

Proactive Release

This document is proactively released by Te Manatū Waka the Ministry of Transport.

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)

In Confidence

Office of the Minister of Transport
Chair, Cabinet Economic Policy Committee

UPDATE ON OUR 100-DAY COMMITMENT TO STOP BLANKET SPEED LIMIT REDUCTIONS AND DEVELOP A NEW RULE FOR SETTING SPEED LIMITS

Proposal

- 1 This paper provides an update on the policy direction for the new Rule for setting speed limits (the new Rule).

Relation to government priorities

- 2 This paper relates to the Government's 100-day commitment to stop blanket speed limit reductions and to replace the Land Transport: Setting of Speed Limits Rule 2022 (the current Rule).

Executive Summary

- 3 I have instructed officials to work at pace to develop a new Rule to meet our 100-day commitment to stop blanket speed limit reductions. This follows on from changes I made to the current Rule last year and communications I made to Road Controlling Authorities and Regional Transport Committees (RCAs and RTCs) to pause on speed limit changes and await the new Rule.
- 4 Some RCAs and RTCs are progressing with speed limit changes. It is important the Government communicates its policy direction for the new Rule as soon as possible to prevent unnecessary work on speed limit changes occurring.
- 5 This paper provides Cabinet with an update on that policy direction ahead of my public communications to RCAs and RTCs.

Background

- 6 In December 2023, as a first step in stopping blanket speed limit reductions, Cabinet agreed to targeted amendments to the current Rule. The changes made it discretionary for RCAs and RTCs to prepare speed management plans. The amendments also revoked deadlines and targets set in the Rule for changing speed limits around schools and by the New Zealand Transport Agency Waka Kotahi (NZTA) for submitting speed management plans to the Director of Land Transport for certification [CAB-23-MIN-0482].
- 7 After making these amendments, I wrote to all RCAs and RTCs advising of the changes and my intention to replace the Rule. I encouraged them to pause work on developing their speed management plans until the new Rule is in place, to avoid wasting public money and resources on changes that would likely need revisiting.

To ensure that speed limit changes are not being made unnecessarily under the current Rule, I will communicate the policy direction as soon as possible

- 8 RCAs and RTCs had been developing and publicly consulting on draft speed management plans under the current Rule. Many have paused work on the

development of their plans to wait for the new Rule. Some have continued to progress speed limit changes.

- 9 I am updating Cabinet now with more details on the policy changes I intend to make in the new Rule, ahead of further public communications to RCAs and RTCs. This will ensure RCAs and RTCs have visibility of the scope and direction of the new Rule.

Proposed policy direction for the new Rule

- 10 I have instructed officials to develop a new Rule with the intent of achieving the following:
- 10.1 Ensuring a stronger economic focus by requiring cost benefit analysis using consistent criteria to be undertaken when setting speed limits.
 - 10.2 Ensuring genuine consultation with relevant parties, including communities and road users, on proposed speed limit changes and that feedback is considered before finalising changes.
 - 10.3 Ensuring a targeted approach to any speed limit reductions is taken, focusing on areas with high safety concerns and public acceptability.
 - 10.4 Where schools have not yet had speed limits reduced, requiring variable speed limits to be implemented outside school gates during drop-off and pick-up times using static or electronic signage.
 - 10.5 Requiring speed limits that have been reduced in urban areas since the introduction of the Land Transport: Setting of Speed Limits Rule 2017 to be reversed, except where the reduced speed limits are:
 - 10.5.1 Approaching school gates during pick up and drop off hours
 - 10.5.2 on main streets in town centres
 - 10.5.3 in targeted areas where there is strong evidence to support the reduced speed.
 - 10.6 Ensuring any speed limit reductions on urban arterial and collector roads are appropriate.
 - 10.7 Requiring State highways that have had speed limits reduced since introduction of the Land Transport: Setting of Speed Limits Rule 2017 to be reversed, particularly where any infrastructure improvements have been made, and retaining only targeted reductions where there is strong evidence to support the reduced speed.
 - 10.8 Enabling expressways to have 110 km/h from inception where they are engineered to safely have this speed limit and reviewing existing expressways to ensure they are set at the highest speed limit they are engineered to safely hold (where possible).
 - 10.9 Ensuring NZTA guidance for RCAs and RTCs on setting speed limits aligns with the intent of the new Rule.

