

Proactive Release

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Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by <ul style="list-style-type: none"> (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Regulatory Impact Statement: Setting of Speed Limits

Coversheet

Purpose of Document	
Decision sought:	<i>Analysis produced for the purpose of informing the release of a discussion document on a new Setting of Speed Limits Rule.</i>
Advising agencies:	<i>Ministry of Transport</i>
Proposing Ministers:	<i>Minister of Transport</i>
Date finalised:	<i>1 May 2024</i>
Problem Definition	
<p>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).</p> <p>The Government 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 when speed limits are set.</p>	
Executive Summary	
<p>The Government's priority for land transport is a system that is designed to boost economic growth, productivity, resilience, reliability, and safety.</p> <p>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, the views of road users and communities, and safety. This has led to:</p> <ul style="list-style-type: none">• 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• RCAs not adequately considering the economic impacts, including travel time, when setting speed limits. <p>As a result, the Government has committed to replacing the 2022 Rule. Through the draft Rule, the Government has committed to:</p> <ul style="list-style-type: none">• 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 31 October 2025, including rural State Highways, where there is not public acceptance of the reduced speed limit• implement variable speed limits on roads approaching schools during pick-up and drop off times, rather than permanent speed limit reductions. <p>This regulatory impact assessment considers the status quo and the impacts of the proposed</p>	

changes resulting from the draft Rule for consultation.

We cannot assess the specific costs and benefits of changing the 2022 Rule at an individual road or national level. The outcomes would depend on the individual roads and speed limits being assessed, with the key factors being:

- Reversing certain types of speed limits may result in higher average travel speeds if the operating speeds increase. Where this occurs, the evidence suggests the crash risk increases (unless other mitigating measures are introduced to improve safety). 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.
- The draft Rule may lead to some economic benefits in reducing travel times. As noted above, quantifying the level of the impact is difficult due to uncertainty about which roads would have speed limit increases and what impact those increases would have on operating speeds.
- 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 emissions.
- The draft Rule would result in implementation costs for RCAs related to reversing certain types of speed limits that have been reduced since the introduction of Road to Zero. There would also be implementation 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.

Consultation has not yet been undertaken on the draft Rule. This regulatory impact assessment is prepared to accompany the draft Rule and consultation document.

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 dismissed 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 would also depend on an amendment being made to the Land Transport Rule: Traffic Control Devices 2004 to enable static variable speed limit signs to be used without an electronic variable speed limit sign. An amendment to the Land Transport (Road User) Rule 2004 is also required to introduce school travel times as something all drivers are expected to be aware of. This amendment would enable smaller variable speed limit signs to be used, which would reduce implementation costs for RCAs in some instances.

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

Quality Assurance (completed by QA panel)

Reviewing Agency:	Ministry of Transport
Panel Assessment & Comment:	<p>This Regulatory Impact Statement (RIS) has been reviewed by a panel of representatives from the Ministry of Transport Te Manatu Waka. It has been given a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.</p> <p>The panel considers that this RIS provides a sufficient basis for informed decisions on the current proposal. The RIS is relatively clear and concise, given the time limitations it was prepared under. The RIS falls short of a 'meets' rating due to limited consultation and a lack of quantified impacts provided about some of the impacts (particularly safety and economic) of the proposal.</p> <p>The RIS also does not consider alternative options for addressing the problem identified beyond the Government's preferred option. The panel also notes that consultation is being undertaken on a new Rule to implement the proposal, however it is not clear how the lack of consultation to date has affected the design of the proposal itself.</p>

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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 were modelled to deliver a 14 percent reduction in deaths and serious injuries by 2030 to contribute to Road to Zero'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.

