

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)

IN CONFIDENCE



8 March 2024

OC240220

Hon Simeon Brown

Action required by:**Minister of Transport**

Friday, 15 March 2024

OPTIONS TO PROGRESS FEE UPDATES AND AMENDMENTS FOR PARKING, ^{s 9(2)(f)(iv)} TOWAGE AND STORAGE

Purpose

This paper seeks your approval to progress a regulatory amendment package of parking, ^{s 9(2)(f)(iv)} towage and storage fees as well as associated legislative amendments.

Key points

- You have asked for advice on changing fees relating to parking ^{s 9(2)(f)(iv)} offences, ^{s 9(2)(f)(iv)}, and towage and storage. These fees are, in many cases, out of date and no longer fit for purpose.
- Depending on your direction, we estimate the relevant fees and regulations could be updated as a package around April 2025, with a paper to Cabinet by May 2024 and consultation starting in June 2024.
- You have asked for further advice on how to determine the appropriate level to set fees. We propose to use inflation as a starting point for fee increases, but to consider higher or lower levels in specific cases where a pure inflation adjustment highlights historical discrepancies between different fees.

- ^{s 9(2)(f)(iv)}

- We also want to alert you to problems with our regulated towage and storage system, which is under pressure from low fees, ^{s 9(2)(f)(iv)}. Police are concerned that operators will increasingly decline to pick up vehicles, particularly for six-month impoundment.

- Our advice at this stage is to focus on updating towage and storage fees, ^{s 9(2)(f)(iv)}

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Recommendations

We recommend you:

- 1 **agree** to progress the review of parking, ^{s 9(2)(f)(iv)} [REDACTED] **Yes/No**
[REDACTED] towage and storage fees and regulations.
- 2 **agree** to calculating the fee increase based on inflation, but **Yes/No**
to consider higher or lower levels where there is a good
reason to do so.
- 3 **agree** for us to also consult on approaches to enable **Yes/No**
regional variation in fees. ^{s 9(2)(f)(iv)} [REDACTED]
[REDACTED]



Bronwyn Turley
Deputy Chief Executive - Regulatory
Group

08 / 03 / 2024

Hon Simeon Brown
Minister of Transport

..... / /

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

Comments

Contacts

Name	Telephone	First contact
Bronwyn Turley, Deputy Chief Executive - Regulatory Group	^{s 9(2)(a)} [REDACTED]	✓
Jacob Ennis, Acting Manager, Regulatory Stewardship and Design		

Many transport infringement fees are no longer fit for purpose

- 1 Many transport fees and related regulations, particularly those in the Land Transport (Offences and Penalties) Regulations 1999 (the Regulations), are out of date.
- 2 Infringement offences are a subset of criminal offences that do not result in criminal convictions. They usually involve low-level infringement fees issued by notice such as from Police or speed cameras. Their intent is to deter low seriousness conduct. They prevent courts being overburdened.
- 3 Given the nature of infringement offences, they must be authorised by an Act. It is standard practice for the Act to authorise details of the specific infringement regime to be provided for in secondary legislation, including the specific penalty levels for each infringement offence.
- 4 The Ministry recommends updating parking s 9(2)(f)(iv) towage and storage recovery fees. A full list of the fees proposed to be updated is included in Appendix One.

Parking regulations and infringement fees

- 5 Many parking fees are out of date. For example, in some cases parking overstay fees are now cheaper to pay than parking costs. As such updating them is a high priority for many Road Control Authorities (RCA). Looking back in transport legislation, we have found that many parking offence penalties have not changed substantially since at least 1987. For example, overstaying for less than 30 minutes incurred a \$10 fee in 1987 and a \$12 fee today after being reviewed in 2004.
- 6 The Ministry has previously identified 33 parking related fees we recommend changing. They range from parking in a loading zone or near a fire hydrant to stopping on a motorway or parking in a disabled spot. They were identified as those most at issue for RCAs and, therefore, the most important to change.

s 9(2)(f)(iv)

Towage and storage fees s 9(2)(f)(iv)

- 8 Towage and storage fees s 9(2)(f)(iv) are no longer fit for purpose. Police have reported operators refusing to collect vehicles as they are facing high financial and operational risks while receiving inadequate compensation.
- 9 This is compounded by the recent introduction of an ability for Police to impound the vehicles of fleeing drivers for six months. Operators predict a very high level of vehicle abandonment due to significant storage fees, which further undermines their commercial viability.

s 9(2)(f)(iv)

11 RCAs are also affected by outdated towage and storage fees. However they have a different payment model. Because of this vehicle owners cannot be charged more than the regulated fees, councils and providers can negotiate towing costs. Councils are increasingly unwilling to use towage as a means of enforcement because they are having to fund this difference.

12 Our recommendation is to update the towage and storage fees first, and s 9(2)(f)(iv)

Options for adjusting infringement fees and fines

13 You have asked us to provide you with further information on the Ministry's approach to updating fees, as well as options for using inflation as a basis for increasing fees. In Appendix One we have set out each fee and potential increase.

14 Generally, we recommend reviewing fees that have not been recently updated by looking at how proportionate they are to the impacts of offences, s 9(2)(f)(iv)
We also look to achieve some consistency in penalties for similar offences.