- 10.10 Reviewing the criteria used by the Director of Land Transport to assess speed management plans and other speed limit proposals to ensure the Director's powers are sufficient and align with the intent of the new Rule.

I will report back to Cabinet with a draft Rule and consultation document

- 11 To provide clarity to RCAs and RTCs as quickly as possible, I have instructed officials to work at pace to develop a new Rule that meets the policy objectives above.
- 12 I intend to have the new Rule in place in the second half of this year. I will report back to Cabinet in May 2024 seeking agreement to consult on the draft Rule. A Regulatory Impact Analysis (RIA) will be provided as part of that process.
- 13 Policy development is in its early stages. Officials will continue to work through the objectives outlined in this paper and refine the details as part of the drafting and consultation processes. Any substantive changes to the policy proposals will be covered in the May 2024 Cabinet paper and RIA.

Cost-of-living Implications

- 14 There are no identified cost-of-living implications arising from this paper.

Financial Implications

- 15 There are no direct financial implications for the Crown arising from this paper. The proposal to require RCAs to reverse speed limit reductions will have cost impacts for them and the National Land Transport Fund. Officials will undertake more detailed analysis as part of the RIA to be provided with the May 2024 Cabinet paper.

Legislative Implications

- 16 There are no legislative implications arising from this paper for the Parliamentary Counsel Office. NZTA will work with the Ministry of Transport to draft the new Rule based on the policy outlined in this paper.

Regulatory Impact Statement

- 17 Cabinet's impact analysis requirements apply to the proposals in this paper. However, there is no accompanying Regulatory Impact Statement, and the Treasury has not exempted the proposal from the impact analysis requirements. Therefore, it does not meet Cabinet's requirements for regulatory proposals.
- 18 The Treasury's Regulatory Impact Analysis team and the Ministry of Transport have agreed that analysis will be provided when I seek Cabinet agreement to consult on a new draft Rule in May 2024.

Climate Implications of Policy Assessment

- 19 A Climate Implications of Policy Assessment was not undertaken as the proposals in this paper are not considered to have a meaningful impact on emissions.

Population Implications

- 20 There are no identified specific population implications arising from this paper.

Human Rights

- 21 The proposals in this paper are considered consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of External Resources

- 22 No external resources were used in the production of this Cabinet paper.

Consultation

- 23 NZTA, New Zealand Police and the Treasury (Regulatory Quality Team) were consulted in the development of the paper. The Department of Prime Minister and Cabinet has been informed.
- 24 Police note that the policy direction for the new Rule requires economic and safety considerations to be balanced. For Police, safety is a paramount consideration when setting speed limits. In Police's view it will be difficult to have a safe roading system and reduce deaths and serious injuries unless sufficient weight is given to safety considerations. International experience shows that a safe road system requires appropriate roading infrastructure, safe vehicles, safe driver behaviour (encouraged by Police prevention and enforcement activity) and safe speed limits.

Communications

- 25 I intend to announce my policy direction at the Automobile Association conference on 8 March 2024. I will also issue a press release and write directly to RCAs and RTCs.

Proactive Release

- 19 I intend to proactively release this paper and associated papers within 30 business days of the Cabinet date.

