



25 September 2024

OC241091

Hon Simeon Brown

Action required by:

Minister of Transport

Thursday, 26 September 2024

FINAL LAND TRANSPORT RULE: SETTING OF SPEED LIMITS 2024

Purpose

Provide you with the final Land Transport Rule: Setting of Speed Limits 2024 for you to sign.


Key points

- The Government's Q3 Action Plan includes an action to sign the new Land Transport Rule: Setting of Speed Limits 2024 (the Rule) by 30 September 2024 to reverse the previous Government's blanket speed limit reductions.
- We have been informed that Cabinet agreed to changes to the Rule made in response to consultation feedback. The Rule has been updated to reflect these changes (including recent feedback from your office) and the final Rule is attached for your signature.
- Before signing the Rule, you are required to have regard (and give such weight, as you consider appropriate in each case) to the various matters outlined in section 164(2) of the Land Transport Act 1998. This briefing includes our advice on these matters.
- We understand the signing is pencilled in for 26 September 2024. Following this, you will announce the new Rule. We have worked with your office to prepare material to support the announcement.
- The Speed Management Committee (the Committee) has been removed from the Rule. Letters to the members of the Committee are attached advising them of the disestablishment and subsequent termination of their terms on the Committee. Letters to road controlling authorities and the New Zealand Transport Agency Chair advising them of the new Rule are also attached. We recommend you sign and send these letters soon after signing the Rule.
- The final summary of submissions from consultation on the draft Rule is also attached.

Recommendations

We recommend you:

- 1 **have regard to**, and give such weight as you consider appropriate in each case, the advice in this briefing on the following matters, as set out in section 164(2) of the Land Transport Act 1998:
 - i. the level of risk existing to land transport safety in each proposed activity or service (Yes) / No
 - ii. the nature of the activity or service for which the rule is being established (Yes) / No
 - iii. the need to maintain and improve land transport safety and security (Yes) / No
 - iv. the appropriate management of infrastructure including impact of vehicles and whether the costs are greater than the economic value generated (Yes) / No
 - v. whether the proposed rule assists economic development (Yes) / No
 - vi. whether the proposed rule assists access and mobility (Yes) / No
 - vii. whether the proposed rule ensures environmental sustainability (Yes) / No
 - viii. the costs of implementing measures for which the rule is being proposed (Yes) / No
 - ix. New Zealand's international obligations concerning land transport safety (Yes) / No
- 2 **sign** the Land Transport Rule: Setting of Speed Limits 2024 by 30 September 2024 to meet the Government's Q3 Action plan (Yes) / No
- 3 **sign** and send letters to members of the Speed Management Committee (Yes) / No
- 4 **sign** and send letters to road controlling authorities and the NZTA Chair (Yes) / No



 Paul O'Connell
 Deputy Chief Executive, Sector
 strategy
 25 / 09 / 2024



 Hon Simeon Brown
 Minister of Transport
 28 / 9 / 24

5 agree for the signed Rule to be presented to the House (Yes) / No


- Minister's office to complete:**
- Approved
 - Declined
 - Seen by Minister
 - Not seen by Minister
 - Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Joanna Heard, Manager, Safety	s 9(2)(a)	✓
Paul O'Connell, Deputy Chief Executive, Sector strategy		

PROACTIVELY RELEASED BY
MINISTRY OF TRANSPORT TE MANATU WAKA

FINAL LAND TRANSPORT RULE: SETTING OF SPEED LIMITS 2024

We have updated the Rule to reflect Cabinet decisions

- 1 We have been informed that Cabinet agreed to your proposed changes to the Rule in response to consultation feedback. The changes will:
 - 1.1 require road controlling authorities (RCAs) 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;
 - 1.2 enable a more flexible approach to variable speed limits outside schools and allow RCAs to set times for each school, by removing the standard school travel periods;
 - 1.3 bring forward the deadline for all roads outside school gates to meet variable speed limit requirements to 1 July 2026;
 - 1.4 enable speed limits of up to 120 km/h on roads that are built and maintained to a standard to safely support this speed; and
 - 1.5 remove the Ministerial Speed Objective, Speed Management Committee and regional speed management plans from the Rule.
- 2 The final Rule includes consequential amendments to the Land Transport Rule: Traffic Control Devices 2004 to enable greater use of static variable speed limit signs outside schools.
- 3 The Parliamentary Counsel Office is drafting 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 old rule with the new Rule, and to repeal the Land Transport Management (Regional Transport Committees) Regulations 2022.
- 4 s 9(2)(f)(iv)
- 5 Cabinet authorised you to make any further changes to the Rule consistent with the policy intent before it is signed. Other minor clarifications and amendments have been made to the Rule following feedback from your office on the previous version of the Rule.