15 To help us do this, we have used the Ministry-developed Effective Financial Penalties Categorisation Tool. The tool provides a step-by-step process to identify penalty levels that are proportionate, consistent, and an effective deterrent.

16 When reviewing fees using this method, we consider:

- levels and likelihoods of harm, including harm to the efficiency of transport system (and access to it), harm to people, property, and the environment
- in some cases, the deterrent effect of the penalty
- proportionality to the level of harm and other similar regulated penalties
- responsibilities and financial capacity of individuals or entities (e.g. commercial pilot versus domestic motor vehicle driver).

17 We use this approach because existing fees were not necessarily based on a thorough assessment of impact when they were originally set. There is also no guarantee that the impact and deterrent effect increases in line with inflation. Further, some offences may have changed due to the use of new technologies and practices. For example, it may be the case that s 9(2)(f)(iv)

18 You have expressed an interest in an inflation-based increase, which would be a more straightforward and timely mechanism to change the fees given the pressing need for them to be updated. Under this approach, we would recommend that most

fees are inflation adjusted, but that some specific fees are considered further due to discrepancies that would be highlighted by the adjustment.

- 19 There are some areas where an increase based on inflation may be too low. We recommend you set these fees at a level higher than inflation. Our proposals are set out in Appendix One, the key areas where we have recommended a different approach are:

s 9(2)(f)(iv)

- **Parking overstay fees:** An inflation based increase may not be sufficient to deter parking overstay violations in some locations. This is likely because parking demand and land value has increased at a greater rate than inflation in some areas. For example, overstaying by 30-60 minutes currently has a fee of \$15 or \$25 with inflation.

s 9(2)(f)(iv)

- **Certain parking offences which cause serious impacts:** We think the penalties for some parking offences are significantly lower from where they should be when we assess their safety impacts.

- 20 For calculating inflation our initial analysis is based on using the Consumer Price Index (CPI) to calculate fee increases, this leads to a 70 percent increase versus 2004 when most fees were set. Alternative approaches include using wage inflation as a basis (leading to a 120 percent increase), or real wage inflation (30 percent increase). We are working with the Ministry of Justice and others to determine the most appropriate basis for inflation-based fee increases and will provide further advice on this.

- 21 Towage and storage fees are treated differently to infringement fees as they need to cover costs rather than penalise behaviour. Our recommended approach is to consult on an increase based on CPI.

s 9(2)(f)(iv)

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s 9(2)(f)(iv)

23 In principle, infringement fees are intended to deter behaviours, and should not be seen as a tool for revenue raising. This is in part because if fees are important sources of revenue, then it can lead to the perception that the penalty is entirely a revenue raising exercise, undermining its credibility.

24 s 9(2)(f)(iv)

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s 9(2)(f)(iv)

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s 9(2)(f)(iv)

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s 9(2)(f)(iv)

Recommended approach and timing

43 We can progress a packaging fee and regulatory updates for parking, s 9(2)(f)(iv) and towage and storage. Should you agree with this approach an indicative timeline is outlined below.

Table II: Provisional timeline for fee changes

Milestones	Month
Complete remaining policy analysis and stakeholder engagement	April 2024
Cabinet Economic Policy Committee approval to consult	May 2024
Public consultation completed	August 2024
Submissions analysis and policy updates completed	September 2024
Cabinet Economic Policy Committee approval to draft new regulations	October 2024
Drafting by Parliamentary Counsel Office completed	February 2025
Legislative Cabinet Committee approval	March 2025
Regulations come into force	April 2025

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s 9(2)(f)(iv)

Next steps

45 If you agree to progress, we will provide a draft consultation document in April 2025 and accompanying material with more analysis of the policy options. At this time you will be able to make final decisions on what is included in consultation, including the level of fees and the specific legislative proposals.

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Appendix One: List of all offences and fees we are proposing to update

This document includes current parking ^{s 9(2)(f)(iv)} penalties MOT is recommending to update. We have included options for fee increases based on CPI, and fees adjusted based on MOT's Effective Financial Penalties Categorisation Tool (the Tool).

There are specific cases where we recommend you consider a higher than inflation adjustment. These are identified throughout, along with our rationale.

CPI increases are shown from the year the penalty was introduced or last updated (in most cases 2004) and forecasted to Q2 2025, to align with our indicative timeline for implementation.

Parking infringement fees and fines

Parking offences inconveniencing the system and other transport users

The basis for the tool-based change is that these offences:

- only impact on the effectiveness of the transport system, there are not significant impacts on safety, the environment, or property
- generally reflect minor failures to comply with transport requirements
- pose an inconvenience to the system and other transport users.

Offence	Current Infringement fee	CPI based increase (forecast to Q2 2025)	Tool based change
Park vehicle within 6 metres of bus stop sign	\$40	\$68	\$50
Fail to park vehicle parallel to road	\$40	\$68	\$50
Fail to park vehicle at angle when required	\$40	\$68	\$50

Parking offences impacting the efficiency of the transport system

The basis for the tool-based change is that these offences

- only impact on the effectiveness of the transport system, there are not significant impacts on safety, the environment, or property
- risk minor harm to the efficiency and reputation of the transport system.