Recommendations

The Minister of Transport recommends that the Committee:

- 1 **note** the Coalition Government's 100-day plan includes an action to stop blanket speed limit reductions and start work on replacing the Land Transport: Setting of Speed Limits Rule 2022 (the current Rule);
- 2 **note** that in December 2023, Cabinet agreed to targeted changes to the current Rule to make speed management plans discretionary and revoke targets and deadlines for submitting plans to the Director of Land Transport for certification [CAB-23-MIN-0482];
- 3 **note** that some Road Controlling Authorities and Regional Transport Committees (RCAs and RTCs) responsible for setting speed limits through speed management plans are continuing to progress their plans despite being advised of the intention to introduce a new Rule;
- 4 **note** that officials have been instructed to develop a new Rule at pace with the intent of achieving the following:
 - 4.1 Ensuring a stronger economic focus by requiring cost benefit analysis using consistent criteria to be undertaken when setting speed limits.

IN CONFIDENCE

- 4.2 Ensuring genuine consultation with relevant parties, including communities and road users, on proposed speed limit changes and that feedback is considered before finalising changes.
- 4.3 Ensuring a targeted approach to speed limit reductions is taken, focusing on areas with high safety concerns and public acceptability.
- 4.4 Where schools have not yet had speed limits reduced, requiring variable speed limits to be implemented outside school gates during drop-off and pick-up times using static or electronic signage.
- 4.5 Requiring speed limits that have been reduced in urban areas since the introduction of the Land Transport: Setting of Speed Limits Rule 2017 to be reversed, except where the reduced speed limits are:
 - 4.5.1 Approaching school gates during pick up and drop off hours on main streets in town centres
 - 4.5.2 on targeted areas where there is strong evidence to support the reduced speed.
- 4.6 Ensuring any speed limit reductions on urban arterial and collector roads are appropriate.
- 4.7 Requiring State highways that have had speed limits reduced since introduction of the Land Transport: Setting of Speed Limits Rule 2017 to be reversed, particularly where any infrastructure improvements have been made, and retaining only targeted reductions where there is strong evidence to support the reduced speed.
- 4.8 Enabling expressways to have 110 km/h from inception where they are engineered to safely have this speed limit and reviewing existing expressways to ensure they are set at the highest speed limit they are engineered to safely hold (where possible).
- 4.9 Ensuring NZTA guidance for RCAs and RTCs on setting speed limits aligns with the intent of the new Rule.
- 4.10 Reviewing the criteria used by the Director of Land Transport to assess speed management plans and other speed limit proposals to ensure the Director's powers are sufficient and align with the intent of the new Rule.
- 5 **note** that the Minister of Transport intends to publicly announce this policy direction and inform RCAs and RTCs;
- 6 **note** that the Minister of Transport will report back in May 2024 with a draft new Rule, consultation document and Regulatory Impact Statement.

Authorised for lodgement

Hon Simeon Brown
Minister of Transport



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

100-Day Commitment to Stop Blanket Speed Limit Reductions: Update

Portfolio Transport

On 4 March 2024, following reference from the Cabinet Economic Policy Committee (ECO), Cabinet:

- 1 **noted** that the Coalition Government's 100-Day Plan includes an action to stop blanket speed limit reductions and start work on replacing the Land Transport: Setting of Speed Limits Rule 2022 (the current Rule);
- 2 **noted** that in December 2023, Cabinet agreed to targeted changes to the current Rule to make speed management plans discretionary and revoke targets and deadlines for submitting plans to the Director of Land Transport for certification [CAB-23-MIN-0482];
- 3 **noted** that some Road Controlling Authorities and Regional Transport Committees (RCAs and RTCs) responsible for setting speed limits through speed management plans are continuing to progress their plans despite being advised of the intention to introduce a new Rule;
- 4 **noted** that officials have been instructed to develop a new Land Transport: Setting of Speed Limits Rule at pace with the intent of achieving the following:
 - 4.1 ensuring a stronger economic focus by requiring cost benefit analysis using consistent criteria to be undertaken when setting speed limits;
 - 4.2 ensuring genuine consultation with relevant parties, including communities and road users, on proposed speed limit changes and that feedback is considered before finalising changes;
 - 4.3 ensuring a targeted approach to speed limit reductions is taken, focusing on areas with high safety concerns and public acceptability;
 - 4.4 where schools have not yet had speed limits reduced, requiring variable speed limits to be implemented outside school gates during drop-off and pick-up times using static or electronic signage;

