

[In Confidence]

Office of the Minister of Transport

Cabinet Economic Policy Committee

Land Transport Rule: Setting of Speed Limits 2024 – post consultation report back

Proposal

- 1 This paper updates Cabinet on the outcome of public consultation on the draft Land Transport Rule: Setting of Speed Limits 2024 and seeks agreement to changes to the Rule.

Relation to government priorities

- 2 This paper relates to the Government's commitment, included in the Government's Q3 Action Plan, to sign the new speed limit rule to reverse the previous government's blanket speed limit reductions.

Executive Summary

- 3 The draft Land Transport Rule: Setting of Speed Limits 2024 (the draft Rule) was open for consultation between 13 June and 11 July 2024. It received overall support from submitters. Some submitters raised concerns about aspects of the draft Rule.
- 4 In response, I am seeking Cabinet agreement to some key changes to the Rule. The changes do not alter the policy intent previously outlined and the proposed Rule will deliver on the Government's commitments in this area.
- 5 The key changes I am seeking agreement to are:
 - 5.1 introducing a cost benefit disclosure requirement;
 - 5.2 enabling a more flexible approach to variable speed limits outside schools, and bringing the implementation deadline forward;
 - 5.3 enabling speed limits of up to 120 km/h on roads that are built and maintained to a standard to safely support this speed.
 - 5.4 removing the Ministerial Speed Objective, Speed Management Committee and the option for regional speed management plans from the Rule;
- 6 The remaining changes are technical clarifications and amendments to make the Rule more workable and avoid unintended consequences. All changes are discussed in the table in Annex 1.

- 7 Subject to your agreement to these changes, I intend to sign the new Rule by 30 September 2024.

Background

- 8 The Coalition Government's agreement included a commitment to stop and reverse the previous government's blanket speed limit reductions.
- 9 In December last year, I amended the previous government's speed limit Rule to remove mandatory requirements for Road Controlling Authorities to implement speed management plans and removed deadlines for Road Controlling Authorities to submit these plans. I wrote to Road Controlling Authorities throughout the country to notify them of these changes and advised against making changes to speed limits while the Government's new Rule is being finalised.
- 10 To meet our commitment to reverse the previous government's blanket speed limit reductions, I instructed officials to develop a new Rule that takes a more balanced approach to setting speed limits.
- 11 The draft Rule proposes a schedule of speed limit classifications with more standardised speed limits of 50km/h in urban areas, with exceptions that enable variation in certain instances. This approach aligns with the approach used in high income countries that have the lowest rates of road deaths (Norway, Sweden, Iceland, Japan, Denmark, and the United Kingdom). These six countries all have default speed limits of 50km/h or more on urban roads, with exceptions for lower speeds.
- 12 On 22 May 2024, Cabinet approved the release of the draft Rule and the accompanying consultation document for a public consultation period of four weeks, beginning in early June 2024 (CAB-24-MIN-0181 refers).
- 13 Cabinet invited me to report back in September 2024, following public consultation, on the feedback received and to seek agreement to any substantive changes to the Rule.

The draft Rule received broad support through consultation

- 14 The Ministry of Transport carried out consultation on the draft Rule on my behalf from 13 June to 11 July 2024. The Ministry received approximately 8,180 submissions. The majority of submitters were in support of the proposals.
- 14.1 65% of submitters supported reversing the previous government's blanket speed limit reductions. 32% did not support this, and 4% were unclear.
- 14.2 51% supported cost benefit analysis for speed limit changes. 29% did not support this, and 20% were unclear.

- 14.3 63% supported strengthening consultation requirements for road controlling authorities when making speed limit changes. 22% did not support this, and 15% were unclear.
- 14.4 56% supported (either in full or with an exception) introducing a schedule of speed limit classifications. 35% did not support this, and 9% were unclear.
- 14.5 54% supported enabling 120 km/h speed limits where roads are built, maintained and managed to safely accommodate that speed. 29% did not support this, and 17% were unclear.

I am seeking agreement to key changes to some proposals

I recommend a change to the cost-benefit analysis requirement

- 15 There was overall support for the concept of requiring cost benefit analysis (CBA), with many agreeing that economic impacts should be considered before making changes to speed limits. However, some technical concerns were raised about the practicalities of completing CBAs. These are discussed further in the table in Annex 1.
- 16 To overcome these concerns, I propose to introduce a requirement for RCAs to consult on a standardised 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.
- 17 This approach will make it easier for the public to clearly see the expected impacts on safety and travel time of a proposed speed limit change, and the reason for the proposed change.