The Minister of Transport amended the 2022 Rule in December 2023

4. In December 2023 the Minister of Transport (the Minister) amended the 2022 Rule to:
 - a. make it discretionary for RCAs to develop SMPs;
 - b. remove the 30 June 2024 deadline by which time RCAs had to have made reasonable efforts to change speed limits for at least 40 percent of their schools, and 31 December 2027 by which time they had to have made reasonable efforts to change speed limits for all their schools; and
 - c. remove the ability for the Director of Land Transport to set deadlines for SMPs to be submitted for certification.
5. Removing deadlines by which time SMPs needed to be submitted to the Director meant RCAs would not be required to change any speed limits under the 2022 Rule. This means that RCAs can wait to see the Government's policy direction through the draft Rule to ensure they do not invest in changes that may need to be undone.
6. The deadlines around reducing speed limits around schools were seen to be the catalyst for broader speed limit changes, so removing these deadlines was done to pause SMPs.
7. SMPs are now optional under the 2022 Rule. As a result, speed limits could change on roads where RCAs prepare and consult on the plans, and submit them to the Director of Land Transport for certification.
8. Alongside this, the Government announced it will replace Road to Zero with a new set of road safety objectives. This will include resetting the approach to speed through the draft Rule and new road safety objectives.

What is the policy problem or opportunity?

The 2022 Rule does not adequately balance economic impacts, community and road user views and safety.

9. 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.
10. The Government is of the view that the 2022 Rule:
 - a. led to speed limits being changed in some instances despite strong public opposition;

- b. led to a broad approach to reducing speed limits rather than a targeted approach focusing on safety concerns;
- c. resulted in permanent speed limit changes in broad areas outside schools where variable speed limits outside school gates would more appropriately target the risk;
- d. 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?

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

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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?

13. The following criteria will be used to compare the status quo and option one:
 - a. Safety impacts – the expected impact on deaths, serious and minor injuries.
 - b. Economic impacts – the impact of the proposed changes on travel times, vehicle operating costs and emissions.
 - c. Implementation costs – particularly for RCAs implementing the requirements of the Rule.
 - d. Transparency – how the option would improve consultation processes and practices.

What scope will options be considered within?

14. The scope of the options has been limited by the policy direction outlined by the Minister of Transport to replace the 2022 Rule. Specifically:
 - a. removing the 'blanket' approach to speed limit reductions;
 - b. implementing variable speed limits outside school gates during pick up and drop off times;
 - c. introducing a more targeted approach that considers economic impacts and places more weight on the views of road users and the local community; and
 - d. reversing certain types of reduced speed limits unless there is public acceptance of them.

What options are being considered?

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

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

Status Quo

17. This option would result in speed limits continuing to be set within the current settings.
18. 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).
19. The GPS could be used to guide RCAs to a more targeted approach aligning with the Government's objectives.
20. RCAs would still be able to reduce speed limits without considering economic impacts and in broad areas.
21. Speed limits around schools could continue to be reduced through either permanent reductions or variable speed limits.
22. Speed limits of 110km/h have to be submitted to the Director for approval.

Option Two – Replace the 2022 Rule

23. This option proposes to revoke and replace the 2022 Rule to deliver the Government's policy objectives through a draft Rule that:
 - a. Introduces economic analysis
 - b. Enhances consultation requirements
 - c. Introduces a Ministerial Speed Objective
 - d. Requires variable speed limits outside school gates
 - e. Sets out the speed limit classifications in the Rule
 - f. Reverses speed limits on certain types of roads
 - g. Expands the criteria used by the Director of Land Transport when considering SMPs for certification.
24. Aspects of the 2022 Rule that are unchanged include:
 - a. the process for temporary speed limit setting
 - b. the National Speed Limit Register
 - c. The Director of Land Transport being required to certify or otherwise speed limit changes
25. The details of each aspect of the changes and a comparison to the status quo are set out below.

Introducing economic analysis

26. This change would require RCAs to consider the economic impacts of any proposed speed limit change. The RCA would be required to undertake a cost benefit analysis (CBA) before it consults on any future speed limit changes.
27. CBA helps ensure that decision-makers are well informed on economic impacts and supports good evidence-based decision-making. A CBA is primarily about organising available information in a logical and methodical way to evaluate the economic impacts. 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.
28. To simplify the process and reduce costs of undertaking the analysis, we are considering the development of guidance for RCAs to use.
29. The CBA would be required to include at least the following impacts:
 - a. Safety impacts (including in the number and severity of crashes)
 - b. Travel time impacts (including changes to mean operating speeds)
 - c. Implementation costs (including planning, road signs and road markings, installation costs, overheads, and consultation and administrative costs).
30. RCAs can include other impacts (e.g. environmental, disruption to the network caused by crashes) if they choose so.