- 4.5 requiring speed limits that have been reduced in urban areas since the introduction of the Land Transport: Setting of Speed Limits Rule 2017 (the 2017 Rule) to be reversed, except where the reduced speed limits are:
 - 4.5.1 approaching school gates during pick up and drop off hours;
 - 4.5.2 on main streets in town centres;
 - 4.5.3 on targeted areas where there is strong evidence to support the reduced speed;
- 4.6 ensuring any speed limit reductions on urban arterial and collector roads are appropriate;
- 4.7 requiring State highways that have had speed limits reduced since introduction of the 2017 Rule to be reversed, particularly where any infrastructure improvements have been made, and retaining only targeted reductions where there is strong evidence to support the reduced speed;
- 4.8 enabling expressways to have 110 km/h from inception and enabling existing expressways to have 110km/h speed limits;
- 4.9 ensuring the New Zealand Transport Agency's guidance for RCAs and RTCs on setting speed limits aligns with the intent of the new Rule;
- 4.10 reviewing the criteria used by the Director of Land Transport to assess speed management plans and other speed limit proposals to ensure the Director's powers are sufficient and align with the intent of the new Rule;
- 5 **noted** that the Minister of Transport intends to publicly announce this policy direction and inform RCAs and RTCs;
- 6 **noted** that the Minister of Transport intends to report back to ECO in May 2024 with a draft new Rule, consultation document, and Regulatory Impact Statement.

Rachel Hayward
Secretary of the Cabinet

In Confidence

Office of the Minister of Transport

Cabinet Economic Committee

The New Setting of Speed Limits Rule: Public Consultation

Proposal

- 1 This paper seeks Cabinet's agreement to proceed to public consultation on the draft *Land Transport Rule: Setting of Speed Limits 2024* (the draft Rule). Once finalised, the new Rule will replace the existing *Land Transport Rule: Setting of Speed Limits 2022* (the current Rule).

Relation to government priorities

- 2 This paper relates to the Coalition Government's commitment to stop and reverse the previous government's blanket speed limit reductions by replacing the Land Transport Rule: Setting of Speed Limits 2022.
- 3 It also relates to the strategic priorities outlined in the draft Government Policy Statement on land transport 2024-27 which has a commitment to develop new objectives for road safety.

Executive Summary

- 4 The Coalition Government's agreement included a commitment to stop and reverse the previous government's blanket speed limit reductions. To meet this commitment, I instructed officials to develop a new draft Rule that takes a more balanced approach to setting speed limits.
- 5 In February 2024, I updated Cabinet on the policy direction of the new Rule [CAB-24-MIN-0058]. Cabinet noted my intention to report back with a draft Rule, consultation document and Regulatory Impact Statement. I am now reporting back and seeking Cabinet's agreement to proceed to public consultation.
- 6 The draft Rule will implement the policy intent outlined in the February Cabinet paper. For example, it will ensure economic impacts and community views are considered alongside safety impacts by proposing to require Road Controlling Authorities (RCAs) to undertake cost benefit analysis (CBA) when considering speed limit changes.
- 7 To ensure the safety of children as they enter and leave school, without hindering the flow of traffic at other times, the draft Rule proposes to require all roads outside school gates to have lower speed limits during pick-up and drop-off times.
- 8 The proposal to reverse speed limits has been subject to further policy development and has changed slightly from what was outlined in the February Cabinet paper. This is discussed in detail in the reversal section below.

Background

- 9 In December 2023, as a first step in stopping blanket speed limit reductions, Cabinet agreed to targeted amendments to the current Rule. The changes made it discretionary for RCAs and Regional Transport Committees (RTCs) to prepare speed management plans. The amendments also revoked deadlines and targets set for

changing speed limits around schools and for submitting speed management plans to the Director of Land Transport for certification [CAB-23-MIN-0482].