Offence	Current Infringement fee	CPI based increase (forecast to Q2 2025)	Tool based change
Vehicle obstructs entrance or exit of driveway	\$40	\$68	\$100
Park vehicle without due care and consideration	\$60	\$102	\$100
Park vehicle alongside another stopped vehicle (double parking)	\$60	\$102	\$100
Park trailer on roadway for more than 5 days	\$60	\$102	\$100

Misuse of dedicated parking infrastructure affecting the ability of the transport system to provide access to specific types of transport users

The basis for the tool based change is that these offences

- only impact on the effectiveness of the transport system, there are not significant impacts on safety, the environment, or property
- impact the ability of the transport system to provide access to specific types of vehicles
- misuse parking space contrary to its intended purpose
- risk minor harm to the efficiency and reputation of the transport system.

Offence	Current Infringement fee	CPI based increase (forecast to Q2 2025)	Tool based change	MOT recommended change
Park on loading zone	\$40	\$68	\$150	-
Park contrary to a traffic sign (general)	\$40	\$68	\$150	-
Park in a clearway or no-stopping area	\$60	\$102	\$150	-
Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles, or park an EV while not charging	\$60	\$76	\$150	\$102 or \$150
Park vehicle of unauthorised class on reserved area	\$60	\$102	\$150	-

Rationale for MOT recommended change: While this offence was added in 2019, its penalty was aligned with 2004 levels. The CPI increase should align with other similar offences i.e. at least \$102. You may wish to consider increasing this penalty to \$150 to reflect increasing demand for EV charging infrastructure.

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Parking offences that risk the safety of self and others

The basis for the tool based change is that these offences

- risk minor harm to the efficiency of the transport system
- have a low likelihood of moderate injury to one or more persons.

Offence	Current Infringement fee	CPI based increase (forecast to Q2 2025)	Tool based change	MOT recommended change
Park vehicle on roadway when practicable to park on road margin	\$40	\$68	\$150	-
Park vehicle on bend	\$40	\$68	\$150	-
Park vehicle near fire hydrant	\$40	\$68	\$150	-
Unauthorised parking on or within 6 metres of intersection	\$60	\$102	\$150	-
Park on broken yellow lines	\$60	\$102	\$150	-
Park vehicle within 6 metres of driver's approach to pedestrian crossing	\$60	\$102	\$150	-
Park vehicle in signed/marked area on driver's approach to pedestrian crossing	\$60	\$102	\$150	-
Parking goods vehicle at angle during hours of darkness	\$60	\$102	\$150	-
Park unlit vehicle during hours of darkness	\$150	\$254	\$150	\$150
Park heavy vehicle (or vehicle fitted with flat-deck for goods carriage) at angle during hours of darkness without rearward facing position lamp	\$150	\$254	\$150	\$150
Stopping or standing temporarily during hours of darkness without using position lamp(s) or dipped-beam headlamp(s)	\$150	\$254	\$150	\$150
Stop near level crossing so as to obscure view	\$150	\$254	\$150	\$150

Rationale for MOT recommended change: These offences have been categorised as having minor system harm and low likelihood of injury. An increase to over \$250 would be disproportionate to the risk of harm.

**Misuse of non-parking transport infrastructure contrary to its intended purpose
risking the accessibility and safety of other transport users**

The basis for the tool based change is that these offences

- misuse non-parking transport infrastructure contrary to intended purpose.
- negatively impact the ability of the transport system to effectively provide safe access to specific types of vehicles and transport users
- risk minor reputational damage to the transport system
- have a low likelihood of moderate injury to one or more persons due to vehicles being parked on non-parking infrastructure.

Offence	Current Infringement fee	CPI based increase (forecast to Q2 2025)	Tool based change	MOT recommended change
Park vehicle on footpath or cycle path	\$40	\$68	\$200	\$200
Park vehicle on traffic island or flush median	\$40	\$68	\$200	\$200
Park vehicle in special vehicle lane (bus lane or cycle lane)	\$60	\$102	\$200	\$200
Park vehicle on pedestrian crossing	\$60	\$102	\$200	\$200
Park vehicle in a pedestrian mall	\$0	\$0	\$200	\$200

Rationale for MOT recommended change: The safety and inconvenience impacts warrant a greater increase for these penalties. Current penalty levels are not proportionate for similar offences. Despite there being an offence provision set out in the Local Government Act 1974, in what was likely a drafting oversight, there is currently no infringement fee for the offence of parking a vehicle in a pedestrian mall. We recommend aligning this fee with the others in this category.

Obviously dangerous parking behaviours

The basis for the tool based change is that these offences:

- misuse of non-parking transport infrastructure contrary to intended purpose.
- risk harm to the efficiency and reputation of the transport system
- risks economic loss.
- have a low likelihood of moderate injury to one or more persons, due to vehicles stopping near high-speed traffic or pedestrian priority areas.