I recommend changes to the variable speed limits outside the school gate requirements

- 18 Overall, most submitters supported the proposal to require variable speed limits outside school gates during drop-off and pick-up times (school travel periods). Submitters noted the importance of having lower speeds outside schools at busy times, while enabling traffic to flow at other times.
- 19 Several submitters supported variable speeds outside schools but wanted more flexibility in how they are implemented for each school, rather than the proposed fixed school travel periods.
- 20 To respond to this feedback, I propose the Rule provides more flexibility by removing the fixed school travel periods and rather than prescribing set times, enabling RCAs to set times to suit each school, within reasonable constraints (the start and end time of each school day with up to 45 minutes either side of the bell). Some schools already have such variable speed limits, and this will reduce compliance burden for these schools.

- 21 The draft Rule proposed an implementation deadline of 31 December 2027 for all roads outside schools to meet these requirements. To accelerate the process, I propose to bring this deadline forward to 1 July 2026.

I propose to enable a speed limit of 120km/h on roads that are built and maintained to the necessary standard

- 22 The consultation document sought feedback on enabling speeds of up to 120km/h on roads that are built and maintained, and will be managed, to safely accommodate that speed.
- 23 To future proof the Rule and enable higher speed limits on roads where they are built to the appropriate standard, I recommend the Rule includes the option of setting a speed limit of up to 120km/h.

I recommend some aspects of the draft Rule are removed

- 24 The draft Rule included a proposal to introduce a Ministerial Speed Objective as a tool which allows the Minister of Transport to set out the Government's expectations for speed management.
- 25 The proposal received mixed views. Some submitters suggested the Government Policy Statement is the best place to outline Ministerial expectations for speed management, without the need for another guiding document. I consider this appropriate and recommend the Ministerial Speed Objective is removed from the Rule.
- 26 I also sought feedback on the value of retaining the Speed Management Committee, which provides independent oversight of the NZTA's speed management plans. Of the few submitters who commented on this, more supported retaining it than not. Those in support felt it provided valuable oversight of NZTA, while others thought the NZTA has the resource and expertise to monitor itself. Given the Speed Management Committee's limited powers and functions, I do not see sufficient value in retaining the Committee and recommend it is removed from the Rule.
- 27 Similarly, the regional approach to speed management planning received less feedback than other proposals. Some RCAs supported the intention of regional plans but acknowledge the work involved to develop one is complex and difficult to coordinate among RCAs.
- 28 Some suggested consistency can be achieved through collaboration with neighbouring RCAs rather than a regional speed management plan. I consider this appropriate and recommend the option to develop regional speed management plans is removed from the Rule.

I have made minor amendments to other proposals

- 29 The consultation process raised other matters that can be resolved through clarification or minor amendments to the Rule. For example, submitters sought clarification that the proposed schedule of speed limit classifications only applies to permanent speed limits. These are outlined in Annex 1.

Cost-of-living Implications

- 30 Reversing speed limits would likely result in reduced travel times on roads where speed limits are reversed.
- 31 Depending on funding availability through the National Land Transport Fund, some of the costs of undertaking speed limit reversals may fall to local authorities, which could be passed on to ratepayers. See Financial Implications section below.

Financial Implications

- 32 There are no direct financial implications to the Crown.
- 33 The Rule will have financial implications for RCAs particularly in implementing reversals and variable speed limits around schools, where they are not already in place. Decisions to cover these costs or parts of these costs will be taken by the NZTA as part of normal National Land Transport Programme processes. Any costs not covered by the National Land Transport Fund will fall to local RCAs.
- 34 As outlined in the Government Policy Statement on land transport 2024, the NZ Transport Agency is considering the efficient delivery of infrastructure relating to speed limit changes, such as a centralised procurement of new speed limit signs for Road Controlling Authorities.

Legislative Implications

- 35 This paper outlines changes to the Rule which will replace the Land Transport Rule: Setting of Speed Limits 2022. I intend to sign the Rule following this Cabinet update, and no later than 30 September 2024.
- 36 Consequential amendments will need to be made to the following Rules and Regulations:
- 36.1 Land Transport Rule: Traffic Control Devices 2004, to enable greater use of static variable speed limit signs outside school gates;
- 36.2 Land Transport (Road User) Rule 2004 and Land Transport (Register of Land Transport Records - Speed Limits) Regulations 2022, to replace references to the Land Transport Rule: Setting of Speed Limits 2022 with the new 2024 Rule;
- 36.3 Land Transport Management (Regional Transport Committees) Regulations 2022, to repeal this regulation. This added a new function for a regional transport committee to prepare and review regional speed management plans. As noted above, the option to develop regional speed management plans will be removed from the Rule.