- 10 After making these amendments, I wrote to RCAs and RTCs advising them of the changes and my intention to replace the current Rule. I encouraged them to pause work on developing their speed management plans until the new Rule is in place, to avoid wasting public money and resources on changes that would likely need revisiting.

The draft Rule will implement the Government's policy objectives

Ensure a stronger economic focus by requiring CBA when changing speed limits

- 11 New Zealand's economic prosperity is enhanced by a transport network that enables people and freight to move around quickly and safely. We need to ensure RCAs consider travel times as well as safety impacts when proposing speed limit changes.
- 12 The draft Rule proposes that RCAs be required to undertake CBA when considering any future proposed speed limit changes.
- 13 The CBA will be required to consider::
- 13.1 Safety (including changes in the number and severity of crashes);
 - 13.2 Travel time (including changes in mean travel speed); and
 - 13.3 Implementation costs (including planning, road signs and markings, installation costs, overheads, and consultation and administration costs).
- 14 NZTA guidance will provide more information on how to undertake CBA to ensure RCAs use a consistent approach and consistent monetised values in their analysis.

Ensure genuine consultation with relevant parties, including communities and road users, on proposed speed limit changes and that feedback is considered before finalising changes

- 15 RCAs have implemented speed limit reductions despite strong community opposition in some cases. I propose to introduce strengthened consultation requirements to support transparency in RCA decision-making.
- 16 The draft Rule proposes that NZTA (as RCA for State highways) and local RCAs will be subject to the same consultation requirements. That is, they must:
- 16.1 publish the draft speed management plan and CBA on a website and give at least four weeks for any interested party to make a submission;
 - 16.2 encourage the following groups to present their views: freight users, other road users, local communities, businesses and schools surrounding the affected area, and local government (eg neighbouring RCAs); and
 - 16.3 following consultation, publish a summary of submissions and include an explanation of how feedback was taken into account in the final speed limit changes.

Require variable speed limits to be implemented outside school gates during drop-off and pick-up times using static or electronic signage

- 17 It is important to help ensure the safety of children as they enter or leave school. At present we do not have a consistent approach to ensuring safe speed limits around schools. The draft Rule will fix that problem.
- 18 RCAs will be required to implement variable speed limits outside school gates during drop-off and pick-up times. The draft Rule defines *school travel period* as 8-9.30am and 2.30-4pm on school days. I chose these periods to cover the times where there is the highest pedestrian activity around school gates. During these times, the speed limit will be:
- 18.1 30km/h for most schools; or
- 18.2 between 40km/h and 60km/h outside designated schools (typically in rural areas) where RCAs consider there is appropriate safety infrastructure in place.
- 19 At other times, the speed limit will be the posted limit.
- 20 The draft Rule defines *outside a 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:
- 20.1 300 metres for schools applying 30 km/h speed limits
- 20.2 600 metres for designated schools with higher limits
- 21 The proposed lengths are based on the minimum road length for speed limits outlined in the current Rule and are total length (not 300 metres either side of a gate). These lengths will not work for every road outside a school gate and the Rule allows for variation to meet specific circumstances.
- 22 The *Land Transport Rule: Traffic Control Devices 2004* (TCD Rule) describes the requirements for road signage and markings. When implementing variable speed limits, the TCD Rule requires electronic variable speed limit signs to be installed on the main road. The current static variable speed limit signs can only be used on no exit roads, or give way or stop sign-controlled side roads.
- 23 Electronic signs typically cost more than static signs and incur ongoing maintenance costs. To provide a more cost-effective option, I propose to consult on allowing static signs on main roads. To implement this change I am proposing two consequential amendments:
- 23.1 Amending the TCD Rule to allow static signs to be used on a main road; and
- 23.2 Amending the Road User Rule to introduce default variable speed limit times.
- 24 The existing static sign does not meet the legibility requirements to be used on a main road. I propose to consult on introducing default school travel periods in the Road User Rule that will be reflected in the Road Code. This will improve drivers' familiarity with the new default school travel times and speed limits so that drivers know to slow down around schools these times without needing to read the sign every time.