How is this different from the status quo?

31. The 2022 Rule does not require RCAs to undertake economic analysis when proposing to change speed limits and it does not require road by road analysis of proposed changes to speed limits.
32. Ensuring economic analysis is taken into account when speed limits are set, or considered for change, would meet the Government's objective of introducing more balance into the process and ensure the public and decision makers are more informed on the expected impacts of proposals.

Enhanced consultation requirements

33. 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.
34. The draft Rule would also list classes of entities that an RCA must encourage to present their views, including freight users, other road users, local communities and businesses surrounding the impacted corridors, local government, and schools.
35. When consulting, RCAs would be required to:
 - a. encourage participation by groups likely to be impacted by a decision, including: freight users, other road users, communities, businesses and schools surrounding the impacted area, local government (eg neighbouring RCAs).
 - b. make available the draft SMP and cost benefit analysis.
 - c. prepare and publish a summary of submissions received, including an explanation of how feedback from submitters was taken into account in the final speed limit changes.
36. Each proposed speed limit change would need to be presented separately in consultation to allow for targeted consultation feedback.
37. When submitting plans to the Director for certification, the draft Rule would require RCAs to confirm that these consultation requirements have been met.

How is this different from the status quo?

38. Under the status quo, although RCAs are required to consult on proposals, there is no requirement for RCAs to respond to feedback or outline how feedback has been factored into the final decision.
39. Outlining how feedback has been considered is included in the NZTA guidance, however, in practice this has not always been occurring. Introducing it into the draft Rule would enhance transparency around decision making and require RCAs to take the views of submitters into account before taking final decisions.
40. The draft Rule would retain the existing requirement to separately consult Māori affected by any proposed change in a draft plan that affects or is likely to affect Māori land; land subject to any Māori claims settlement Act; or Māori historical, cultural, or spiritual interests.

Speed limits outside schools

41. The draft Rule would require variable speed limits outside school gates during pick up and drop off times.
42. 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:
 - a. 300 metres for Category 1 schools
 - b. 600 metres for Category 2 schools (can be designated as such by an RCA in their SMPs, typically in rural areas with sufficient entranceway design and safety infrastructure).
43. 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.

44. 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.
45. 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 is intended to support compliance.
46. The draft Rule would reintroduce the deadline of 31 December 2027 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. Reintroducing this deadline will ensure that speed limits outside schools are addressed in a reasonable period of time.

How is this different from the status quo?

47. The 2022 Rule enables RCAs to set permanent or variable speed limits outside schools. A road outside a school is defined broadly, to include expected or typical pedestrian cycle routes.
48. The draft Rule would require RCAs to set variable speed limits outside more narrowly defined school gates and access points during pick up and drop off hours. This would result in a consistent approach across the whole country.

Enabling static variable speed limit signs will reduce costs for RCAs

49. 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.
50. Electronic variable speed limit signs tend to be more expensive than static variable speed limit signs.
51. This option would require a consequential amendment to the TCD Rule to enable the use of static signs on main streets outside school gates.
52. Static variable speed limit signs can be more difficult for drivers to read and comprehend than electronic signs, especially in areas with higher speeds. The introduction of standard school travel periods is intended to build public understanding so that in time, drivers will know to slow down around schools during drop off and pick up periods without needing to read the sign every time. The draft Rule would be widely communicated by NZTA to increase public awareness and understanding.

A consequential amendment to the Land Transport (Road User) Rule 2004 (the RUR)

53. The existing static variable speed limit signs do not meet minimum legibility requirements to be used on their own on a main road. Therefore, an amendment is proposed to the RUR to introduce default variable speed limit times.
54. The default school travel periods would be reflected in the Road Code and drivers would be expected to be familiar with them and know to slow down around schools during the default times without needing to read the sign every time. This would enable the existing signs to be used on main roads. Once finalised, the new Rule will be widely communicated by NZTA to increase public awareness and understanding.

