used to optimise camera placement, infringement detection, revenue, or enforcement outcomes;<br><br>**g.** failure to provide direct public compensation or public return.<br><br>Please identify the Minister, department, Crown entity, regulator, auditor, Ombudsman pathway, complaint pathway, or parliamentary | This part has not been asked with due particularity. |

| Part | Details | Treatment under the Act |
|---|---|---|
| | accountability pathway responsible for each issue. | |

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.

If you would like to discuss this decision with us, please do not hesitate to contact us at OIA@mcert.govt.nz.

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.

Please note that due to the public interest in our work, the Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on its website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



**Hilary Penman**
**Manager Ministerial & Executive Services**
Ministry for Cities, Environment, Regions, and Transport

MINISTRY OF TRANSPORT
TE MANATŪ WAKA

OC260408

3 June 2026

s 9(2)(a)

Tēnā koe s 9(2)(a)

I refer to your email dated 15 May 2026, requesting the following under the Official Information Act 1982 (the Act):

> *"For the period 1 January 2020 to the date of this request, please provide the following information.*
>
> *1. Decision records for speed-limit reductions*
>
> *Please provide all final decision papers, briefings, reports, memoranda, recommendations, approvals, ministerial briefings, Cabinet papers, board papers, or senior decision-maker papers concerning:*
>
> *a. reductions of speed limits on state highways or other roads;*
> *b. national speed-management policy;*
> *c. implementation of the Land Transport Rule: Setting of Speed Limits;*
> *d. reversals, reviews, or reconsideration of speed-limit reductions;*
> *e. the policy basis for reducing roads from 100, 90 or 80 km/h to 70, 60, 50, 40 or 30 km/h.*
>
> *2. Safety evidence relied upon*
>
> *Please provide all final or relied-upon records showing the safety evidence used to justify speed-limit reductions, including:*
>
> *a. crash data;*
> *b. death and serious injury data;*
> *c. road-risk assessments;*
> *d. speed-risk modelling;*
> *e. engineering assessments;*
> *f. school-zone safety assessments;*
> *g. rural-road safety assessments;*
> *h. evidence comparing safety outcomes before and after speed-limit reductions.*
>
> *3. Records proving that "safety" was the actual basis*
>
> *Because "safety" is repeatedly used as the public justification for speed-limit reductions, please provide all documents showing how the agency satisfied itself that the relevant reductions were genuinely necessary for safety, rather than merely assumed, policy-driven, revenue-producing, or imposed as a blanket measure.*

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*Please include documents showing:*

*a. the evidential threshold required before a speed limit may be reduced;*
*b. how that threshold was applied;*
*c. whether each reduction was evidence-based or policy-driven;*
*d. whether alternatives were considered before reducing the limit;*
*e. whether the claimed safety benefit was measured, modelled, or assumed;*
*f. whether any post-implementation review confirmed that the safety benefit was actually achieved.*

*4. Revenue generation, fine income and financial incentives*

*Please provide all records, briefings, modelling, emails, reports, memoranda, forecasts, or financial papers referring to:*

*a. infringement revenue;*
*b. fine revenue;*
*c. speed-camera revenue;*
*d. enforcement revenue;*
*e. projected revenue arising from lower speed limits;*
*f. actual revenue before and after speed-limit reductions;*
*g. whether reduced speed limits increase the number of technical breaches by ordinary drivers;*
*h. whether revenue generation was considered, excluded, forecast, relied upon, or treated as an expected outcome.*
*If the agency's position is that speed-limit reductions are not revenue-driven, please provide the records showing that revenue generation was expressly considered and ruled out as a purpose, factor, incentive, or expected benefit.*

*5. Cost-benefit analysis and public affordability*

*Please provide all records concerning the economic and public-cost impacts of speed-limit reductions, including:*

*a. cost-benefit analysis;*
*b. travel-time impact assessments;*
*c. freight impact assessments;*
*d. rural-driver impact assessments;*
*e. productivity assessments;*
*f. fuel-use assessments;*
*g. public affordability assessments;*
*h. impact on workers, tradespeople, low-income households, families, rural communities, transport operators, and small businesses.*

*6. Alternatives considered*

*Please provide all documents identifying alternatives to lowering speed limits, including:*

*a. road maintenance;*
*b. road widening;*
*c. signage improvements;*
*d. intersection redesign;*
*e. hazard removal;*
*f. lighting;*
*g. driver education;*
*h. targeted enforcement of genuinely dangerous driving;*

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*i. warning-first systems;*
*j. engineering controls instead of blanket speed reductions.*

*7. Consultation and public opposition*

*Please provide all final consultation summaries, public-feedback reports, submissions analysis, community opposition records, and decision-maker advice concerning public support or opposition to speed-limit reductions.*

*Please also provide any documents showing how public objections were considered, accepted, rejected, or overridden.*

*8. Delegations and authority*

*Please provide the statutory provisions, delegations, warrants, authorisations, or internal authority relied upon by the persons or bodies who approved speed-limit reductions, speed-management plans, or related implementation decisions.*

*9. Reviews, criticism, reversals or concerns*

*Please provide all final reports, reviews, audits, internal concerns, ministerial concerns, Cabinet-level concerns, or agency assessments concerning whether previous speed-limit reductions were excessive, poorly evidenced, unpopular, economically harmful, revenue-producing, or inconsistent with current government policy.*

*10. Search and refusal clarification*

*This request is not seeking every internal email at this stage. It is directed to final, formal, relied-upon, decision-making, financial, evidential, and policy records."*

The Ministry of Transport (the Ministry) provides advice on road safety policy and land transport rule changes. However, decision making on speed limits for specific roads is a matter for road controlling authorities, including NZTA. I understand that you have made a similar request to the New Zealand Transport Authority (NZTA).NZTA as the decision-maker on speed limits for state-highways will respond to you in relation to relevant individual decisions regarding your request..

In relation to part 1.b. and8 of your request, there are seven documents in scope; of these, one is released in full and six are refused under section 18(d) of the Act as the information requested is publicly available. Details can be found in the document schedule in Annex 1.

In relation to part 4 of your request regarding revenue collection, NZTA now operates the safety camera network. Revenue from safety cameras goes into the Government's consolidated fund and is not retained by NZTA. You can find more information here: https://nzta.govt.nz/travelling-on-our-roads/safety-cameras

If you would like to discuss this decision with us, please do not hesitate to contact us at OIA@transport.govt.nz.