Offence	Current Infringement fee	CPI based increase	Tool based change
Stop or park on motorway	\$150	\$254	\$300
Stop on level crossing	\$150	\$254	\$300

Misuse of dedicated parking infrastructure risking accessibility and safety of users less able to use alternative transport modes

The basis for the tool based change is this offence:

- negatively impacts on the ability of the transport system to effectively provide access to specific kinds of transport users
- risks reputational damage to the transport system
- risks mild to moderate injury to one or more persons, particularly disabled people who are not able to access safe parking spaces
- represents misuse of a designated park contrary to its intended purpose and contrary to clearly-marked signs and road markings
- significantly impacts on people with limited ability to use alternative parks and other transport modes.

Offence	Current Infringement fee	CPI based increase	Tool based change
Park in an area reserved for disabled persons	\$150	\$228	\$350

Parking overstaying penalties

Many parking spaces have time limits, such as two-hour zones (P 120). Parking overstaying is where a vehicle is parked in an area longer than permitted by a parking sign, or where a vehicle overstays their time at a metered parking space without paying.

It is important that parking overstaying offences recognise the high demand for parking spaces in urban centres, and that parking access is equitable to all users.

Offence	Current Infringement fee	CPI based increase	Tool based change	MOT recommended increase
Overstaying not more than 30 minutes	\$12	\$20	\$40	\$40
Overstaying more than 30 minutes but not more than 1 hour	\$15	\$25	\$60	\$60
Overstaying more than 1 hour but not more than 2 hours	\$21	\$36	\$80	\$80
Overstaying more than 2 hours but not more than 4 hours	\$30	\$51	\$120	\$120
Overstaying more than 4 hours but not more than 6 hours	\$42	\$71	\$160	\$160
Overstaying more than 6 hours	\$57	\$97	\$200	\$200

Rationale for MOT recommended change: These are proposed maximum penalty amounts. We are proposing to enable RCAs to set parking overstaying fees for less than what is proposed above (as was the original intent of the regulations).

Increase to certain maximum fines

'Maximum fines before a court', or 'fines' for short, are financial penalties imposed by a Court. Usually, parking fines are applied in situations where a person challenges their parking ticket and the council refers the ticket to the court – where the Court will determine which level of penalty is imposed based on the specific circumstances (up to the maximum fine which is set in legislation).

Offence	Current maximum fine (individual)	CPI increase (not recommended for fines)	Tool based change	MOT recommended change
Park vehicle in a pedestrian mall	\$500	\$848	\$1000	\$1000
Stop or park on motorway	\$1000	\$1696	\$1500	\$1500
Stop on level crossing	\$1000	\$1696	\$1750	\$1750
Park in an area reserved for disabled persons	\$1000	\$1696	\$1750	\$1750

Rationale for MOT recommended change: In most cases, the maximum fine for a parking infringement is \$1000. We consider this to be an appropriate level, except in the above instances where the system and safety impacts warrant a higher maximum penalty. We also recommend aligning the maximum penalty for parking in a pedestrian mall with other similar parking offences.

s 9(2)(f)(iv)

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Towage and storage fees

We propose to consult on updating towage and storage fees using a CPI based update. We have heard from some operators that a higher increase would be required to meet their costs. As part of our consultation process, we will invite providers to share more information on their costs and what they consider would be an adequate increase.

Service	Current fee	CPI based update
Towage fees		
3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$53.67	\$91
3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	\$71.56	\$121
3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$132.89	\$225
More than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	\$204.44	\$347
Fee for additional kilometres towed in excess of 10 kilometres (per km or part of a km)	\$3.07	\$5
Storage fees		
Gross vehicle weight is 3500kgs or less (per day)	\$12.27	\$21
Gross vehicle weight is more than 3500kgs (per day)	\$28.62	\$49

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Land Transport Fees Regulatory Amendment Package issues – for discussion on 25 March 2024

s 9(2)(f)(iv)

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Issue

Ministry comments

s 9(2)(f)(iv)

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Issue

Ministry comments

s 9(2)(f)(iv)

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Indicative timeframe and options for progressing this project

Milestones	1. Broad scope	2. Broad scope but reduced drafting time	3. Parking and towage fees ^{s 9(2)(f)(iv)}
Minister provided draft Cabinet paper and consultation document for review, departmental consultation on draft in tandem	7 May – 13 May	7 May – 13 May	24 April – 30 April
Minister provided revised draft Cabinet paper and consultation document for Ministerial consultation	29 May – 7 June	29 May – 7 June	1 May – 13 May
Submit Cabinet paper and consultation document to Cabinet	10am Thursday 13 June	10am Thursday 13 June	10am Thursday 23 May
ECO approval to consult	Wednesday 19 June	Wednesday 19 June	Wednesday 29 May
Public consultation	26 June – 7 August	26 June – 7 August	5 June – 3 July
Submissions analysis and policy updates completed	30 September	23 September	31 July
ECO approval to draft new regulations	November 2024	October 2024	August 2024
Drafting by Parliamentary Counsel Office completed	February 2025	November 2024	October 2024
Legislative Cabinet Committee approval	March 2025	December 2024	November 2024
Regulations come into force	April 2025	January 2025	December 2024

Option #1 broad scope includes:

- Parking, towage and storage, ^{s 9(2)(f)(iv)} (requires regulatory change only)

^{s 9(2)(f)(iv)}

For option #2 we can look to reduce the timeframe of the broad scoped work, to get to LEG approval in December 2024. This would require PCO to complete drafting in one month, by November 2024. We believe this is possible if the only changes are to the level of each fee. There is increased risk of timelines slipping due to unexpected events and scope change, and uncertainty of PCO capacity.