You must consider matters under section 164(2) of the Land Transport Act 1998

- 6 Before making the Rule, you are required to have regard (and give such weight, as you consider appropriate in each case) to the various matters outlined in section 164(2) of the Land Transport Act 1998.

- 7 We provided you with the final Regulatory Impact Analysis (RIA) as part of the recent Cabinet package. The following table summarises the key impacts discussed in the RIA and provides advice on other matters not covered by the RIA.

Matter to be considered	Comment
<p>Section 164(2)(a)</p> <p>The level of risk existing to land transport safety in each proposed activity or service</p>	<p>Speed is a contributing factor to the number and outcomes of crashes on our roads. Reversing reduced speed limits would likely result in an increase in the average speed on these roads. Where the average speed increases, the risk of fatal and serious crashes also increases. The amount of increased risk will depend on how much the average speed increases on roads that have their speed limits increased.¹</p> <p>Several studies have modelled the change in crash and casualty numbers with a change in mean speeds. For example, the power model presented by Elvik (2009) predicts that every one percent increase in mean speed results in a four percent increase in the risk of a fatal crash and a two percent increase in the risk of serious crashes.²</p> <p>The risk to pedestrians also increases with increased speed. Studies show that the risk of death is about 4-5 times higher in collisions between a car and a pedestrian at 50 km/h compared to the same type of collisions at 30 km/h.³</p>
<p>Section 164(2)(b)</p> <p>The nature of the particular activity or service for which the rule is being established</p>	<p>The Rule sets out criteria, requirements and procedures to be followed by road controlling authorities (RCAs) when reviewing and setting speed limits for roads within their respective jurisdictions.</p>
<p>Section 164(2)(c)</p> <p>The level of risk existing to land transport safety in New Zealand in general</p>	<p>See Section 164(2)(a)</p>
<p>Section 164(2)(d)</p> <p>The need to maintain and improve land transport safety and security, including (but not limited to) personal security</p>	<p>We have not identified any risks to land transport security arising from the Rule.</p>

¹ See, for example, *Saving Lives Beyond 2020: The Next Steps - Recommendations of the Academic Expert Group for the Third Ministerial Conference on Global Road Safety 2020*, (Trafikverket, Swedish Transport Administration), available at https://www.roadsafetysweden.com/contentassets/c65bb9192abb44d5b26b633e70e0be2c/200113_fi_nal-report-single.pdf.

² Elvik, R. (2009) *The Power Model of the Relationship between Speed and Road Safety, Update and New Analyses*. Institute of Transport Economics, Oslo.

³ Kröyer et al (2014), quoted in International Transport Forum (2018) *Speed and Crash Risk*, OECD, available at <https://www.itf-oecd.org/sites/default/files/docs/speed-crash-risk.pdf>