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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

Joanna Heard

Joanna Heard
**Manager Safety**

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| Annex 1: Document Schedule Doc # | Title of Document | Decision on request |
|---|---|---|
| 1 | Land Transport Rule: Setting of Speed Limits 2017 | Refused under section 18(d) as is publicly available at: https://nzta.govt.nz/assets/resources/rules/docs/setting-speed-limits-2017.pdf |
| 2 | Land Transport Rule: Setting of Speed Limits 2022 | Refused under section 18(d) as is publicly available at: https://www.nzta.govt.nz/assets/resources/rules/docs/land-transport-rule-setting-of-speed-limits-2022-as-at-15-december-2023.pdf |
| 3 | Land Transport Rule: Setting of Speed Limits 2024 | Refused under section 18(d) as is publicly available at: https://www.nzta.govt.nz/assets/resources/rules/docs/land-transport-rule-setting-of-speed-limits-2024-as-at-15-january-2025.pdf |
| 4 | New Zealand's Road Safety objectives (2024) | Refused under section 18(d) as is publicly available at: https://www.transport.govt.nz/assets/24-EX-087-Road-Safety-Objectives-document_v2.4.pdf |
| 5 | Cabinet Paper - Land Transport Rule: Setting of Speed Limits 2024 – post consultation report back | Refused under section 18(d) as is publicly available at: https://www.transport.govt.nz/assets/Uploads/Cabinet-paper-Land-Transport-Rule-Setting-of-Speed-Limits-2024-Post-Consultation-Report-Back.pdf |
| 6 | Final Regulatory Impact Statement: Setting of Speed Limits (2024) | Released in full. |
| 7 | Summary of submissions: Draft Land Transport Rule: Setting of Speed Limits 2024 | Refused under section 18(d) as is publicly available at: https://www.transport.govt.nz/assets/Uploads/Summary-of-submissions-Draft-Land-Transport-Rule-Setting-of-Speed-Limits-2024.pdf |

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# Final Regulatory Impact Statement: Setting of Speed Limits

## Coversheet

| Purpose of Document | |
|---|---|
| Decision sought: | Analysis produced for the purpose of informing the signing of the Land Transport Rule: Setting of Speed Limits 2024. |
| Advising agencies: | Ministry of Transport |
| Proposing Minister: | Minister of Transport |
| Date finalised: | 28 August 2024 |

### Problem Definition

The Government is concerned that blanket speed limit reductions were being applied under the Land Transport Rule Setting of Speed Limits 2022 (the 2022 Rule).

The Government committed to replacing the 2022 Rule due to concerns that it does not appropriately balance economic impacts (specifically the impact on travel times), the views of road users and communities, and safety when speed limits are set.

### Executive Summary

The Government's priority for land transport is a system that is designed to boost economic growth, productivity, resilience, reliability, and safety.

The 2022 Rule introduced a new approach to setting speed limits in New Zealand. The Government is concerned that the 2022 Rule does not appropriately balance economic impacts (specifically the impact on travel times), the views of road users and communities, and safety. The Government considers this has led to:

- speed limits being changed in some instances despite strong public opposition
- a broad approach to reducing speed limits rather than a targeted approach focusing on safety concerns
- permanent speed limit changes in broad areas outside schools where variable speed limits outside school gates would more appropriately target the risk and maintain free-flow of traffic outside of high-risk times
- Road controlling authorities (RCAs) not adequately considering the economic impacts, including travel time, when setting speed limits.

As a result, the Government committed to replacing the 2022 Rule and has committed to:

- ensuring that when speed limits are set, economic impacts, including travel times, and the views of road users and local communities are taken into account, alongside safety
- reverse certain types of speed limit reductions by 1 July 2025, including national rural State Highways where there is not public acceptance of the reduced speed limit
- implement variable speed limits outside school gates during pick-up and drop off times, rather than widespread permanent speed limit reductions.

This regulatory impact assessment considers the status quo and the impacts of the proposed changes resulting from the draft Rule.

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We cannot assess the specific costs and benefits of changing the 2022 Rule at an individual road or national level. However, speed limits tend to have a direct relationship with travel speeds. Prior research has shown that raising the speed limits usually leads to higher travel speeds; however, the changes are less pronounced than the magnitude of changes in the speed limit.[1] The impacts of the draft Rule would depend on the individual roads and speed limits being assessed, with the key factors being:

- Reversing reduced speed limits would likely result in an increase in the average speed on these roads. Where the average speed increases, the risk of fatal and serious crashes also increases.
- Reversing reduced speed limits would likely result in an increase in the average speed on these roads. Where average speed increases, travel time decreases.
- The draft Rule may result in increased vehicle operating costs on some stretches of road and decreased vehicle operating costs on others. The same impacts are expected for air pollution.
- The draft Rule may impose costs on RCAs, as they would be required to reverse certain types of speed limits that have been reduced since the introduction of Road to Zero. There would also be costs associated with implementing variable speed limits outside schools.
- The draft Rule is expected to improve public acceptability of any future speed limit changes by enhancing consultation requirements and improving transparency of the benefits and impacts of proposed speed limit changes.

**Consultation feedback**

*General consultation feedback*

Consultation on the draft Rule was undertaken from 13 June 2024 to 11 July 2024. Over 8,180 submissions were received through the online survey and the email inbox. A summary of submissions has been provided alongside this Regulatory Impact Statement. Almost 8,000 of these came from individuals, around 138 from advocacy and stakeholder groups, and 45 from road controlling authorities (RCAs).

Overall, each proposal received broad support. When broken down into submitter groups, most individuals supported the proposals. For each proposal except the proposal to strengthen consultation requirements, most stakeholder groups and RCAs did not support the changes in the draft Rule.

Individuals were largely in support of the draft Rule. Many submitters felt it proposed a balanced and common-sense approach to setting speed limits.

Stakeholder groups (such as road safety and active transport groups) and RCAs were less supportive of the proposals. These submitters were largely concerned about the safety impacts of higher speed limits.