We could also progress the broad scope and parking and towage fees at the same time (options #1 and #3), but on separate timeframes – consulting on each area separately. ^{s 9(2)(f)(iv)}

3 May 2024

Amending the scope of the fees review package to make non-CPI adjustments

The regulatory impact analysis for the package is currently based on inflation adjustments to parking, towage and storage ^{s 9(2)(f)(iv)} [REDACTED]. As all three areas are being adjusted for inflation, the rationale for increases is straightforward.

Adding non-CPI adjustments reduces some of the coherence of the package. For example, disability advocates are seeking significant increases to the fee for parking in a disability space due to the harm it causes (our analysis supports this), but the fee for this is only being adjusted by CPI inflation in the current package.

There are three options:

- a) Adjust all fees by inflation
- b) Adjust all fees according to the harm they cause¹
- c) Mixed approach – use CPI for parking, towage and storage fees and ^{s 9(2)(f)(iv)} [REDACTED] ^{s 9(2)(f)(iv)} [REDACTED]

^{s 9(2)(f)(iv)} [REDACTED]

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22 May 2024

OC240347

Hon Simeon Brown
Minister of Transport

Action required by:
Monday, 27 May 2024

TRANSPORT FEES REVIEW DRAFT CABINET DOCUMENTS FOR MINISTERIAL CONSULTATION

Purpose

To provide you with key information and documents for consulting your Ministerial colleagues on your proposed package of land transport penalty updates.

Key points

- On 25 March 2024, you commissioned the Ministry of Transport to prepare a package of Cabinet proposals for land transport financial penalties and related regulations.
- We have prepared two sets of proposals for Cabinet to enable you to have parking, and towage and storage regulatory changes in place by 1 October 2024. You will be asking Cabinet to:
 - Agree in principle to updating parking infringement and regulated towage and storage fees, following targeted stakeholder consultation.

s 9(2)(f)(iv)

- We engaged early with Police, Department of Internal Affairs, New Zealand Transport Agency Waka Kotahi (NZTA) and Ministry of Justice to ensure you can meet your intended timeframes. Generally, the feedback:

- supported proposals for inflation-adjusted fees

s 9(2)(f)(iv)

- asked that any updates you make now are an initial step toward a wider review of the penalties system s 9(2)(f)(iv).

TRANSPORT FEES REVIEW DRAFT CABINET DOCUMENTS FOR MINISTERIAL CONSULTATION

Background

You commissioned the Ministry to progress a series of updates to fees and penalties

- 1 We met with you on 25 March 2024 to discuss options to address issues and act on opportunities in the land transport penalty system (see Briefing OC240220).
- 2 At your request, we presented a range of options for updating ^{s 9(2)(f)(iv)} parking, and towage and storage penalties. You asked that we prepare proposals for Cabinet to consider in June, focusing on inflation-adjustments for fees ^{s 9(2)(f)(iv)}
- 3 You have asked that the parking infringement and regulated towage and storage fee updates come into force by 1 October 2024, ^{s 9(2)(f)(iv)}

We have developed two sets of proposals for you to present to Cabinet

Table 1 Cabinet proposals

Proposal	Cabinet action sought	Amendment type	Complete amendments
Set 1: Proposals to progress immediately			
1. Update parking infringement and regulated towage and storage fees for inflation.	<ul style="list-style-type: none"> Agree in principle. Delegate final policy decisions to you, subject to targeted consultation. 	Regulatory amendments	By 1 October 2024
^{s 9(2)(f)(iv)}			
3. Minor technical clarifications for land transport regulations.	<ul style="list-style-type: none"> Agree to include in drafting instructions for Proposal 1. 	Regulatory amendments	By 1 October 2024

Proposal	Cabinet action sought	Amendment type	Complete amendments
Set 2: Proposals to consult the public on			
<div style="color: red; font-size: small;">s 9(2)(f)(iv)</div> <div style="text-align: center; color: red; font-size: 2em; transform: rotate(-45deg); opacity: 0.5;"> PROACTIVELY RELEASED BY MINISTRY OF TRANSPORT TE MANATŪ WAKA </div>			

Feedback from other agencies

- 4 We engaged with the New Zealand Police (Police), the Department of Internal Affairs (DIA), the Ministry of Justice (Justice) and NZTA to help us develop the proposals.
- 5 The table below notes key feedback for you to consider. Note that we did not seek feedback on routine maintenance (ie Proposal 3).

Table 2 Key feedback from agencies

Theme	Feedback	Ministry comment
s 9(2)(f)(iv)		

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Risks and mitigations

There is a risk that increasing regulated towage and storage fees will lead to more vehicle abandonment

- 6 We have limited evidence of whether raising towage and storage fees will affect the rate of vehicle abandonment. With the introduction of 6-month impoundment for fleeing drivers it is predicted that vehicle abandonment will reach 90%, as the value of the vehicle is often lower than the impoundment fees. Higher fees are likely to amplify the issue.
- 7 Without consultation, we do not know the significance of the issue for the towage and storage sector or the public. We also do not know what options they might suggest in response. We will engage with the sector during targeted consultation.

