

Departmental Disclosure Statement

Land Transport (Revenue) Amendment Bill

The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Transport.

The Ministry of Transport certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

30 October 2025

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Part One: General Policy Statement

The Land Transport (Revenue) Amendment Bill (the Bill) is an omnibus Bill introduced under Standing Order 267(1)(a). That Standing Order provides that an omnibus Bill to amend more than 1 Act may be introduced if the amendments deal with an interrelated topic that can be regarded as implementing a single broad policy.

The single broad policy of the Bill is to ensure that key revenue tools effectively support a user-pays basis for funding land transport.

To achieve this, the Bill has 2 main objectives:

- to create a more flexible and responsive tolling framework to support investment in roading infrastructure, and
- to modernise the road user charges (RUC) system and remove barriers to the future transition of all light vehicles from fuel excise duty to RUC.

Amendments relating to road tolling schemes

The Bill amends the Land Transport Management Act 2003 (the LTMA) to expand the circumstances under which existing roads may be tolled so that this may occur if users of an existing road experience benefits from the construction of a new road in the same corridor. The Bill also allows toll revenue to be used on existing roads that form part of a tolling scheme, as well as the maintenance of a toll road alternative route where the Minister of Transport (the Minister) is satisfied that the local road controlling authority would otherwise be unable to fund this itself.

The Bill allows the Minister of Transport to restrict certain classes of heavy vehicle from using a designated toll road alternative route by notice and provides for an infringement offence to allow this provision to be enforced. The Bill otherwise maintains the requirement that toll roads should have a feasible, untolled alternative route available to road users.

The Bill also aims to optimise toll rate setting provisions in the LTMA by requiring that

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- when setting a toll rate, the Minister consider the maximum revenue potential of the tolling scheme, the benefits that users may receive from a tolling scheme, and the effects of the toll on the wider network; and
- toll rates adjust annually by the Consumers Price Index beginning on 1 July each year.

To support tolling as a means of unlocking private investment in transport, the Bill expands the delegation and leasing powers in the LTMA to existing toll roads, as well as roads that form a link between 2 toll roads that are subject to the same concession arrangement. The Bill also clarifies that a private sector person can receive a commercial return on investment and that the funds the Government raises from a concession arrangement can be spent on new road projects.

The Bill will also improve operational efficiency by shifting the liability to pay a toll from a vehicle's driver to its registered person.

Amendments relating to road user charges

The Bill amends the Road User Charges Act 2012 to create a more efficient and user-friendly RUC system. For reference, the New Zealand Transport Agency is the appointed RUC collector for the purposes of the Road User Charges Act 2012.

The current legislation is prescriptive and paper-based, requiring the physical display of licences. This creates administrative costs, inconvenience, and limits technological innovation. The Bill removes the legal requirement to display or carry a RUC licence, which will be replaced by access to RUC licence information held in an online system.

Currently, the legislative requirements for distance recorders limit the use of alternative, low-cost technologies, such as in-built vehicle telematics. The Bill makes these requirements less prescriptive by enabling the RUC collector to approve any technology that is "fit for the purpose" while continuing to protect user data and privacy. This will provide greater flexibility, foster innovation and enable technological solutions more suited to the needs of light vehicle users, easing the burden they face in complying with the RUC system.

The RUC collector currently acts as both the primary retailer and the regulator, which discourages competition and innovation. The intent is to enable a more competitive market by separating customer service functions from the RUC collector's core regulatory duties. The Bill gives effect to this by creating the role of RUC provider and defining a RUC provider's roles and functions, including to issue RUC licences. Under the Bill, the RUC collector will have the power to approve a RUC provider, by notice, and monitor RUC providers within a transparent regulatory framework which will be set out in regulations.

The Bill also amends the regulation-making power in the Road User Charges Act 2012 to remove limitations for alternative payment schemes. Enabling RUC providers to offer more convenient and user-friendly payment options (such as monthly subscriptions or post-pay plans) will allow for different solutions to be provided for different groups of users and better prepare the RUC system for the transition of all petrol vehicles from excise to RUC.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	YES
The Ministry of Transport's 2022 document, " <i>Driving change: reviewing the road user charges system</i> ", consulted on proposals to remove the RUC licence display requirements and update the requirements for electronic distance recorders. The document is available at https://www.transport.govt.nz/assets/Uploads/RUCDD-2022.pdf	

Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	NO
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Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
Two regulatory impact statements informed the policy decisions: <ul style="list-style-type: none">Regulatory Impact Statement: Tolling Legislative Reform, Ministry of Transport, 28 November 2024, available at www.regulation.govt.nz/assets/RIS-Documents/Regulatory-Impact-Statement-Tolling-Legislative-Reform.pdf. <i>Note: some content is withheld on grounds consistent with the Official Information Act 1982.</i>Regulatory Impact Statement: RUC Retail Market – Enabling Reforms, Ministry of Transport, July 2025, available at www.transport.govt.nz/assets/Uploads/RUC-RIS-updated.pdf.	