Matter to be considered	Comment
<p>Section 164(2)(da)</p> <p>The appropriate management of infrastructure, including (but not limited to)—</p> <p>(i) the impact of vehicles on infrastructure; and</p> <p>(ii) whether the costs of the use of the infrastructure are greater than the economic value generated by its use</p>	<p>The Rule will affect the management of infrastructure. At a minimum, speed limit changes will require changes to signage, including variable speed limit signs (either electronic or static) outside school gates.</p> <p>The Rule and subsequent speed limit changes may also result in wider engineering changes to accommodate new speed limits (either higher or lower) depending on decisions taken by RCAs. This is likely to have cost implications for the National Land Transport Fund (NLTF) and RCAs.</p> <p>The New Zealand Transport Agency (NZTA) will need to consider the cost of any funding requests and the economic value of the request under its decision-making framework.</p>
<p>Section 164(2)(e)(i)</p> <p>Whether the proposed rule assists economic development</p>	<p>The Rule requires RCAs to consider economic impacts of proposed speed limit changes by developing a cost benefit disclosure statement. RCAs will need to estimate the change in safety implications and travel time after the proposed speed limit and disclose implementation costs.</p> <p>Increased speed limits are likely to result in increased average speeds which are likely to result in reduced travel time in some circumstances. Travel time savings will likely be more significant on long, uninterrupted stretches of road with low congestion, such as on State highways. Changes to travel time are likely to be less noticeable in urban areas where there is congestion, traffic signals, vulnerable users sharing the road, and other factors affecting operating speeds.</p> <p>Where speed limits increase and this leads to an increase in operating speeds, and there is an increase in the seriousness of any crashes, we would expect the costs to the economy also increase.</p> <p>The Government is implementing other measures to improve road safety outcomes. We are unable to quantify how these initiatives will interact to determine the overall economic impact of the Rule.</p>
<p>Section 164(2)(e)(ii)</p> <p>Whether the proposed rule improves access and mobility</p>	<p>Increasing speed limits which lead to higher operating speeds will increase the level of mobility that the transport system provides to motorised vehicle users.</p> <p>Increasing speed limits may negatively affect people's transport choice and access if they perceive the new speed to be unsafe to walk or cycle around their streets⁴. This is more likely to affect children, people with disabilities, and those who rely on walking.</p>
<p>Section 164(2)(e)(iii)</p> <p>Whether the proposed rule protects and promotes public health</p>	<p>Where speed limits increase, average speeds are likely to increase. Increased average speeds may affect public and population health through increased air and noise pollution and reduced physical activity. The increased risk of fatal and serious crashes may result in an increased burden on the public health system.</p>

⁴ Garrard (2008), Safe speed: promoting safe walking and cycling by reducing traffic speed.

Matter to be considered	Comment
<p>Section 164(2)(iv)</p> <p>Whether the proposed rule ensures environmental sustainability</p>	<p>The Rule may result in increased greenhouse gas emissions on some stretches of road and decreased emissions on others. Emissions in the land transport system are priced through the New Zealand Emissions Trading Scheme.</p> <p>Speed is one factor that can affect emissions. There are generally high emission factors at low speeds and somewhat higher emissions at higher speeds, with generally lower emission rates in the middle of the speed range. This is because low average speeds generally represent stop-and-go driving, with high fuel use and emissions. At high speeds, higher engine loads and aerodynamic resistance can require more fuel and generate more emissions.⁵</p>
<p>Section 164(2)(ea)</p> <p>The costs of implementing measures for which the rule is being proposed</p>	<p>Some RCAs provided estimated costs of implementing the reversal proposal. For example:</p> <ul style="list-style-type: none"> • Auckland Transport estimates implementation costs of between \$7 million and \$21 million. • Hutt City Council estimates reversing speed limits will cost around \$570,000. • New Plymouth District Council estimates between \$100,000 and \$810,000 to implement variable speed limits outside schools (using static and electronic signs respectively). • Hamilton City Council estimates reversing speed limits will cost \$600,000. <p>The final cost to RCAs is yet to be determined. NZTA will consider what funding can be provided through the NLTF for implementation. These are decisions for NZTA. Remaining costs will likely fall to local authorities.</p>
<p>Section 164(2)(eb)</p> <p>New Zealand's international obligations concerning land transport safety</p>	<p>Amending the Rule will have no direct impact on our international obligations for land transport safety.</p> <p>There are international declarations and resolutions, and the UN Sustainable Development Goals, that focus on road safety. These include the UN General Assembly resolution <i>A/RES/74/299 Improving global road safety</i>⁶ and the Stockholm Declaration following the third Global Ministerial Conference on Road Safety⁷, both in 2020. These documents invite, encourage and call on Member States, including New Zealand, to take various actions to improve road safety. None of these create binding international obligations in relation to setting speed limits.</p>
<p>Section 164(2)(f)</p> <p>The international circumstances in respect of land transport safety</p>	<p>See section 164(2)(eb).</p>