**Proposed changes to the draft Land Transport Rule: Setting of Speed Limits 2024**

Following analysis of submission feedback and further consideration of the draft Rule the Minister agreed to these changes:

[1] p. 2 https://tsr.international/TSR/article/view/24337/21855

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- Require RCAs to consult on a cost benefit disclosure statement when making speed limit changes. RCAs will be required to list the quantified costs and benefits of each proposed speed limit change and publish this as part of their consultation material. The information will include safety impacts, travel time impacts and implementation costs. It will also include the rationale for the speed limit change.
- Increase the minimum consultation timeframe to six weeks.
- Provide more flexibility for the times that variable speed limits are in force outside schools.
- Bring the deadline by which variable speed limits need to be implemented outside school gates forward to 1 July 2026.
- Remove the proposed Ministerial Speed Objective.
- Include an additional exception to the speed limits classification table to allow for interregional connectors with a history of serious road crashes to have speed limits reduced to between 70km/h and 90km/h.
- Remove the Speed Management Committee.
- Remove the option for Regional Speed Management Plans.
- Enable roads built and maintained to the appropriate standard to have a speed limit of 120km/h.

## Limitations and constraints on Analysis

The Minister of Transport instructed officials to work on a draft Rule for consultation to deliver the Government's policy intent by the end of 2024. As such, the options considered are the status quo and the Government's preferred option.

The Ministry considered a broader review of the 2022 Rule and how it has been implemented. However, this option was not progressed given the Government's desire to move quickly to limit the use of resources for speed limit changes that would not align with the Government's policy intent.

The cost to RCAs will be dependent on funding decisions through the National Land Transport Fund made by the New Zealand Transport Agency Waka Kotahi (NZTA). It will also depend on implementation decisions taken by RCAs around schools and the number of roads RCAs need to reverse the speed limits on. RCAs indicated that the cost of implementing the new Rule could range between hundreds of thousands of dollars for some RCAs, up to over $20 million for another RCA.

There are a number of aspects of the 2022 Rule that are intended to remain or will require minor/consequential amendments to align with the new requirements. These have not been analysed.

## Responsible Manager(s) (completed by relevant manager)

Paul O'Connell

Deputy Chief Executive Sector Strategy Group

Ministry of Transport

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| Quality Assurance (completed by QA panel) | |
|---|---|
| Reviewing Agency: | Ministry of Transport |
| Panel Assessment & Comment: | This Regulatory Impact Statement (RIS) has been reviewed by a panel of representatives from the Ministry of Transport Te Manatū Waka. It has been given a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.<br><br>The panel considers that this RIS provides a sufficient basis for informed decisions on the current proposal. It clearly describes the proposal and what it is intended to achieve. The RIS also articulates feedback from consultation on the draft proposal and resulting changes that have been made to the design of the final proposal.<br><br>The RIS falls short of a 'meets' rating because it does not consider alternative options for addressing the problem beyond the preferred option. Although the RIS is clear about its limits, the lack of a wider review restricts the RIS's utility for supporting decisions about speed limit setting more broadly. There is also limited discussion of implementation risks, and the approach that will be taken to monitoring and evaluating the policy once it is in place. |

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# Section 1: Diagnosing the policy problem

## What is the context behind the policy problem and how is the status quo expected to develop?

*What does the Land Transport Rule: Setting of Speed Limits 2022 (the 2022 Rule) require?*

*Setting speed limits at a network level through speed management plans (SMPs)*

1. The 2022 Rule introduced SMPs to make it easier for speed limits to be reduced. This, along with other speed and infrastructure measures, was modelled to deliver a 14 percent reduction in deaths and serious injuries by 2030, to contribute to the previous government's target of an overall 40 percent reduction.
2. SMPs enabled a network-wide approach to speed limit setting. Through SMPs, setting speed limits would be considered alongside investment in infrastructure and safety cameras. When preparing SMPs, Road Controlling Authorities (RCAs) must have regard to guidance and information developed by NZTA.
3. The 2022 Rule specifies the requirements for RCAs when setting speed limits for roads under their control. NZTA is the RCA for State highways, and territorial authorities (city and district councils) are RCAs for local and rural roads.

## What is the policy problem or opportunity?

*The Government considers that the 2022 Rule does not adequately balance economic impacts, community and road user views and safety.*

4. The Government has committed to replacing the 2022 Rule, due to concerns that it does not appropriately balance economic impacts, the views of road users and communities, and safety.
5. The Government considers that the 2022 Rule:
    - led to speed limits being changed in some instances despite strong public opposition;
    - led to a broad approach to reducing speed limits rather than a targeted approach focusing on safety concerns;
    - resulted in permanent speed limit changes in broad areas outside schools where variable speed limits outside school gates would more appropriately target the risk;
    - should have required RCAs to consider the economic impacts, including on travel time, when setting speed limits.

## What objectives are sought in relation to the policy problem?

6. The objectives in relation to the policy problem are to ensure that:
    - a more balanced view to speed limit setting is taken to ensure economic impacts are considered, including travel times;
    - views of road users and communities are taken into account alongside safety when setting speed limits;
    - a consistent approach to setting speed limits is implemented outside schools;
    - speed limits for expressways may be set at 110km/h through a more straightforward process.

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# Section 2: Deciding on an option to address the policy problem

## What criteria will be used to compare options to the status quo?

8. The following criteria will be used to compare the status quo and option one:
   - Safety impacts – the expected impact on deaths, serious and minor injuries from road crashes.
   - Travel time impacts – the impact of the proposed changes on vehicle travel times.
   - Implementation costs – particularly for RCAs implementing the requirements of the Rule.
   - Transparency – how the option would improve consultation processes and practices.

## What scope will options be considered within?

9. The scope of the options has been limited by the policy direction outlined by the Minister to replace the 2022 Rule. Specifically:
   - removing the 'blanket' approach to speed limit reductions;
   - implementing variable speed limits outside school gates during pick up and drop off times;
   - introducing a more targeted approach that considers economic impacts, specifically travel time impacts, and places more weight on the views of road users and the local community; and
   - reversing of certain reduced speed limits.

## What options are being considered?

### One option is being considered to deliver the Government's objectives

10. The Ministry considered the option of a broader review of the 2022 Rule and how it has been implemented. The option was not progressed given the Government's desire to move quickly to avoid RCAs using resources for speed limit changes that would not align with the Government's policy intent and may need to be subsequently reversed.
11. As a result, this regulatory impact assessment only compares the status quo with an option of replacing the 2022 Rule.