Introducing a Ministerial Speed Objective

55. The draft Rule would put in place a new tool, called a Ministerial Speed Objective (the Objective). RCAs would need to have regard to the Objective when considering speed limit changes.

56. 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.

How is this different from the status quo?

57. The 2022 Rule sets out that, when preparing any SMP, an RCA outline how their SMP is consistent with the road safety aspects of the Government Policy Statement on Land Transport or any government road safety strategy. A SMP must include an explanation of how the plan is consistent with these documents. SMPs developed under the 2022 Rule were therefore influenced by the targeted overall 40 percent reduction in deaths and serious injuries by 2030 in the previous Government's road safety strategy.
58. While the Objective would serve a similar purpose to a road safety strategy under the 2022 Rule, the Objective would provide more flexibility. Rather than having to amend a whole road safety strategy the Government would be able to amend the Objective to alter what it thinks RCAs should be focused on when it comes to speed limit changes.

What speed limits should be on different road types

59. 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.
60. 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 50 km/h, or 40 km/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.
61. The new proposed speed limit classifications provides that a 110 km/h speed limit can be used on dual carriage corridors (eg 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 110 km/h.

How is this different from the status quo?

62. The new proposed speed limit classifications would replace the safe and appropriate speed approach in the 2022 Rule. Currently the NZTA guidance sets out road and speed limit classifications.
63. The draft Rule would remove the requirement for the Director's approval for 110km/h speed limits.

Reversing certain speed limits

64. 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 on 31 December 2019. The types of roads that will be considered for reversals are:
- Arterial routes (known as urban connectors in the classifications) where the speed limit has been reduced
 - Rural State highways where the speed limit has been reduced
65. The reduced speed limits can remain on rural State highways if the RCA can demonstrate public acceptance of the reduced speed limit. This needs to be done through a new consultation following the new consultation requirements.

66. RCAs 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.
67. For rural state highways, if the RCA can demonstrate public acceptance of the reduced speed on part of the state highway the lower speed limit can be retained on this part of the state highway.
68. All arterial roads that had speed limit reductions since 1 January 2020 will need to be reversed.
69. All permanent 30km/h speed limit reductions 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 31 October 2025.
70. If the RCA can meet the requirements outlined above to retain targeted lower speed limits, and would like the lower speed limit to remain in place, it would have to provide this information to the Director by 30 May 2025. The Director then would have until 29 August 2025 to process all the speed limit reduction reviews to confirm whether relevant information has been provided. This allows almost two months for RCAs to physically change any signs and road markings on any roads where the speed limits will change.
71. By 31 October 2025, certain reduced speed limits need to be either recertified or reversed to what they were on 31 December 2019.

How is this different from the status quo?

72. The Road to Zero strategy resulted in a number of speed limits being reduced to align with safe and appropriate speed limits, despite (in some cases) public opposition and without consideration necessarily being given to the economic impacts.

Expanding the criteria used by the Director when considering SMPs for certification

73. Under the draft Rule, when RCAs submit SMPs to the Director of Land Transport for certification, they would be required to confirm that:
 - a. the RCA has regard to any Ministerial Speed Objective.
 - b. 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
 - c. the SMP includes a three year implementation plan
 - d. the CBA requirements have been met
 - e. speed limits have been set in accordance with the speed limit classifications
 - f. the requirements for setting variable speed limits outside school gates have been met.
74. If the Director is satisfied that it meets the above requirements, they must certify the plan.
75. 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.

How is this different from the status quo?

76. The list of factors that RCAs must confirm has been amended to reflect the new proposed requirements of the Rule, for example, to undertake a CBA and have regard to any Ministerial objective.