⁵ Metcalfe, J and Boulter, P (2023) Effect of speed on greenhouse gas emissions from road transport – a review, available at <https://www.nzta.govt.nz/assets/Highways-Information-Portal/Technical-disciplines/Air-quality/Planning-and-assessment/Vehicle-emissions-prediction-model/Effect-of-speed-on-greenhouse-gas-emissions-from-road-transport-a-review.pdf>

⁶ Available at <https://documents.un.org/doc/undoc/gen/n20/226/30/pdf/n2022630.pdf>

⁷ Available at <https://www.roadsafetysweden.com/about-the-conference/stockholm-declaration/>

Matter to be considered	Comment
Section 164(2)(g) Such other matters as you consider appropriate in the circumstances	NA

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ANNEXES

- 1. The final Land Transport Rule: Setting of Speed Limits 2024**
- 2. Letters to members of the Speed Management Committee**
- 3. Letter to Road controlling authority and the NZTA Chair**
- 4. Final summary of submissions**

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MINISTRY OF TRANSPORT TE MANATU WAKA



Bill Cashmore
Chair, Speed Management Committee
s 9(2)(a)

Dear Bill

I am writing to update you on the outcome of consultation on the draft Land Transport Rule: Setting of Speed Limits 2024 (the draft Rule) and my decision on the future of the Speed Management Committee (the Committee).

As I wrote in my May letter to you, as part of the public consultation on the draft Rule I sought feedback on the Committee and whether independent oversight of the New Zealand Transport Agency's (NZTA) plans and guidance is needed.

Mixed feedback on the Committee was received through consultation. Those in support felt it provided valuable oversight of NZTA, while others thought NZTA has the resource and expertise to monitor itself. Considering the significant changes to the Rule, on balance, I do not see a substantive role for the Committee going forward. Cabinet agreed to remove the Committee from the Rule on 23 September 2024.

The new Rule will come into force on 30 October 2024. Therefore, the Committee will be disestablished and your term will end on this date.

Thank you again for your work on the Committee and I wish you all the best.

Yours sincerely

Hon Simeon Brown
Minister of Transport

Hon Simeon Brown

Minister for Energy
Minister of Local Government
Minister of Transport
Minister for Auckland
Deputy Leader of the House



Simon Bridges
Chair, New Zealand Transport Agency
s 9(2)(a)

Dear Simon

I am writing to inform you I have signed the new Land Transport Rule: Setting of Speed Limits 2024. The new Rule will deliver on the Government's commitment to reverse blanket speed limit reductions and introduce a more balanced approach to setting speeds.

As you will be aware, the draft Rule was open for consultation earlier this year. The Ministry of Transport received over 8,100 submissions on the Rule. There was overall support for the proposals. I have considered the feedback received and made some changes to the Rule in response. The key changes are:

- road controlling authorities (RCAs), including the New Zealand Transport Agency (NZTA) as RCA, are required to publish a cost benefit disclosure statement.
- the requirement for variable speed limits outside schools has been amended to allow more flexibility and the implementation deadline for school speed limits has been brought forward.
- the new Rule no longer includes the regional speed management plan approach, Speed Management Committee or the proposed Ministerial Speed Objective.

The new Rule comes into effect on 30 October 2024 and outlines the requirements to reverse certain speed limits. The key dates for RCAs are:

- By **1 May 2025**, RCAs must identify the roads subject to reversals and register the new speed limits.
- By **1 July 2025**, all reversed speed limits must be in force, with new signs and road markings in place (any stretches outside school gates must be variable).
- By **1 July 2026**, all roads outside school gates must have variable speed limits implemented.

NZTA (as RCA) can retain reduced speed limits on an interregional connector if it is satisfied there is public acceptance of the lower speed for that road.

The new Rule will be available on the NZTA website. The Ministry of Transport will publish the relevant Cabinet paper, summary of submissions and final Regulatory Impact Assessment on its website shortly.

Your sincerely

A handwritten signature in blue ink, appearing to read 'S-B', with a horizontal line extending to the right.

Hon Simeon Brown
Minister of Transport

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MINISTRY OF TRANSPORT TE MANATU WAKA

Hon Simeon Brown

Minister for Energy
Minister of Local Government
Minister of Transport
Minister for Auckland
Deputy Leader of the House



Dear Mayor and Chief Executive

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Hon Simeon Brown
Minister of Transport