2.3.1. If so, did the Ministry for Regulation provide an independent opinion on the quality of any of these regulatory impact statements?	NO
Neither RIS met the threshold to require an independent opinion on the quality from the Ministry for Regulation.	

2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	YES
<p>The policy decision to restrict heavy vehicles from certain alternative routes was addressed broadly in issue 2, option 4 of the Tolling Legislative Reform RIS, however this did not explicitly cover the impact analysis of the proposed infringement offence in the Bill and its associated \$150 infringement fee.</p> <p>Automatic CPI adjustments were addressed in issue 3, option 3 of the Tolling Legislative Reform RIS, including the relative impacts of including this power in primary and secondary legislation. However, this did not explicitly mention the impacts of annual increases, rounding up tolls to the next ten cents or exempting schemes from CPI adjustments when they are established within twelve months of an adjustment date.</p> <p>The Bill enables the Land Transport Management Act's delegation and leasing powers to be extended to roads that link toll roads where those toll roads will be part of the same concession arrangement. This was not explicitly covered in Issue 4A of the Tolling Legislative Reform RIS which addressed the expansion of delegation and leasing powers.</p>	

Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	NO
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2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	YES
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	NO
<p>Analysis of the potential costs and benefits is available in the regulatory impact statements linked in section 2.3 to the extent impacts can be reliably monetised. The RUC Retail Market RIS does, however, identify potential negative impacts for existing technology suppliers. Current products may face challenges as the new standards are reformed to allow a wider range of technology solutions to be used.</p>	

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	YES
(b) the nature and level of regulator effort put into encouraging or securing compliance?	YES
<p>The costs and benefits of the Bill's reformed tolling provisions (as noted in the pages above) will likely be affected by road users' level of compliance with the requirement to pay tolls, as is the case under the current tolling framework, and the level of compliance heavy vehicles demonstrate when there is a restriction on an alternative route. Similarly, costs and benefits will be affected by the level of toll operator compliance with the new legislation, such as their compliance with automatic inflation adjustments to toll rates.</p> <p>Compliance with restrictions on alternative routes and requirements to pay tolls may also be affected by the level of effort that is placed on enforcement by the enforcement agency.</p> <p>Costs and benefits of the road user charges provisions will be affected by a) the extent to which the new market structure succeeds in reducing barriers to compliance for users and b) the level of regulator effort to ensure ease of access to digital RUC licence information for users and enforcement officers. Regulator effort is also required. The benefit of removing display and carry requirements for physical RUC licences depends on regulator effort to implement a robust digital alternative, including NZTA system changes and Police access to the RUC database for roadside enforcement.</p>	

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?
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No specific issues were identified that may have implications for New Zealand's international obligations.
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Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

Officials assessed the Bill for consistency with the principles of the Treaty of Waitangi. For the tolling provisions, consideration was given to how changes to alternative route requirements and concession arrangements could affect access to taonga and existing treaty settlements, in accordance with the Treaty principle of protection. Ultimately, the policy changes to the alternative route requirement and concession arrangements that may have interacted with this principle did not proceed.

For the RUC provisions, officials consider that the proposals are unlikely to engage any relevant Treaty principles. The changes are largely technical focusing on removing licence display requirements, updating definitions for electronic distance recorders, and clarifying the roles in the existing system.
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Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?	YES
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The Ministry of Justice is undertaking an assessment of whether the Bill is consistent with the New Zealand Bill of Rights Act 1990. Advice provided to the Attorney-General by the Ministry of Justice, or a section 7 report of the Attorney-General, is generally expected to be available on the Ministry of Justice's website upon introduction of a Bill.

Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:	
(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?	YES
(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	YES
<p>Clause 12 of the Bill creates an offence in the Land Transport Management Act 2003 for a person to operate any heavy motor vehicle on an alternative route in breach of a notice referred to in section 46D, being a notice by the Minister. Clauses 16 to 19 of the Bill amend the Land Transport Act 1998 and the Land Transport (Offences and Penalties) Regulations 1999 to make the new offence a toll offence and empower the setting of an infringement fee for the new offence which is set at \$150.</p> <p>Clause 37 of the Bill inserts new section 47D into the Road User Charges Act 2012 which extends the application of an existing offence of failure to report tampering with an electronic system to the RUC collector or knowingly providing false information to the RUC collector. Previously this offence applied to an electronic system provider but the Bill extends this to RUC providers.</p> <p>Clause 37 of the Bill also inserts new section 47A which provides a RUC provider with a right of appeal to the District Court against decisions by the RUC collector relating to approval as a RUC provider.</p>	

3.4.1. Was the Ministry of Justice consulted about these provisions?	YES
<p>The Ministry of Justice was consulted about the new infringement offence restricting heavy vehicles on alternative routes and outlined no concerns.</p> <p>The Ministry of Justice Offences and Penalties team was also consulted on the Bill and did not raise any issues.</p>	

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	YES
<p>Clause 6 inserts new section 46A which carries over the existing ability for a road tolling scheme order to authorise an enforcement authority to access law information under the Privacy Act 2020 and set out terms and conditions governing that access.</p> <p>Clause 43 amends the regulation-making power in section 89(m) of the Road User Charges Act to expand an existing power to regulate collection, storage, use or disclosure of information by an electronic system provider so that such regulations may apply to all RUC providers.</p>	

3.5.1. Was the Privacy Commissioner consulted about these provisions?	YES
<p>The Office of the Privacy Commissioner has been consulted on the Bill and recommended inserting an additional power to regulate for RUC providers to have a strategy for compliance with the Privacy Act.</p>	

External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	YES
<p>The Ministry consulted key government agencies and external stakeholders on the policy given effect to by the Bill and on the draft Bill.</p> <p>External consultation on the RUC reforms included several other groups:</p> <ul style="list-style-type: none">• In 2022, the Ministry of Transport released the “Driving change” discussion document, seeking public feedback on technical proposals, including the removal of licence display requirements.• The Ministry conducted a market sounding exercise in late 2024, which identified interest from 25 potential RUC retailers.• The Land Transport Revenue Stakeholder Reference Group, which includes representatives of system users, was consulted road user charges policy proposals in the Bill• The Ministry engaged with the Infrastructure Commission during the early stages of the tolling reform policy work and on the RUC policy proposals	

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill’s provisions are workable and complete?	YES
<p>We have consulted with NZTA as current tolling operator and RUC collector on implementation to test the workability of the Bill’s provisions. This included to understand the readiness of NZTA to make system and policy adjustments, including to enable digital verification of RUC end distances by the Police.</p>	

Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO
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Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO
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Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	NO
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Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	YES
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO
Clause 12 creates a new offence for a person to operate a heavy motor vehicle on an alternative route in breach of a notice. This is a strict liability offence but has appropriate safeguards in that the power of a Minister to make a notice restricting use of an alternative route provides exceptions if the person uses the alternative route for the purpose of delivery or collection of goods or passengers to or from locations directly accessible only from a road forming part of the alternative route, or if the alternative route is used to return the vehicle to the place of business where it is based. This provision is necessary to enforce Cabinet's policy intention to allow restrictions on toll road alternative routes.	

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO
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Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	YES
The Bill creates a new role of "RUC provider" and empowers the RUC collector to approve a RUC Provider in accordance with requirements under regulations. The decision to approve or not approve a RUC provider, based on criteria in regulations, which could impact an entity's right to participate in the RUC retail market. Accordingly, the Bill provides a RUC provider with a right of appeal to the District Court against the RUC collector's decisions relating to their approval.	

Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	NO
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4.8. Does this Bill create or amend any other powers to make delegated legislation?	YES
<p>Clause 6 of the Bill amends the existing powers in the Land Transport Management Act to establish a road tolling scheme by Order in Council. All policy changes to the tolling provisions in this Bill will be empowered in tolling schemes through an Order. Before an Order is made for a new tolling scheme, the Minister of Transport must be satisfied that the scheme meets the statutory criteria outlined in the amended section 48 of the Land Transport Management Act.</p> <p>An Order establishing a road tolling scheme may authorise the toll operator to set tolls or grant exemptions, and the Bill provides that an instrument exercising that power is secondary legislation.</p> <p>The Bill also empowers the Minister, by notice and where the relevant Order authorises it, to restrict the use of toll road alternative routes by heavy vehicles. This power is outlined in new section 46D in the Bill and is secondary legislation. The Bill also gives the power to specify any exemption to this restriction in the same notice.</p> <p>The Bill also amends section 89 of the Road User Charges Act 2012 to add powers to make regulations for several new purposes, including:</p> <ul style="list-style-type: none">• Prescribing criteria for the approval of RUC Retailers.• Specifying requirements for, and creating, alternative payment schemes.• Prescribing criteria for the approval of electronic distance recorders to meet the new outcome-based standards.	

Any other unusual provisions or features

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?	NO
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