

OC240285

27 March 2024

[REDACTED]

Tēnā koe [REDACTED]

I refer to your email of 19 March 2024 seeking information under the Official Information Act 1982 (the Act). Your email to the Ministry of Transport stated:

“OIA question 1. Please provide the names of the 10 sources for funding Roothing in New Zealand.

OIA question 2: Please provide information that identifies the management of funding mechanisms and sources of funding for road construction and maintenance in NZ.”

On 25 March 2024, your request to the Treasury also for the above information was transferred to the Ministry of Transport for response.

Below is a response to each of your questions, and some additional sources of information on land transport funding.

Answer to question one

The primary sources of funding for roading in New Zealand are petrol excise duty and road user charges. The revenue from these sources, along with funds from motor vehicle registration and licensing and the sale or management of excess Crown land (acquired but not needed for state highways), is directed into the National Land Transport Fund (NLTF). This fund is then allocated to various projects, including road projects, in accordance with the Government Policy Statement on land transport. It is a legal requirement that NLTF funds are invested solely in land transport.

Additionally, the Crown may provide supplementary funding through appropriations, such as for Cyclone Recovery and the NZ Upgrade Programme.

For local roads, funding is also provided by residents through local government rates. Development contributions may also fund some local government expenditure on roads related to new developments. Prior to 1 July 2024, Auckland Council also received revenue from a 10 cent per litre regional fuel tax, some of which was allocated to roading projects.

Furthermore, tolls are collected on three roads in New Zealand, with the toll revenue repaying the associated debt and financing costs (Northern Gateway and Tauranga Eastern Link) or reimbursing the NLTF (Takitimu Drive) for the construction of the roads.

Answer to question two

Funding mechanisms and sources are managed in accordance with legislation. This includes the Customs and Excise Act 2018 for petrol excise duty, the Road User Charges Act 2012 for road user charges, and the Local Government (Rating) Act 2002 for general and targeted rates. The overarching framework for land transport funding and planning is provided in the Land Transport Management Act 2003, which also outlines the framework for toll roads.

Further information on the funding of land transport

The **annex** contains a diagram on our land transport funding system. Additional information on how transport is funded may be found at:

www.transport.govt.nz/about-us/what-we-do/queries/how-land-transport-is-funded/.

The New Zealand Transport Agency's annual reports also provide information on revenue and expenditure on roads. The reports can be found at:

www.nzta.govt.nz/resources/annual-report-nzta/.

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 website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā,



Matthew Skinner
Manager, Revenue

Annex: Our land transport revenue system

Revenue collected from road users (via fuel excise duty (FED), RUC, and motor vehicle registration and licensing fees) goes into the National Land Transport Fund (NLTF), which is invested into the transport system. The main revenue streams and indicative amounts from these revenue streams (from 2022/23) are presented below.

Revenue sources



Major activities