Analysing the option

Issue	Safety impacts	Economic impacts	Implementation costs	Transparency
<p>Introducing economic analysis</p> <p>Requiring RCAs to undertake CBA when considering speed limit changes on any road.</p>	<p>This is expected to ensure that when considering changes to speed limits, RCAs consider safety impacts alongside economic impacts. This is a change from the current approach where safety is the primary consideration.</p> <p>This could result in fewer speed limit changes than under the 2022 Rule, which could mean that road safety will not be improved at the same scale or pace as was being targeted under Road to Zero. However, this will depend on what other interventions are introduced by the Government or RCAs to mitigate this risk.</p>	<p>This is expected to ensure that when considering changes to speed limits, RCAs consider economic impacts alongside safety impacts.</p>	<p>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 cost for RCAs.</p>	<p>This is not expected to affect consultation practices or transparency. It would, however, enhance the information provided to stakeholders and the public when submitting on proposals.</p>
<p>Enhanced consultation requirements</p> <p>Align the requirements for all RCAs when consulting on SMPs.</p> <p>Require an explanation of how feedback was taken into account in the final speed limit changes.</p>	<p>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.</p> <p>This could result in fewer speed limit changes than under the 2022 Rule, which could mean that road safety will not be improved at the same scale or pace as was being targeted under Road to Zero. However, this will depend on what other interventions are introduced by the Government or RCAs to mitigate this risk.</p>	<p>This is expected to ensure that when considering changes to speed limits, RCAs consider community and road user views alongside economic impacts and safety.</p> <p>This could result in fewer changes to speed limits and thus less impacts on travel times.</p>	<p>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.</p>	<p>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.</p> <p>Aligning the consultation requirements for all RCAs should result in the consultation processes across RCAs all meeting a minimum standard.</p>
<p>Speed limits outside schools</p> <p>Implementing variable speed limits of 30km/h for category 1 schools and up to 60km/h for category 2 schools.</p> <p>Introducing 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 is intended to support compliance.</p> <p>Re-introducing the deadline of 31</p>	<p>Increasing speed limits outside schools outside school hours may increase the risk of deaths, serious and minor injuries. The amount by which this risk would increase is unknown, as we have not been able to model the expected impact. It is expected this would be dependent on traffic flows and operating speeds.</p> <p>Requiring variable speed limits outside schools could result in a reduction in the number of crashes outside school gates during pick up and drop off hours,</p>	<p>Requiring variable speed limits outside school gates during drop off and pick up hours instead of permanent speed limit reductions may result in limited economic impacts. Impacts would be dependent on the change to operating speeds. Increased operating speeds outside drop off and pick up hours may reduce travel time.</p> <p>Impacts on vehicle operating costs, emissions and noise pollution would depend on the effect on operating</p>	<p>Requiring variable speed limits outside the school gate of all schools would increase costs to RCAs. Following the December 2023 amendments to the 2022 Rule there are no set dates by which RCAs need to change speed limits around schools.</p> <p>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</p>	<p>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 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.</p>