#### *Status Quo*

12. This option would result in speed limits continuing to be set within the current settings.
13. There would be no obligation for RCAs to change speed limits, but if they do, they would need to comply with the requirements of the 2022 Rule, having regard to NZTA guidance and information, and any road safety aspects of the Government Policy Statement on Land Transport (GPS).
14. The GPS could be used to guide RCAs to a more targeted approach aligning with the Government's objectives.
15. RCAs would still be able to reduce speed limits without considering economic impacts and across broad areas.
16. Speed limits around schools could continue to be reduced through either permanent reductions or variable speed limits.
17. Speed limits of 110km/h would have to be submitted to the Director of Land Transport for approval.

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### Option Two - Replace the 2022 Rule

*The option that was consulted on*

18. This option proposes to revoke and replace the 2022 Rule to deliver the Government's policy objectives through a draft Rule that:
    - Introduces economic analysis
    - Enhances consultation requirements
    - Introduces a Ministerial Speed Objective
    - Requires standardised variable speed limits outside school gates
    - Sets out the speed limit classifications in the Rule
    - Reverses speed limits on certain types of roads
    - Expands the criteria used by the Director of Land Transport when considering SMPs for certification.
19. Aspects of the 2022 Rule that are unchanged include:
    - the process for temporary speed limit setting
    - the National Speed Limit Register
    - The Director of Land Transport being required to certify speed limit changes

*The option has changed slightly following consultation*

20. This option has changed slightly following consultation, specifically:
    - Clarifying how impacts will be required to be provided by RCAs when consulting on potential speed limit changes
    - Not introducing a Ministerial Speed Objective
    - Removing the Speed Management Committee
    - Removing the option for Regional Speed Management Plans
    - Enabling speed limits of 120km/h to be set on roads built and maintained to safely accommodate that speed limit.
21. The details of each aspect of the changes and a comparison to the status quo are set out below in table 1.
22. Analysis of the impacts of the option following consultation has been outlined in Table 2.

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**Table 1: Outline of the proposals that were consulted on, consultation feedback and proposed changes following consultation.**

| Proposal | What was consulted on | Consultation feedback | Proposed changes |
|---|---|---|---|
| **Introducing economic analysis** | Requiring RCAs to consider the economic impacts, specifically travel time impacts, of any proposed speed limit change. The RCA would be required to undertake a monetised cost benefit analysis (CBA) before it consults on any future speed limit changes.<br><br>CBA helps ensure that decision-makers are well informed on economic impacts and supports good evidence-based decision-making. Under the draft Rule, the CBA would form part of the evidence base RCAs use to make decisions on proposed speed limit changes and inform the public on the expected impacts of speed limit changes.<br><br>To simplify the process and reduce costs of undertaking the analysis, the development of guidance for RCAs to use was being considered.<br><br>The CBA would include the following impacts:<br>• Safety impacts (including in the number and severity of crashes)<br>• Travel time impacts (including changes to mean operating speeds)<br>• Implementation costs (including planning, road signs and road markings, installation costs, overheads, and consultation and administrative costs).<br>RCAs can include other impacts (e.g. environmental, disruption to the network caused by crashes) if they choose. | There was overall support for the concept of CBA. Many submitters agreed that economic impacts should be considered before making changes to speed limits. However, some technical concerns were raised about the practicalities of completing CBAs, including:<br>• concerns about the different approach used to calculating Benefit Cost Ratios in the draft Rule (where negative impacts are treated as costs), compared to the NZTA's Monetised Benefits and Costs Manual (which treats negative impacts as disbenefits)<br>• the possibility of a single monetised Benefit Cost Ratio figure masking significant assumptions in project ons.<br>• difficulty in gathering sufficient data to undertake CBA on short urban streets.<br>• concerns about a methodology that involves a 'trade-off' between human lives and travel time<br>• cost and resource required to undertake CBA on each road<br>• suggestions that impacts such as vehicle emissions, mode shift, vehicle operating costs, and societal impacts should also be included | Require RCAs to consult on a cost benefit disclosure statement when making speed limit changes. RCAs will be required to list the quantified costs and benefits of each proposed speed limit change and publish this as part of their consultation material.<br><br>The information will include the same impacts as were included in the CBA proposal. That is:<br>• safety impacts - the number and severity of crashes on the road in recent years, and the estimated impact of the speed limit changes on the future number and severity of crashes.<br>• travel time impacts - current mean operating speeds, the estimated impact of the speed limit change on mean operating speeds, and the estimated impact on journey times.<br>• implementation costs. |
| **Enhanced consultation requirements** | The draft Rule would align the consultation requirements for all RCAs, including NZTA, which would ensure consistency. It would do this by aligning consultation principles in the draft Rule with the consultation principles in section 82 of the Local Government Act 2002. These principles are already followed by local authorities.<br><br>When consulting, RCAs would be required to:<br>• encourage participation by groups likely to be impacted by a decision, including freight operators, other road users, communities, businesses and schools surrounding the impacted area, local government (e.g. neighbouring RCAs).<br>• make available the draft SMP and cost benefit analysis<br>• prepare and publish a summary of submissions received, including an explanation of how feedback | Overall, the consultation proposal was well supported. Most submitters supported the proposal to require RCAs to consult with affected individuals and road users and extending the same requirements to NZTA (as RCA).<br><br>Some submitters suggested four weeks is not long enough. | We propose to increase the minimum period for consultation from four weeks to six weeks.<br><br>To further improve transparency, additional information will need to be published as part of consultation material:<br>• the role and function of the road that is proposed to have a new speed limit<br>• how the road is used, including the different types of road users<br>• why a speed limit change is proposed, rather than any other intervention. |