IN CONFIDENCE

- 25 The new Rule will also be supported by communications and education to build awareness of the new requirements and changes to the Road User Rule.
- 26 The draft Rule proposes to require all affected roads outside school gates to have variable speed limits in place by 31 December 2027. If streets around a school have permanent lower speeds, these will be subject to the proposed reversal process and timeframe (see reversal proposal below).

Introduce a schedule of speed limit classifications

- 27 The current Rule requires NZTA to publish its speed management guidance. While the guidance is not binding, RCAs must have regard to the guidance when setting or changing speed limits.
- 28 The draft Rule proposes to introduce a binding schedule of speed limit classifications into the Rule with the range of speed limits available for each road type. Under the new approach, when considering speed limit changes, RCAs will need to align proposed speed limits with those outlined in the schedule.
- 29 The new schedule has drawn off the current speed limits in Victoria, Australia, with adjustments for the New Zealand context. The proposed approach takes a different approach to speed limits on local roads. Local roads will have speed limits of 50 km/h, with 40 km/h permitted where there are significant levels of pedestrian and/or cycling activity. The new classifications will see a move away from widespread 30km/h zones in urban areas. The proposed schedule is included in the draft Rule attached to this paper.
- 30 The intent of the draft Rule is to make it easier to set 110km/h speed limits by removing the Director's approval process on roads that have been built and are maintained to support that speed limit.

Ensure a targeted approach to speed limit reductions

- 31 The draft Rule proposes introducing a Ministerial Speed Objective through which, as the Minister of Transport, I can set out the Government's expectations for speed management. The Objective could be used to set the pace, scale and focus of speed management changes, and could include types of roads, percentage of the network, or other criteria RCAs should focus on in their deliberations. RCAs must have regard to the Objective when considering speed limit changes.
- 32 The Objective provides a flexible approach that can be adjusted without making amendments to the Rule and will guide RCAs in their decision-making on speed limits in their areas.

Reverse speed limit reductions

- 33 The draft Rule proposes to require speed limits reduced since 1 January 2020 (the date the previous Government's Road to Zero strategy came into effect) to be reversed in the following areas:
- 33.1 residential areas with widespread 30km/h zones surrounding a school;
 - 33.2 arterial roads;
 - 33.3 rural State highways (in part or whole routes).

- 34 The current Rule allows permanent 30km/h speed limits around schools and enables RCAs to include typical routes used by children to walk or cycle to school in the school zone. In some instances, this has resulted in large areas of permanent 30km/h speed limits in residential areas due to the presence of a school.
- 35 Under the draft Rule, 30km/h permanent speed limits on streets surrounding schools will need to be reversed except for the stretch outside the school gate which will become a variable speed limit, in line with the requirements outlined in the school proposal.
- 36 Reduced speed limits on arterial roads will need to be reversed. These roads are primarily about moving people so the speed limits should reflect this function.
- 37 Reduced speed limits on rural State highways (classified as interregional connectors) can only be retained if the RCA can demonstrate public support for the lower speed limit. NZTA will need to undertake new consultation to demonstrate support in line with the new consultation requirements in the draft Rule.
- 38 If the RCA can demonstrate public support for lower speed limits on a rural State highway, or section of rural State highway, it must provide the information to the Director of Land Transport by 30 May 2025. If the Director confirms the necessary information has been provided, they must recertify the reduced speed limit by 29 August 2025.
- 39 By 31 October 2025, all relevant speed limits must either be recertified or reversed to what they were on 31 December 2019.

Cost-of-living Implications

- 40 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 the ratepayers. See Financial Implications section below.