There is a small risk that Road Controlling Authorities may not be able to implement fee updates in the given timeframe

- 8 We have engaged members of the Parking Association on the timeframes for implementing any fee changes. The membership includes around 30 Road Controlling Authorities. They advise that these changes can be implemented into their systems relatively quickly (within a couple of weeks).
- 9 They raised a minor risk that their processes for verifying the new system might take around 45 days. This timeframe allows for testing and monitoring to ensure the system works as expected. This risk can be mitigated by providing sufficient advanced notice of the implementation timeframes.

s 9(2)(f)(iv)

Next steps

- 13 Once we have received your feedback on this paper, we will work with your office to support consultation with Ministers and coalition partners as required. In parallel, we

will consult with the Department of the Prime Minister and Cabinet and the Treasury, and any other government agencies you direct.

- 14 If consultation is complete by 4 June, we will be able to revise the paper for lodging with Cabinet Office on 13 June for consideration at Cabinet Economic Policy Committee (ECO) on 19 June.
- 15 There are two regulatory impact assessments associated with this briefing. One covering current and proposed financial penalties, s 9(2)(f)(iv) These are in a draft form and will be provided to you once finalised. Both have received a 'partially meets' rating and the panel statements are included in the Cabinet paper.

Table 3 Process timing following Ministerial consultation

Dates	Milestone
19 June 2024	ECO approval
25 June – 2 July 2024	Targeted consultation period
3 – 9 July 2024	Your final decisions on the first set of proposals (Weekly Report)
12 August – 20 September 2024	Public consultation on remaining proposals
21 August 2024	LEG approval of drafted Regulations
3 September 2024	Regulations Gazetted
20 November 2024	ECO approval of final policy decisions for remaining proposals
TBD March 2025	LEG approval
27 March 2025	Regulations gazetted
17 April 2025	Regulations in force

Annexes

Annex one: Cabinet paper

s 9(2)(f)(iv)

Annex one: Cabinet paper

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In Confidence

Office of the Minister of Transport
Cabinet Economic Policy Committee

Land Transport Regulation Amendments – Inflation Adjusted Fees s 9(2)(f)(iv)

1 I am seeking Cabinet agreement to proposals to update parking s 9(2)(f)(iv)

Relation to government priorities

2 I signalled this review of fees in the draft Government Policy Statement on Land Transport (GPS).

Executive summary

3 Many of the penalties in land transport legislation have not been reviewed or updated since they were enacted, some over 20 years ago. In that time, the size of penalties has also not been assessed against the relative harm offences cause.

4 Over time, financial penalties become less effective as inflation rises. This adversely affects the traffic and parking enforcement system because it reduces the incentive to comply with road rules.

5 Two important factors drive compliance with our road regulations – the level of financial penalties and the level of enforcement. In this paper, I am focusing on the level of financial penalties. The Government is separately progressing measures to improve enforcement. I highlighted these measures in the draft GPS.

6 Regulated fees and fines need updating and I intend to review all fee levels in time. This paper seeks agreement to start with priority infringement fees and vehicle reclamation fees by:

6.1 amending land transport regulations to update parking infringement and regulated towage and storage fees for inflation

6.2

s 9(2)(f)(iv)

6.3 making minor technical clarifications to land transport regulations.

s 9(2)(f)(iv)

Background

- 8 Use of the roading system is a public right, but it comes with responsibilities to comply with rules and regulations.
- 9 The levels of penalties and enforcement are two key drivers of road rule compliance. The Government is addressing these two factors through the proposals in this paper and through proposals in the draft GPS for improved enforcement rates (respectively). ^{s 9(2)(f)(iv)}

- 10 The Land Transport Act 1998 (the Act) and its associated regulations provide road controlling authorities (RCAs) and Police with tools to enforce driving and parking laws. The RCAs for local roads are mainly local Councils. The New Zealand Transport Agency (NZTA) is the main RCA for state highways. I am proposing changes to the enforcement tools defined below:

- 10.1 **Infringement fees** are financial penalties imposed directly by a prosecuting authority (eg a parking warden or police officer) for breaking a law.
- 10.2 **Fines** are financial penalties imposed by a court for:
- 10.2.1 an infringement offence challenged in court
 - 10.2.2 a non-infringement offence where the associated fine is the only penalty
 - 10.2.3 a non-infringement offence where a fine is imposed alongside or instead of other penalties (eg imprisonment).
- 10.3 **Vehicle impoundments** may be ordered by road controlling authorities (RCAs) or Police for various reasons, eg:
- 10.3.1 RCAs can order the removal of a stationary vehicle causing an obstruction
 - 10.3.2 Police can order a vehicle impoundment if they catch a disqualified driver using their vehicle.
- 10.4 **Regulated towage and storage fees** are payments made by vehicle owners to reclaim impounded vehicles. These fees are paid directly to service operators and are intended to recover services operators' various costs (eg capital, fuel).