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| | from submitters was taken into account in the final speed limit changes.<br>• consult for a minimum of four weeks.<br>Each proposed speed limit change would need to be presented separately in consultation to allow for targeted consultation feedback. | | |
| **Speed limits outside schools** | The draft Rule would require variable speed limits outside school gates during pick up and drop off times.<br><br>The draft Rule would introduce a definition of school gate as a stretch of road immediately adjacent to a gate or other access used by students to enter or leave the school, usually measuring (with any reasonable practical modifications):<br>• 300 metres for Category 1 schools<br>• 600 metres for Category 2 schools (can be designated as such by an RCA, typically in rural areas with sufficient entranceway design and safety infrastructure).<br>The proposed lengths are based on the minimum road length for speed limits outlined in the 2022 Rule and are total length (i.e. not 300 metres either side of a gate for a Category 1 school). These lengths would not work for every road outside a school gate and the rule allows for some variation to meet specific circumstances.<br><br>RCAs would need to work with schools to identify eligible school gates. Schools will have many different examples of gates or access points, and not all would need variable speeds outside them. However, if the gate is adjacent to a road and is used by young people entering and leaving school, it should be included.<br><br>The draft Rule would introduce a definition of school travel period as 8:00am – 9:30am and 2:30pm – 4:00pm on school days. Having a consistent time period for all schools was intended to support compliance.<br><br>The draft Rule would reintroduce the deadl ne of 31 December 2027 by which time all roads outside school gates would need to meet the variable 30km/h (for Category 1 schools) or up to 60km/h (for Category 2 schools) requirement.<br><br>The Land Transport Rule: Traffic Control Devices 2004 (the TCD Rule) requires an electronic variable speed sign on the main road and accompanying static signs on minor give way and stop sign-controlled side roads. Electronic variable speed limit signs tend to be more expensive than static variable speed limit signs. The proposal consulted on would have enabled static variable speed limit signs on main roads outside school gates a | While there was mixed feedback, many submitters broadly supported variable speeds outside schools. Many suggested that school travel periods (the times that lower speeds are in force) should be set for each school, rather than the proposed standard 8-9.30am and 2.30-4pm times.<br><br>Given most submitters preferred a more flexible approach, the proposed consequential amendments to the Road User Rule to introduce the set school travel periods received limited feedback.<br><br>Several road controlling authorities noted they can currently turn on their variable speed limits for 10 minutes during the day for school events and sought to retain that provision. | To provide more flexibility, changes are proposed to the definition of school travel period to mean the start and end of each school day with up to 30 minutes on either side of the bell (instead of standard times of 8-9.30am and 2.30-4pm).<br><br>For schools that have electronic signs, it is proposed that these can be switched on for 10 minutes outside drop off and pick up times when there is significant activity outside of the school.<br><br>This flexible approach means the proposal to progress changes to the Road User Rule is no longer recommended.<br><br>The deadline by which time all roads outside school gates would need to meet the variable 30km h (for Category 1 schools) or up to 60km/h (for Category 2 schools) is proposed to be brought forward to 1 July 2026. |

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| | consequential amendment to the TCD Rule.<br><br>To improve compliance, it was proposed that the default school travel periods would be introduced into the Land Transport (Road User) Rule 2004 and reflected in the Road Code. | | |
| **Introducing a Ministerial Speed Objective** | The draft Rule proposed to introduce a new tool, called a Ministerial Speed Objective (the Objective). RCAs would need to have regard to the Objective when considering speed limit changes.<br>Through the Objective, the Minister could signal the pace of change and the types of roads or other criteria they would like RCAs to focus on. | The proposal to introduce a Ministerial Speed Objective received mixed views. Some submitters suggested the Government Policy Statement (GPS) is the best place to outline Ministerial expectations for speed management, without the need for another guiding document. | The Ministry considers that the GPS is an appropriate mechanism to outline Ministerial expectations and propose to remove the Ministerial Speed Objective from the draft Rule. |
| **Speed limit classifications** | The draft Rule includes speed limit classifications for each road type. RCAs, when setting speed limits under the Rule, must set the new speed limits in accordance with the speed limit classifications.<br><br>The new proposed speed limit classifications are intended to support a more balanced approach that will be supported by the public and road users. For example, the speed limit classifications for local roads are 50km/h, or 40km/h where there are significant levels of pedestrian and/or cycling activity. Lower speeds are permitted to address high risk crash types at urban intersections. This moves away from the approach under the current Rule, where 30km/h is deemed the safe and appropriate speed for local roads by NZTA guidance.<br><br>The new proposed speed limit classifications provides that a 110km/h speed limit can be used on dual carriage corridors (e.g. motorways, expressways, bypasses) that are median divided, with two or more traffic lanes in each direction, grade separated intersections, access controlled and with a straight or curved alignment. It removes the requirement for Director approval for 110km/h. | Overall, most submitters either supported this proposal or supported it with some exceptions.<br><br>Some submitters were concerned that the speed limits would not address unique circumstances of individual roads, given not all roads of a classification are created equal.<br><br>Several submitters made suggestions for minor changes to the speed limits, such as allowing for lower speeds on dangerous sections of interregional connectors (rural State highways).<br><br>Some submitters were unsure whether the speed limit classifications apply to seasonal, variable or temporary speed limits, or only permanent speed limits. | Minor change to clarify that the speed limit classifications apply to permanent speed limits.<br><br>The Expressway classification will also have a range up to 120km/h for roads built and maintained to that standard. |
| **Criteria the Director must consider** | Under the draft Rule, when RCAs submit SMPs to the Director of Land Transport for certification, they would be required to confirm that:<br>• the RCA has regard to any Ministerial Speed Objective<br>• consultation has been carried out in accordance with the requirements of the Rule, including the requirement to publish a summary of submissions received and how that feedback was taken into account in finalising the speed management changes<br>• the SMP includes a three-year implementation plan<br>• the CBA requirements have been met<br>• speed limits have been set in accordance with the | Some submitters acknowledged this was largely administrative and needed to be consistent with the requirements of the Rule. | No change. The criteria will reflect the requirements of the final Rule. |