Financial Implications

- 41 While the release of the consultation document will not have direct financial implications, there will be costs involved for RCAs in meeting the following requirements proposed in the new Rule:
- 41.1 implementing reversals;
 - 41.2 implementing variable speed limits outside school gates;
 - 41.3 undertaking economic analysis for proposed speed limit changes.
- 42 Depending on the way RCAs implement the speed limit changes, funding may also be sought for reengineering roads in certain instances to suit either a higher or lower speed limit.
- 43 Decisions to cover these costs or parts of these costs will be taken by NZTA as part of the normal National Land Transport Programme processes. Any costs not covered by the National Land Transport Fund will fall to local RCAs.

Legislative Implications

- 44 This paper seeks approval to consult on a draft Rule that would replace the *Land Transport Rule: Setting of Speed Limits 2022*.
- 45 The paper proposes to consult on consequential amendments to the *Land Transport Rule: Traffic Control Devices 2004* to allow static variable speed limit signs to be used on a main road outside a school and remove the requirement that they only be used when the school zone is also signed with electronic signs.
- 46 The paper also proposes to consult on a consequential amendment to the *Land Transport (Road User) Rule 2004* to introduce default variable speed limit times for school travel periods. This change is intended to build awareness and improve compliance with the variable speed limits outside schools.

Impact Analysis

Regulatory Impact Statement

- 47 The proposals in the draft Rule are assessed in the Ministry of Transport's Regulatory Impact Statement (RIS).
- 48 The RIS has been reviewed by a panel of representatives from the Ministry of Transport. It was given a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.
- 49 The panel considers that the 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.
- 50 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.
- 51 I note that subject to Cabinet's decisions on this paper, the Ministry will be undertaking public consultation on the implementation of the draft Rule. A final RIA will be prepared for Cabinet following public consultation.

Climate Implications of Policy Assessment

- 52 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. The NZ Emissions Trading Scheme applies to all transport emissions. All emissions from the sector must be offset through the purchase of emissions units in the ETS and so changes to transport policy settings do not have any effect on New Zealand's net emissions.

Population Implications

- 53 The proposal to require variable speed limits outside school gates will ensure slower speeds when children are arriving at or leaving school, without hindering the movement of traffic at other times.

Human Rights

- 54 There are no identified human rights implications arising from the proposals in this paper or the draft Rule.

Consultation

- 55 The following departments were consulted on the development of this paper: NZTA, NZ Police, Treasury, WorkSafe, Accident Compensation Corporation, Department of Internal Affairs, Ministry of Education, Department of Conservation, Department of Corrections, and the Department of the Prime Minister and Cabinet.

Police comment:

- 56 The policy direction for the new Rule requires economic and safety considerations to be balanced. For Police, safety is a paramount consideration when setting speed limits. In Police's view, it will be difficult to have a safe roading system and reduce deaths and serious injuries unless sufficient weight is given to safety considerations. International experience shows that a safe road system requires appropriate roading infrastructure, safe vehicles, safe driver behaviour (encouraged by Police prevention and enforcement activity) and safe speed limits.

Minister's response:

- 57 I appreciate the Police's comments and note the Government's commitment to improve road safety. I have directed the Ministry of Transport to work with road safety partner agencies, including Police, to develop a new set of road safety objectives. I will bring this to Cabinet for consideration later this year.

Communications

- 58 If Cabinet approves the proposal, I plan to issue a press release announcing the process and timelines for consultation on the draft *Land Transport Rule: Setting of Speed Limits 2024* in early June.
- 59 Public consultation will be open for four weeks. I expect the draft Rule may receive diverse views among RCAs and the public, and the consultation process is likely to result in media interest. Any media enquiries will be handled through my office.

Proactive Release

- 45 I intend to release this paper as part of the public consultation material subject to redactions made as appropriate under the Official Information Act 1982.

Next steps

- 46 Following consultation, officials from the Ministry of Transport and NZTA will analyse submissions and prepare a final draft Rule for my signature.