Issue	Safety impacts	Economic impacts	Implementation costs	Transparency
December 2027 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.	assuming operating speeds are reduced. If operating speeds do not reduce then we would not expect the change to result in any safety benefits.	speeds.	costs.	
<p>Ministerial Speed Objective</p> <p>The Objective could be issued through the Government Policy Statement on land transport, or as a separate document. 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.</p>	The safety impacts of the Objective would depend on its content, which would be part of a separate decision making process for the Minister of Transport. RCAs would be able to consider speed limit changes beyond the Objective but they must ensure that they have regard to the Objective through their SMPs.	The economic impacts of the Objective would depend on its content, which would be part of a separate decision making process for the Minister of Transport.	This is not expected to result in changes to implementation costs.	This is not expected to impact consultation practices or transparency.
<p>Speed limit classifications</p> <p>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.</p>	<p>The new proposed speed limit classifications are based on safety, and the movement and use of the road, with some adjustments made to help achieve public acceptability. Most road types include a range of speed limits that can be chosen according to what is safe and acceptable.</p> <p>The proposed classifications under the draft Rule are higher than some of the classifications under the 2022 Rule.</p>	This is not expected to have an economic impact.	This is not expected to result in changes to implementation costs.	This is not expected to impact consultation practices or transparency.
<p>Reversing certain speed limits</p> <p>Certain speed limits that have been reduced since 1 January 2020 (the date at which Road to Zero came into effect) increased to the speed limit that was on 31 December 2019, this includes:</p> <ul style="list-style-type: none"> • 30km/h speed limits that have been introduced due to the presence of a school • Arterial roads • Rural State highways <p>The reduced speed limits can remain if for Rural State highways, the RCA can demonstrate public acceptance.</p> <p>All arterial roads that had speed limits reduced on them since 1 January 2020</p>	<p>Reversing lower speed limits may result in an increase in deaths, serious and minor injuries from crashes (unless other mitigating measure are introduced to improve safety or reduce speeds, for example improved safety infrastructure). The amount of the increase will depend on how many roads have their speed limits reversed and the impact on mean operating speeds.</p> <p>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 Nilsson (2004) predicts that every one</p>	<p>With increased speed limits we would expect to see increased operating speeds. This could lead to reduced travel times depending on the change to operating speeds.</p> <p>Depending on what the speed limits change from and to there is expected to be an increase in some instances and a decrease in others on vehicle operating costs, emissions and noise pollution.</p>	<p>Reversing speed limits would mean RCAs would need to replace signage and update any speed limits that are marked on the roads.</p> <p>If RCAs wish to retain reduced speed limits, they would need to demonstrate public acceptance of each reduced speed limit. This could be done either through presenting evidence from the initial consultation round, or by re-consulting.</p> <p>The cost of these changes is expected to differ between RCAs and depends on how many speed limits would need to be reversed.</p>	<p>RCAs would be required to demonstrate public acceptance as one criterion to retain reduced speed limits. This would enhance transparency, as reduced speed limits would be increased where an RCA cannot demonstrate public acceptance.</p>

Issue	Safety impacts	Economic impacts	Implementation costs	Transparency
<p>will need to be reversed.</p> <p>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 limit requirements outside the school gate by 31 October 2025.</p>	<p>percent increase in mean speed produces a four percent increase in the fatal crash risk and a three percent increase in the serious crash risk. ^{1 2}</p>			
<p>Expanding the criteria used by the Director when considering SMPs for certification</p> <p>The Director would be required to confirm:</p> <ul style="list-style-type: none"> the RCA has had regard to the Ministerial Speed Objective 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 the SMP includes a three-year implementation plan the CBA requirements have been met speed limits align with the speed limit classifications the requirements for setting variable speed limits outside school gates have been met 	<p>This is not expected to have safety impacts</p>	<p>This is not expected to have economic impacts</p>	<p>This would result in the Director needing to consider more information before certifying an SMP and therefore more costs to the NZTA.</p>	<p>This would enhance transparency by requiring RCAs to go through more robust processes and provide more information to the Director through their SMPs.</p>

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¹ <https://www.who.int/news-room/fact-sheets/detail/road-traffic-injuries>

² Nilsson, G. 2004, Traffic safety dimensions and the power model to describe the effect of speed on safety, Bulletin 221, Lund Institute of Technology, Lund, Sweden, quoted in Austroads (2021) Guide to Road Safety Part 3: Safe Speeds, available at <https://austroads.com.au/publications/road-safety/agrs03>. The Nilsson power model is generally accepted as accurate for speed limit changes on high speed rural roads.

How do the options compare to the status quo/counterfactual?

	Option One – <i>Status Quo</i>	Option Two – Replace the 2022 Rule
Safety impacts	N/A	Potential for increased crash numbers and deaths and serious injuries, through reversing certain reduced speed limits.
Economic impacts	N/A	Potential for reduced travel times through reversing certain reduced speed limits. Some increases and some decreases in emissions and vehicle operating costs through increased speed limits.
Reducing costs to RCAs	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?