^{s 9(2)(f)(iv)}

Our financial penalty levels are depreciating in value and losing their effectiveness

- 11 The level of fees and/or fines (ie financial penalties) that can be imposed are set in regulations. Many of the levels set through our regulations have not been reviewed or updated in at least 20 years. In many cases it has been even longer since the government reassessed our penalty levels relative to the harm they cause.

Regulated fees and fines need updating, starting with priority infringement fees and vehicle reclamation fees

12 I intend to review all fee levels in time. As an initial step, I have prepared two sets of proposals (which I discuss below in detail):

12.1 **Proposals 1 – 3** update fee levels for parking infringements and towage and storage. I would like to immediately progress these proposals, subject to a brief targeted consultation phase. A table of current and proposed fee levels is at Appendix 1.

s 9(2)(f)(iv)

Proposal 1 – update parking infringement and regulated towage and storage fees for inflation

Infringement fees are critical for local government

13 RCAs have told officials that low infringement fee levels negatively affect their ability to enforce the law, manage parking supply and demand, and encourage desirable behaviours on their roads.

14 For example, low infringement fees can diminish RCAs' ability to encourage parking turnover. Parks are being used by long-term parkers that are intended for multiple short stays throughout the day. This has flow-on effects for businesses, and people trying to access services and retail.

Regulated towage and storage fees have not kept up with rising costs

15 Towage fees were last updated in 2004 and storage fees have not changed since they were introduced in 1999. The industry has faced significant increases to operational costs and the current level of fees are not covering those costs. Officials have heard concerns about the low fees from towage operators, industry representatives (eg the Motor Trade Association), Councils and Police.

The vehicle impoundment system is critical for enforcement and safety

16 When fees do not cover costs, it discourages operators from prioritising RCA-ordered tows and Police-ordered impoundments. This, in turn, may reduce the availability of these services for parking and traffic enforcement.

17 For example, rural RCAs are concerned that there is a shortage of towing operators to retrieve impounded vehicles. Reduced service levels or incomplete coverage can increase road safety risks.

I propose inflation-adjusted fees for parking infringements, and regulated towage and storage

18 I propose to adjust fees by inflation indices that reflect the purpose of collecting the different fee types, ie:

18.1 I propose to use the Consumers Price Index (CPI) to calculate parking infringement fees. The CPI is a method that is well-understood by the public.

- 18.2 For towage and storage fees I propose a composite index (a basket of indices including labour cost, producer price and capital goods price) rather than CPI. This index reflects the specific costs of towage and storage operators.

s 9(2)(f)(iv)

Proposal 3 – minor technical clarifications for land transport regulations

I propose to complete minor technical clarifications for land transport regulations

- 22 The Ministry of Transport (the Ministry) has identified some minor technical clarifications needed for land transport regulations. Others may also be identified during the drafting of regulatory changes for Proposal 1 (inflation-adjusted parking infringement fees, and regulated towage and storage fees).
- 23 I propose that these technical clarifications be addressed as part of the drafting of changes to fees for parking infringements, and regulated towage and storage.

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s 9(2)(f)(iv)

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s 9(2)(f)(iv)

Implementation

45 I am taking two different approaches to progressing my proposals:

45.1 I am seeking in principle agreement to:

45.1.1 inflation-adjusted fees for parking infringements, and regulated towage and storage (Proposal 1)

45.1.2 s 9(2)(f)(iv)

45.1.3 making minor and technical clarifications to land transport regulations (Proposal 3).

s 9(2)(f)(iv)

Proposals I am seeking in principle agreement to

46 I have directed the Ministry to ensure the new fees for parking infringements, and regulated towage and storage (Proposal 1) are in place by 1 October 2024. Due to the condensed timeframe, I do not plan to consult the public on these updates. However, I will consult targeted stakeholders for a period of one week.

47 I am also seeking in principle agreement s 9(2)(f)(iv) for making minor technical clarifications (Proposal 3).

48 I will use the targeted consultation phase to work with local government and relevant industry bodies to identify and mitigate risks.

49 s 9(2)(f)(iv)

s 9(2)(f)(iv)

s 9(2)(f)(iv)

Cost-of-living implications

- 53 These proposals seek to increase financial penalties for infringement offences. The higher financial penalty levels aim to deter people from engaging in the negative behaviours that incur the cost.
- 54 Financial penalty increases will not be felt equally across the population.
s 9(2)(f)(iv)
 For parking specifically, this could increase the costs for motorists if councils increase parking costs in response to the higher parking overstay fees.

Financial implications

- 55 In general, these proposals have no financial implications. However, fees are collected by parking wardens on behalf of road controlling authorities. A percentage of these fees is also retained by the Crown.

Legislative implications

- 56 The table below shows how I intend to give effect to all proposals due to be completed on or before 1 October 2024. There are no legislative implications associated with releasing the consultation document.

Proposal	Relevant legislation and/or regulation	Actions
Update parking infringement fees for inflation (1)	Land Transport (Offences and Penalties) Regulations 1999	Pass amendment regulations through Order in Council.
Update regulated towage and storage fees for inflation (1)	Land Transport (Storage and Towage Fees for Impounded Vehicles) Regulations 1999	Pass amendment regulations through Order in Council.
Update regulated towage and storage fees for inflation (1)	Transport (Towage Fees) Notice 2004	Secretary of Transport to issue a notice that sets out new fee levels.