Impact Analysis

Regulatory Impact Statement

- 37 The Ministry of Transport has updated the interim Regulatory Impact Statement (RIS) following consultation.
- 38 The updated RIS has been reviewed by a panel of representatives from the Ministry of Transport. It has been given a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.
- 39 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.
- 40 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.

Climate Implications of Policy Assessment

- 41 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal, as the threshold for significance is not met.

Population Implications

- 42 I have not identified any population implications arising from the proposals in this paper or the draft Rule.

Human Rights

- 43 I have not identified any human rights implications arising from the proposals in this paper or the draft Rule.

Consultation

- 44 The following departments were consulted on the development of this paper: the New Zealand Transport Agency, New Zealand Police, Accident Compensation Corporation, Department of Internal Affairs, and the Ministry of Education. The Department of the Prime Minister and Cabinet were informed.

Communications

- 45 I intend to announce the Rule once it is signed and no later than 30 September 2024. Communications and enquiries will be handled through my office.

Proactive Release

- 46 I intend to proactively release this paper, the summary of submissions and final RIS within 30 days of this Cabinet meeting.

Recommendations

The Minister of Transport recommends that the Committee:

- 1 **note** that, in May 2024, Cabinet [CAB-24-MIN-0181 refers]:
 - 1.1 approved the release of the draft Land Transport Rule: Setting of Speed Limits 2024 and associated consultation document for public consultation for a period of four weeks;
 - 1.2 invited the Minister of Transport to report back following consultation and to seek agreement to any substantive changes to the new Land Transport Rule: Setting of Speed Limits 2024;
- 2 **note** that draft Rule received overall support during consultation;
- 3 **agree** to require road controlling authorities to consult on a cost benefit disclosure statement that will include travel time and safety impacts of proposed speed limit changes, as well as the rationale for the speed limit change;
- 4 **agree** to enable a more flexible approach to variable speed limits outside schools and allow RCAs to set times for each school;
- 5 **agree** to bring the implementation deadline for all roads outside school gates to meet the requirements forward to 1 July 2026;
- 6 **agree** to enable speed limits of up to 120 km/h on roads that are built and maintained to a standard to safely support this speed;
- 7 **agree** to remove the Ministerial Speed Objective, speed management committee and regional speed management plans from the Rule;
- 8 **agree** to make consequential amendments to the Land Transport Rule: Traffic Control Devices 2004 to enable greater use of static variable speed limit signs outside school gates;
- 9 **agree** to make consequential amendments to the Land Transport (Road User) Rule 2004 and Land Transport (Register of Land Transport Records - Speed Limits) Regulations 2022, to replace references to the Land Transport Rule: Setting of Speed Limits 2022 with the new 2024 Rule;
- 10 **agree** to repeal the Land Transport Management (Regional Transport Committees) Regulations 2022;
- 11 **authorise** the Minister of Transport to issue any drafting instructions to Parliamentary Counsel Office to give effect to recommendations 9 and 10;

- 12 **authorise** the Minister of Transport to make any further changes to the Rule consistent with the policy intent before it is signed; and
- 13 **note** that the Minister of Transport intends to sign the proposed Rule by 30 September 2024 to meet the Government's Q3 Action Plan.

Authorised for lodgement

Hon Simeon Brown
Minister of Transport

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Annexes:

- Table outlining the proposals and recommended changes to the draft Rule
- Regulatory Impact Statement: *Analysis produced for the purpose of informing the signing of a new Land Transport Rule: Setting of Speed Limits 2024*

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Table of proposals and recommended changes to the draft Land Transport Rule: Setting of Speed Limits 2024

Proposal	Feedback	Recommended change
<p>Require a cost-benefit analysis (CBA) on each proposed speed limit change</p>	<p>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:</p> <ul style="list-style-type: none"> • 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 New Zealand Transport Agency’s (NZTA) Monetised Benefits and Costs Manual (which treats negative impacts as disbenefits). • the possibility of a single monetised Benefit Cost Ratio figure masking significant assumptions in projections. • difficulty in gathering sufficient data to undertake CBA on short urban streets. • concerns about a methodology that involves a “trade-off” between human lives and travel time. • cost and resource required to undertake CBA on each road • suggestions that impacts such as vehicle emissions, mode shift, vehicle operating costs, and societal impacts should also be included. 	<p>I propose to require road controlling authorities (RCAs) to publish a standardised cost benefit disclosure statement that will include information of key costs and benefits of a proposed speed limit change.</p> <p>The information will include the same impacts as were included in the CBA proposal. That is:</p> <ul style="list-style-type: none"> • 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. • 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. • implementation costs. <p>To further improve transparency, I propose to require additional information to be published as part of the standardised cost benefit disclosure statement:</p> <ul style="list-style-type: none"> • the role and function of the road that is proposed to have a new speed limit. • how the road is used, including the different types of road users. • why a speed limit change is proposed, rather than any other intervention.