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| | speed limit classifications<br>• the requirements for setting variable speed limits outside school gates have been met.<br>If the Director is satisfied that it meets the above requirements, they must certify the plan.<br><br>If the Director is not satisfied, they would have to refer it back to the RCA with reasons why the plan does not meet the requirements. To progress the changes, the RCA must make amendments in response to those comments and resubmit the plan. | | |
| **Reversing speed limits on certain types of roads** | The draft Rule would see speed limits that have been reduced since 1 January 2020 (the date at which Road to Zero was launched) on certain types of roads increased to the speed limit that was in place on 31 December 2019. The types of roads that will be considered for reversals are:<br>• local streets (i.e. residential or neighbourhood streets) where permanent 30km/h speed limits were in place due in part or full to the presence of a school<br>• arterial routes (known as urban connectors in the classifications) where the speed limit has been reduced<br>• national rural State highways (known as interregional connectors) where the speed limit has been reduced.<br>The reduced speed limits can remain on interregional connectors if the NZTA as RCA can demonstrate public acceptance of the reduced speed limit. This needs to be done through a new consultation following the new requirements.<br><br>The NZTA as RCA can choose to present the economic and safety case as part of their public consultation material when consulting on retaining the reduced speed. However, this will not be mandatory.<br><br>For interregional connectors, if the RCA can demonstrate public acceptance of the reduced speed on part or all of the corridor the lower speed limit can be retained.<br><br>All arterial roads that had speed limit reductions since 1 January 2020 will need to be reversed.<br><br>All permanent 30km/h speed limit reductions on local streets due to the presence of a school will need to be reversed. The portions of road outside the school gate would not reverse, these would have to comply with the new variable speed limit requirements outside the school gate by 1 July 2025. | The reversal proposal received overall support from individual submitters. Many of the submitters who supported this proposal felt frustrated by lower speed limits and some believed the driver frustration led to more dangerous and reckless driving.<br><br>Some submitters supported the proposal but suggested that speed limits should only be reversed after cost benefit analysis and public consultation had taken place and been considered.<br><br>Stakeholder groups (such as road safety groups and active transport advocates) and RCAs largely opposed this proposal. These submitters were mostly concerned about the safety impacts or overriding local decision making. Several suggested all RCAs should be able to retain their lower speed limits if they can demonstrate public support, not just NZTA as proposed. | The reversal proposal remains largely unchanged. To ensure the process captures appropriate roads, some technical amendments are proposed to clarify that:<br>• the reversal requirement for local streets with permanent 30km/h applies where *one of the reasons* for introducing the lower speed limit was because there is a school in the area.<br>• speed limit reductions made to correct speed limit records are not subject to reversals.<br><br>An exemption is proposed where the reversal would be inappropriate due to changes in surrounding land use (for example, where a new residential development has been built). |

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| | By 1 July 2025, certain reduced speed limits need to be either recertified or reversed to what they were on 31 December 2019. | | |
| **The Speed Management Committee** | A question was posed as to whether the Speed Management Committee should be retained.<br><br>The Speed Management Committee was introduced through the 2022 Rule. The purposes of the Speed Management Committee are to:<br>• review draft State highway speed management plans and provide advice to the Director in accordance with this Rule; and<br>• provide oversight of the information and guidance on speed management that the NZTA provides under this Rule, to ensure that the information is up to date and is fit for purpose. | A small number of stakeholder groups and RCAs commented on the Speed Management Committee, with more in support of retaining the committee than not.<br><br>The NZTA (as RCA) noted that under current settings, its speed management plans are assessed by an internal panel, the Committee and the Director, and it would support a more efficient review process. | The Speed Management Committee (the Committee) is proposed to be removed. |
| **Regional Speed Management Plans** | A question was posed around whether the option of Regional Speed Management Plans should be retained. These plans are intended to support a whole-of-network approach and ensure regional consistency of speed limits, but have not been well utilised under the 2022 Rule. | RCAs were split almost evenly between supporting and not supporting the regional plan approach. Some supported the intention of regional speed management plans but acknowledge that the work involved to develop one is complex and difficult to coordinate among RCAs.<br><br>Some RCAs believed consistency can be achieved through collaboration and communication between neighbouring RCAs rather than a regional speed management plan. | The option of Regional Speed Management Plans is proposed to be removed. The expectation that roads that border RCA boundaries will still be consulted with the neighbouring RCA remains. |
| **Enabling speed limits of 120km/h** | A question was posed around whether speed limits of 120km/h should be enabled on roads built and maintained to safely accommodate that speed limit. | Individuals were mostly in support of enabling 120km/h on roads that are built and maintained to hold that speed limit.<br><br>Road safety groups did not support this. Many RCAs noted that this would only apply to State highways and would not impact their roading network. | Enabling speed limits of up to 120km/h on roads that are built and maintained and will be managed to safely hold that speed limit will be progressed. |

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**Table 2: Analysing the option**

The table below assesses the final recommendations against the criteria and outlines the expected impacts of each of the proposals.

| Issue | Safety impacts | Travel time impacts | Implementation costs | Transparency |
|---|---|---|---|---|
| **Introducing economic analysis**<br><br>Requiring RCAs to consult on a cost benefit disclosure statement when making speed limit changes. | This is expected to ensure that when considering changes to speed limits, RCAs consider safety impacts alongside travel time impacts and implementation costs. This is a change from the current approach where safety is the primary consideration. | This is expected to ensure that when considering changes to speed limits, RCAs consider travel time impacts alongside safety impacts. | This is expected to add costs to RCAs when considering speed limits for reduction. The Ministry is working with NZTA to develop guidance to reduce the compliance cost for RCAs. | This is expected to enhance transparency by requiring RCAs to identify and outline the expected impacts of speed limit changes on travel time alongside safety. This will ensure communities and road users are aware of the expected impacts through the consultation process. |
| **Enhanced consultation requirements**<br><br>Align the requirements for all RCAs when consulting on SMPs.<br><br>Require an explanation of how feedback was taken into account in the final speed limit changes.<br><br>Require an explanation of the role and function of the road that are proposed to have new speed limits, how the road is used and why speed limit changes are proposed.<br><br>Extend the minimum timeframe for consultation to six weeks. | This is expected to ensure that when considering changes to speed limits, RCAs consider community and road user views alongside economic impacts and safety. This is a change from the current approach where safety is the primary consideration. | This is expected to ensure that when considering changes to speed limits, RCAs consider community and road user views alongside economic impacts and safety. | This is dependent on how RCAs currently undertake consultation and summarise submissions. We anticipate that it will not result in material changes for a number of RCAs, but some will need to change their practices. | Requiring RCAs to consult for at least six weeks will provide enhanced transparency by providing a reasonable period of time for people to submit their views.<br><br>Requiring RCAs to provide an explanation of the role and function of the road along with a description of the uses of the road will help inform submitters and explain the RCA's proposal.<br><br>Requiring RCAs to explain how submissions have influenced final decisions would increase transparency as there is currently no requirement for RCAs to do so. This would not require public acceptance for all proposals, but it would require RCAs to give more consideration to submissions than what is occurring currently in some instances.<br><br>Aligning the consultation requirements for all RCAs should result in the consultation processes across RCAs all meeting a minimum standard.<br><br>Requiring RCAs to provide additional information about the use of the road when consulting will enhance transparency. |
| **Speed limits outside schools**<br><br>Implementing variable speed limits of 30km/h for category 1 schools and up to | Requiring variable speed limits outside schools would likely result in a reduction in the average speed during pick up and drop off times. Where the average speed | At times other than drop off and pick up times we expect average speeds would not be impacted and therefore travel times would not be impacted. This is a | Requiring variable speed limits outside the school gate of all schools would increase costs to RCAs. Following the December 2023 amendments to the | The draft Rule would not require RCAs to consult on variable speed limit changes outside school gates. These changes would be limited in scope and would be |