- 47 section 9(2)(f)(iv)

Recommendations:

I recommend that the Committee:

- 1 **note** that in February 2024 Cabinet noted the Minister of Transport's policy approach for the draft *Land Transport Rule: Setting of Speed Limits 2024*;

- 2 **agree** to release the consultation document: *Setting of Speed Limits* for public consultation for a period of four weeks commencing in early June 2024 (Appendix 1);
- 3 **agree** to release the draft *Land Transport Rule: Setting of Speed Limits 2024* (Appendix 2);
- 4 **agree** to consult on the consequential amendments being made to the *Land Transport Rule: Traffic Control Devices 2004* and the *Land Transport (Road User) Rule 2004* to give effect to the policy set out in this paper;
- 5 **agree** to release this Cabinet paper and the Regulatory Impact Statement (Appendix 3) as part of the consultation material;
- 6 **authorise** the Minister of Transport to make any necessary amendments to the draft Rule, consultation document or the Regulatory Impact Assessment prior to their release;
- 7 **authorise** the Minister of Transport to issue drafting instructions to Parliamentary Counsel office to make consequential amendments to the *Land Transport (Road User) Rule 2004*;
- 8 **section 9(2)(f)(iv)**
[Redacted text]

Authorised for lodgement

Hon Simeon Brown

Minister of Transport

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Appendices

Appendix 1: *Setting of Speed Limits 2024* public consultation document.

Appendix 2: Draft *Land Transport Rule: Setting of Speed Limits 2024*.

Appendix 3: Regulatory Impact Statement.

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Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

The New Setting of Speed Limits Rule: Public Consultation

Portfolio Transport

On 22 May 2024, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that in March 2024, Cabinet noted the Minister of Transport's policy approach for a Land Transport Rule: Setting of Speed Limits 2024 and that he intended to report back in May 2024 with a draft new Rule, consultation document, and Regulatory Impact Statement [CAB-24-MIN-0058];
- 2 **approved** the release of the consultation document, *Setting of Speed Limits*, attached as Appendix 1 under ECO-24-SUB-0080, for a public consultation period of four weeks commencing in early June 2024;
- 3 **approved** the release of the draft Land Transport Rule: Setting of Speed Limits 2024, attached as Appendix 2 under ECO-24-SUB-0080, as part of the consultation material;
- 4 **agreed** to consult on the consequential amendments to the Land Transport Rule: Traffic Control Devices 2004 and the Land Transport (Road User) Rule 2004 to give effect to the policy set out in the paper under ECO-24-SUB-0080;
- 5 **agreed** that the paper and Regulatory Impact Statement, attached as Appendix 3 under ECO-24-SUB-0080, be released as part of the consultation material;
- 6 **authorised** the Minister of Transport to make any necessary amendments to the draft Rule, consultation document, or Regulatory Impact Statement prior to their release;
- 7 **noted** that the Minister intends to update the consultation documentation and draft Rule, as applicable, to include:
 - 7.1 a compliance date of 1 July 2025 for speed limit reductions to be reversed;
 - 7.2 consideration of enabling speed limits higher than 110 km/hr on certain roads;
 - 7.3 standardised speed limit classifications, particularly for main streets (50km/hr) and interregional connectors (100 km/hr);
- 8 **authorised** the Minister of Transport to issue drafting instructions to Parliamentary Counsel Office to make consequential amendments to the Land Transport (Road User) Rule 2004;

9

section 9(2)(f)(iv)

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Hon Chris Bishop (Chair)
Hon Brooke van Velden
Hon Shane Jones
Hon Simeon Brown
Hon Paul Goldsmith
Hon Todd McClay
Hon Tama Potaka
Hon Simon Watts
Hon Penny Simmonds
Hon Andrew Bayly
Hon Andrew Hoggard
Hon Mark Patterson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Andrew Bayly
Ministry of Transport
Officials Committee for ECO

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Cabinet

Minute of Decision

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Report of the Cabinet Economic Policy Committee: Period Ended 24 May 2024

On 27 May 2024, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 24 May 2024:

Out of Scope



ECO-24-MIN-0080

The New Setting of Speed Limits Rule: Public Consultation
Portfolio: Transport

CONFIRMED

Out of Scope



Diana Hawker
for Secretary of the Cabinet