Strengthen consultation requirements	<p>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).</p> <p>Some submitters suggested four weeks is not long enough.</p>	I propose to increase the minimum period for consultation from four weeks to six weeks.
Variable speed limits outside the school gate during standard drop off and pick up times (school travel period).	<p>This proposal contains several aspects and as such received mixed feedback. Broadly, submitters supported variable speeds outside schools but many suggested that <i>school travel periods</i> (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.</p> <p>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.</p> <p>Given most submitters preferred a more flexible approach, the proposed consequential amendment to the Road User Rule to introduce the set school travel periods received limited feedback.</p>	<p>To provide more flexibility, I propose to change the definition of <i>school travel period</i> to mean the start and end of each school day with up to 45 minutes on either side of the bell (instead of standard times of 8-9.30am and 2.30-4pm).</p> <p>For schools that have electronic signs, I propose to allow variable speed limits to be switched on for 10 minutes outside drop off and pick up times when there is significant activity outside of the school.</p> <p>I also propose to bring the implementation deadline forward to 1 July 2026.</p> <p>This flexible approach means I do not propose to progress changes to the Road User Rule.</p>
Introduce a Ministerial Speed Objective	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.	I consider the GPS an appropriate mechanism to outline Ministerial expectations and propose to remove the Ministerial Speed Objective from the draft Rule.
Schedule of speed limit classifications	Overall, most supporters either supported this proposal or supported it with some exceptions.	The Rule has been updated to clarify that the speed limit classifications apply only to permanent speed limits.

	<p>Some submitters were unsure whether the speed limit classifications apply to seasonal, variable or temporary speed limits, or only permanent speed limits.</p> <p>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.</p>	
Update the Director's criteria for certifying speed limits	Some submitters acknowledged this was largely administrative and needed to be consistent with the requirements of the Rule.	The criteria will receive minor updates to reflect the requirements of the final Rule.
Reverse speed limits that have been reduced since 1 January 2020 on: Local streets with 30km/h zones around a school; Urban Connectors (arterial roads); Interregional connectors (national State highways)	<p>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.</p> <p>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.</p> <p>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.</p> <p>Many councils were concerned about the timeframe for implementation (1 July 2025). Suggestions for a more reasonable timeframe ranged from 18 months to three years.</p>	<p>The reversal proposal remains largely unchanged. To ensure the process captures appropriate roads, I have made some technical amendments to the proposal:</p> <ul style="list-style-type: none"> • Clarifying that the reversal requirement for local streets with permanent 30 km/h applies where <i>one of the reasons</i> for introducing the lower speed limit was because there is a school in the area; • Clarifying that speed limit reductions made to correct speed limit records are not subject to reversals; and • Allowing exemptions 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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		I also propose to remove the requirement for the Director of Land Transport to certify the amended speed limits, to make the reversal process more streamlined and efficient for councils.
Enable 120km/h on roads that are built and maintained to hold that speed.	<p>Individuals were mostly in support of enabling 120km/h on roads that are built and maintained to hold that speed limit.</p> <p>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.</p>	I propose to enable speed limits of up to 120km/h on roads that are built and maintained, and will be managed, to safely hold that speed limit.
Speed Management Committee	<p>I sought feedback on the value of retaining the Speed Management Committee, which provides oversight of NZTA's speed management plans and guidance. A small number of stakeholder groups and RCAs commented on the Speed Management Committee, with more in support of retaining the committee than not.</p> <p>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.</p>	On balance, given the limited powers and functions, I do not see sufficient value in retaining the Speed Management Committee and recommend it is removed from the Rule.
Regional speed management plans	<p>I also sought feedback on regional speed management plans. RCAs were split almost evenly between supporting and not supporting the regional approach. Some supported the intention of regional speed management plans but acknowledged that the work involved to develop one is complex and difficult to coordinate among RCAs.</p> <p>Some RCAs believed consistency can be achieved through collaboration and communication between neighbouring RCAs rather than a regional speed management plan.</p>	I do not see sufficient value in retaining the regional speed management plan approach and recommend it is removed from the Rule.

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