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12xpm74p2m 2025-02-26 16:59:11

| Issue | Safety impacts | Travel time impacts | Implementation costs | Transparency |
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| 60km/h for category 2 schools.<br><br>Enabling static variable speed limit signs to be used on main roads will provide flexibility to RCAs in how they implement variable speed limits around schools.<br><br>Bringing forward the deadline by which time all roads outside school gates would need to meet the variable 30km/h (Category 1 schools) or up to 60km/h (for Category 2 schools) requirement to 1 July 2026. | reduces the risk of fatal and serious crashes also reduces. | shift from the 2022 Rule which enabled permanent speed limit reductions in broader areas around schools, which would likely have resulted in reduced average speeds and therefore increased travel times at all hours. | 2022 Rule there are no set dates by which RCAs need to change speed limits around schools.<br><br>RCAs would also need to change permanent speed limits around schools to variable speed limits outside the school gates. RCAs would thus incur signage and potentially road marking costs. | mandated by the draft Rule, so there is limited opportunity for the public to provide input into them. We would expect RCAs to engage with schools to confirm where the school gates are located, and the start and finish times for the school day. |
| **Speed limit classifications**<br><br>Including speed limit classifications for each road type. RCAs, when setting speed limits under the Rule, must set the new speed limits in accordance with the speed limit classifications. | The changes to speed limit classifications may result in RCAs having to amend proposals that they have recently consulted on but not implemented or intended to consult on. The safety impact is unknown and would be based on expected modelling of safety risks of any proposed speed limit changes. | This is not expected to have an impact on travel times. | This is not expected to result in changes to implementation costs. | This is expected to improve transparency as the Rule will outline what speed limits can be set for certain road types. |
| **Reversing certain speed limits**<br><br>Certain speed limits that have been reduced since 1 January 2020 (the date at which Road to Zero came into effect) will be increased to the speed limit that was on 31 December 2019, this includes:<br>• 30km/h speed limits that have been introduced due to the presence of a school on a local street<br>• arterial roads<br>• national rural State highways<br><br>The reduced speed limits can remain if, for rural State highways, the NZTA as the RCA can demonstrate public acceptance.<br><br>Arterial roads that had speed limits reduced on them since 1 January 2020 will be reversed.<br><br>Permanent 30km/h reductions that were introduced due to the presence of a school would have to be removed, and replaced with the new variable speed | Reversing reduced speed limits would likely result in an increase in the average speed on these roads. Where the average speed increases the risk of fatal and serious crashes also increases.<br><br>The level of impact is difficult to quantify due to uncertainty about which roads would have speed limits increased and what impact those speed limit increases would have on operating speeds. Operating speeds are dictated by a range of factors, including the posted speed limit, congestion, and engineering of the road.<br><br>An increase in average speed is directly related both to the likelihood of a crash occurring and the severity of the consequences of the crash. A number of studies have modelled the change in crash and casualty numbers with a change in mean (average) speeds. For example, the power model presented by Elvik (2009) predicts that every one percent increase in mean speed results | Reversing reduced speed limits would likely result in an increase in the average speed on these roads. Where average speed increases, travel time decreases. | Reversing speed limits would mean RCAs would need to replace signage and update any speed limits that are marked on the roads.<br><br>If the NZTA as RCA wishes to retain reduced speed limits, it will need to demonstrate public acceptance of each reduced speed limit. This will need to be demonstrated following a new round of consultation in line with the requirements of the draft Rule.<br><br>The cost of these changes is expected to differ between RCAs and depends on how many speed limits would need to be reversed. | The NZTA as RCA would be required to demonstrate public acceptance from a new consultation to retain reduced speed limits. This would enhance transparency, as reduced speed limits would be increased where the NZTA as RCA cannot demonstrate public acceptance. |

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| Issue | Safety impacts | Travel time impacts | Implementation costs | Transparency |
|---|---|---|---|---|
| limit requirements outside the school gate by 1 July 2025. | in a four percent increase in the risk of a fatal crash and a two percent increase in the risk of serious crashes. [2] [3]<br><br>The amount the risk of crashes increases by will depend on how much the average speed increases on roads that have the speed limits reversed. | | | |
| **Expanding the criteria used by the Director when considering SMPs for certification**<br><br>The Director would be required to confirm:<br>• the RCA has had regard to the road safety aspects of the GPS<br>• consultation has been carried out consistent with the draft Rule, including that a summary of submissions has been published covering how feedback was taken into account before final decisions were taken<br>• the SMP includes a three-year implementation plan<br>• the CBA requirements have been met<br>• speed limits align with the speed limit classifications<br>• the requirements for setting variable speed limits outside school gates have been met | This is not expected to have safety impacts | This is not expected to have travel time impacts | This would result in the Director needing to consider more information before certifying an SMP and therefore more costs to the NZTA. | This would enhance transparency by requiring RCAs to go through more robust processes and provide more information to the Director through their SMPs. |
| **Removing the Speed Management Committee** | This change is not expected to have safety impacts. | This change is not expected to have travel time impacts. | This change is expected to reduce costs for NZTA and the NLTF as the costs of the committee were paid from the NLTF. | This change may impact transparency, however, the NZTA is expected to be able to act independently as both a regulator and RCA. |
| **Removing Regional Speed Management Plans** | This change is not expected to have safety impacts. | This change is not expected to have travel time impacts. | This change may reduce future costs to RCAs as they can continue to create speed management plans for their roads without the potential additional cost of working on a regional speed management plan. | This change is not expected to impact transparency. |

[2] https://www.who.int/news-room/fact-sheets/detail/road-traffic-injuries

[3] Elvik, R. (2009) The Power Model of the Relationship between Speed and Road Safety, Update and New Analyses. Institute of Transport Economics, Oslo

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| Issue | Safety impacts | Travel time impacts | Implementation costs | Transparency |
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| **Enabling speed limits of 120km/h on roads built to accommodate that speed** | Speeds of 120km/h will only be enabled on roads that are built and maintained to this safety standard. At present New Zealand does not have any roads built to that standard. | This change is expected to improve travel times on roads built to accommodate speed limits of 120km/h. At present New Zealand does not have any roads built to that standard. | Building roads to safely accommodate 120km/h may cost more than building roads to safely accommodate 100km/h or 110km/h, as such this may increase implementation costs. | This change is not expected to impact transparency. |