77. 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.
78. Option two could result in worse safety outcomes, depending on the number of speed limits that are reversed, as there is a risk that the number of crashes increase on roads if speed limit reductions are reversed. The number of crashes that will result from the reversals cannot be quantified due to uncertainty around how many, and what specific roads would have their speed limit reductions reversed.
79. Option two could result in reduced travel time on roads that have speed limits reversed. The exact amount of the reduction and resulting economic benefit cannot be quantified due to uncertainty around how many roads would have their speed limits reversed and the corresponding change in operating speeds.
80. Option two would 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. If they choose to implement electronic variable speed limit signs the cost will be greater than if they choose to implement static variable speed limit signs.
81. Option two would result in increased transparency around decision making by enhancing consultation requirements.

What are the marginal costs and benefits of the option?

Affected groups (identify)	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i>
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. One-off cost to NZTA as RCA to consult on potentially retaining reduced speed limits on State highways.	Medium.	Medium. We do not know how many speed limits will be reversed.
	Ongoing compliance costs given they would be required to complete CBAs for speed 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)	One-off cost to review information to retain lower speed limits. Ongoing costs to review SMPs.	Low.	Low. We do not know how many RCAs would submit information to support retaining reduced speed limits. NZTA has not been able to identify all of the roads that have speed limits that may need to change.
Public	Ongoing increased social costs from more 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

	Vehicle operating costs, air quality impacts and greenhouse gas emissions are expected to get worse on some roads where speed limits are increased.	Low	our analysis.
Total monetised costs		N/A	
Non-monetised costs		<i>Medium</i>	
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		<i>Low/Medium</i>	

Section 3: Delivering an option

How will the new arrangements be implemented?

Consultation on the draft Rule

82. The Ministry of Transport will undertake consultation on the draft Rule commencing in June. Following this consultation, the Ministry will summarise submissions and provide final advice to the Minister of Transport. The Minister will then consider any changes they may wish to make.

83. The draft Rule is expected to be in force by the end of 2024.

If the draft Rule proceeds post consultation with current policy parameters...

84. RCAs would be required to reverse certain speed limits that were reduced since 1 January 2020 by 31 October 2025, if the speed limits are:
- Permanent 30 km/h speed limit put in place due to the presence of a school
 - On an urban connector
 - On a state highway

85. If the RCA can demonstrate public acceptance of the reduced speed limit, either through a new consultation process or the initial consultation process, it can retain the reduced speed limits. As part of this process, it would be required to provide this information to the Director by 30 May 2025. The Director would then have until 29 August 2025 to process all the speed limit reduction reviews to confirm whether the information required by the Rule has been provided.
86. If the RCA has provided this information, the Director would have to certify that the reduced speed limit will remain.
87. If the Director is not satisfied the RCA has met the requirements, the Director would have to notify the RCA in writing by 30 August 2025.
88. If the reduced speed limits have not been recertified by 31 October 2025, the speed limits would revert to what was in place on 31 December 2019.
89. RCAs would also be required to implement variable speed limits by 31 December 2027 outside all schools.
90. If RCAs were considering reducing speed limits, they would need to have regard of the Objective.
91. NZTA will release guidance to support RCAs to implement the draft Rule and ensure that its guidance remains up to date.
92. The Director would consider all SMPs prior to certifying them to check that the requirements under the proposed draft Rule are met.

Implementation risks

93. There is expected to be increased workload for the Director to process all the applications to retain reduced speed limits.
94. If the Ministry and the NZTA are unable to create guidance for RCAs to use, there may be significant additional work for RCAs to undertake a CBA. It could also result in inconsistencies in the CBAs that are provided to the Director.
95. The cost to RCAs to review and reverse speed limits. The draft Rule would come into effect following the finalisation of the Government Policy Statement on Land Transport (GPS). Without funding allocation, the cost of reversing speed limits would fall on RCAs. RCAs will likely not have planned for these costs of reversing certain types speed limits.

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

96. The Ministry of Transport and NZTA will continue to monitor death, serious and minor injuries, and the causal factors.
97. NZTA will continue to maintain the National Speed Limits Register.
98. s 9(2)(f)(iv)