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## How does the option compare to the status quo/counterfactual?

| | Option One – *Status Quo* | Option Two – Replace the 2022 Rule |
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| **Safety impacts** | N/A | Likely increased risk of fatal and serious injury crashes, through reversing certain reduced speed limits. |
| **Travel time impacts** | N/A | Likely reduced travel times through reversing certain reduced speed limits |
| **Implementation costs** | N/A | Increased costs to RCAs to put up new signage, requiring variable speed limits outside schools and requiring economic analysis through SMPs. |
| **Transparency** | N/A | Strengthening the consultation requirements and requiring an explanation of how consultation affected the final decision. |

## What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

23. Option two would address the problem and the policy objectives of the Government. It would require RCAs to balance economic impacts with community and road users views and safety when considering speed limit changes.
24. Option two increases the risk of fatal and serious crashes where average speed increases as a result of a speed limit increasing. Average speeds are impacted by a range of factors, including the speed limit, road engineering and congestion. The safety impacts cannot be quantified as we cannot identify what specific roads would have their speed limit reductions reversed. We are also unable to predict the exact impact that reversing the speed limits would have on the average speed on each individual road.
25. Option two would likely result in reduced travel time on roads that have speed limits reversed. The exact amount of the reduction and resulting travel time savings have not been quantified due to uncertainty around how many roads would have their speed limits reversed along with uncertainty around the impact that reversing the speed limits would have on the average speed.
26. Option two may result in increased costs to RCAs, as under the status quo RCAs are not required to make any changes to speed limits. Under Option two, they would be required to implement variable speed limit signs outside schools. There would also be increased costs to RCAs through the reversals process. However, this may be offset if RCAs had planned to invest in reducing speed limits and the money is now put towards reversals or variable speed limits outside schools. This is also dependent on funding decisions made through the National Land Transport Fund by the NZTA.
27. Option two would result in increased transparency around decision making by enhancing consultation requirements.

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## What are the marginal costs and benefits of the option?

| **Affected groups** *(identify)* | **Comment** *nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.* | **Impact** *$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.* | **Evidence Certainty** *High, medium, or low, and explain reasoning in comment column.* |
|---|---|---|---|
| **Additional costs of the preferred option compared to taking no action** | | | |
| RCAs | One-off cost to reverse speed limits by changing signage and road markings.<br>One-off cost to NZTA as RCA to consult on potentially retaining reduced speed limits on State highways. | Medium. RCAs outlined a range in costs for reversing speed limits. Some RCAs provided cost estimates ranging between hundreds of thousands of dollars to millions of dollars to implement the draft Rule. | Medium.<br>We do not know how many speed limits will be reversed. |
| | Ongoing compliance costs given they would be required to undertake more analysis than is currently required for speed limit changes. | Medium. This is dependent on how many stretches of road an RCA proposes to reduce the speed limit on. | Low. We do not know how many roads RCAs would propose reduced speed limits on and therefore have to undertake a CBA on. |
| | Ongoing costs to implement variable speed limits outside schools. | Medium. | Medium. This would be different for each RCA depending on how many schools are in their jurisdiction, and whether existing signage needs to be changed. |
| NZTA (as regulator) | Ongoing costs to review SMPs. | Low. | Low.<br>We do not know how many roads RCAs will propose speed limit changes on going forward. |
| | Higher construction and maintenance costs associated with building roads to safely accommodate a speed limit of 120km/h | Medium. This is dependent on how many roads will be built and maintained to safely accommodate this higher speed. | Low.<br>We do not know how many roads the higher speed limit will apply to. |

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| | | | |
|---|---|---|---|
| Public | Ongoing increased social costs from increased risk of road crashes as a result of speed limits reversing. | Medium/High. | Low. We do not know exactly how many roads would reverse. Operating speeds have not been quantified as part of our analysis. |
| | Vehicle operating costs, air quality impacts are expected to get worse on some roads where speed limits are increased. | Low. | |
| **Total monetised costs** | | N/A. | |
| **Non-monetised costs** | | *Medium.* | |
| **Additional benefits of the preferred option compared to taking no action** | | | |
| Public | Ongoing benefits through reduced travel times on roads where the speed limit is increased. | Medium. | Low. We do not know exactly how many roads would have reduced speed limits reversed. Operating speeds have not been quantified as part of our analysis either. |
| | Vehicle operating costs and air quality impacts are expected to improve on some roads where the speed limits are increased. | Low. | |
| **Total monetised benefits** | | N/A. | |
| **Non-monetised benefits** | | *Low/Medium.* | |

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# Section 3: Delivering an option

## How will the new arrangements be implemented?

28. RCAs will be required to reverse certain speed limits that were reduced since 1 January 2020 by 1 July 2025, if the speed limits are:
    - Permanent 30km/h speed limit put in place on local streets due to the presence of a school
    - On an urban connector
    - On an interregional connector (national rural State highway).



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29. If the NZTA as RCA can demonstrate public acceptance of the reduced speed limit, through a new consultation process, it can retain the reduced speed limits on interregional connectors.
30. RCAs would also be required to implement variable speed limits by 1 July 2026 outside all schools.
31. NZTA will release guidance to support RCAs to implement the draft Rule and ensure that its guidance remains up to date.
32. The Director would consider all SMPs prior to certifying them to check that the requirements under the draft Rule are met.

*Implementation risks*

33. Concerns were raised through consultation by RCAs around the time proposed to reverse speed limits and introduce variable speed limits outside school gates. We have worked to streamline the process for speed limits that need to be reversed by removing the Director certification step that was consulted on.
34. The deadline for having variable speed limits implemented outside school gates has been brought forward by 18 months from the date that was consulted on. RCAs have not planned for this revised deadline. It would likely put additional pressure on RCAs that was not planned for.
35. There is also some uncertainty around funding the proposed speed limit changes that are required by the new Rule.

## How will the new arrangements be monitored, evaluated, and reviewed?

36. The Ministry of Transport and NZTA will continue to monitor death, serious and minor injuries, and the causal factors.
37. NZTA will continue to maintain the National Speed Limits Register.
38. The Ministry of Transport and NZTA will develop the appropriate monitoring and evaluation processes as part of the draft Rule's implementation. This may be considered within the context of the Government's road safety objectives expected to be released in 2024.

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