IMPACT ANALYSIS

Regulatory Impact Statements

- 57 Two Regulatory Impact Statements (RIS) were prepared for these proposals and one proposal is exempt.

58 **RIS one:** A RIS has been completed for all financial penalty proposals and is attached in Appendix 3. This RIS discusses proposals to:

58.1 amend land transport regulations to update parking infringement and regulated towage and storage fees for inflation

s 9(2)(f)(iv)

59 This RIS was reviewed by a panel of representatives from the Ministry. It has received a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.

60 The RIS is not able achieve a full 'meets' rating because proposals have not been subject to public consultation. This is partly mitigated by evidence gathered in previous consultation processes and planned targeted consultation with local government.

s 9(2)(f)(iv)

Climate Implications of Policy Assessment

65 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that CIPA requirements do not apply to this proposal as it not expected to result in any significant, direct emissions impacts.

Population Implications

66 **Proposals 1 – 3:** I do not consider there are significant population effects associated with the first set of proposals (eg inflation-adjusting fees s 9(2)(f)(iv)

s 9(2)(f)(iv)

Human Rights

- 68 **Proposals 1 – 3:** I do not consider there are significant human rights implications for inflation-adjusting fee and fine levels.

s 9(2)(f)(iv)

Consultation

- 70 NZTA, New Zealand Police, Ministry of Justice and Department of Internal Affairs have been consulted.

- 71 **Targeted and public consultation:** Following Cabinet approval, the Ministry will:

- 71.1 undertake targeted consultation with RCAs and the towage and storage industry on proposals for immediate progression. Due to time constraints, full public consultation will not be undertaken.

s 9(2)(f)(iv)

Communications

s 9(2)(f)(iv)

Proactive Release

- 73 This Cabinet committee paper and associated minute will be proactively released (with appropriate redactions) within 30 days of confirmed decisions.

Recommendations

The Minister of Transport recommends that the Committee:

- 1 **agree** in principle to amend land transport regulations to update:
 - 1.1 parking infringement fees for inflation
 - 1.2 regulated towage and storage fees for inflation
- 2 **authorise** the Minister of Transport to make any minor policy decisions on amendments in Recommendation 1, following targeted consultation
- 3 **authorise** the Minister of Transport to instruct the Parliamentary Counsel Office to draft the amendments in Recommendation 1
- 4 **note** the Secretary of Transport will amend the Transport (Towage Fees) Notice 2004 to raise council ordered towage and storage fees in line with inflation

s 9(2)(f)(iv)

- 6 **agree** to include minor technical clarifications in the drafting instructions for the amendments in Recommendation 1

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s 9(2)(f)(iv)



Authorised for lodgement

Hon Simeon Brown
Minister of Transport

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Appendices

Appendix 1: Current and proposed fee levels

s 9(2)(f)(iv)

Appendix 3: Regulatory Impact Statement – Penalty adjustments and other regulatory amendments for parking, towage and storage s 9(2)(f)(iv)

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Appendix 1: Current and proposed fee levels

Table 2: Parking offences proposed fee increases

Rule Number (Road User Rule unless otherwise specified)	Offence	Current infringement fee	Inflation increase: CPI [forecast to Q2 2025]	Increase	Rounded to nearest \$5
6.10	Park vehicle near fire hydrant	\$40	\$68	70%	\$70
6.12	Fail to park vehicle parallel to road	\$40	\$68	70%	\$70
6.13	Fail to park vehicle at angle when required	\$40	\$68	70%	\$70
6.14	Park vehicle on footpath or cycle path	\$40	\$68	70%	\$70
6.16	Park on loading zone	\$40	\$68	70%	\$70
6.2	Park vehicle on roadway when practicable to park on road margin	\$40	\$68	70%	\$70
6.7	Park vehicle on traffic island or flush median	\$40	\$68	70%	\$70
6.3(1)	Park vehicle on bend	\$40	\$68	70%	\$70
6.4(1)	Park contrary to a traffic sign (general)	\$40	\$68	70%	\$70
6.8(1)	Park vehicle within 6 metres of bus stop sign	\$40	\$68	70%	\$70
6.9(1)	Vehicle obstructs entrance or exit of driveway	\$40	\$68	70%	\$70
6.4(1B)	Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles, or park an EV while not charging**	\$60	\$76	27%	\$75
6.1	Park vehicle without due care and consideration	\$60	\$102	70%	\$100
6.11	Park vehicle alongside another stopped vehicle (double parking)	\$60	\$102	70%	\$100
6.15	Park vehicle of unauthorised class on reserved area	\$60	\$102	70%	\$100
6.19	Park trailer on roadway for more than 5 days	\$60	\$102	70%	\$100
6.6	Park vehicle in special vehicle lane (bus lane or cycle lane)	\$60	\$102	70%	\$100

6.18(1)	Parking goods vehicle at angle during hours of darkness	\$60	\$102	70%	\$100
6.3(2)	Unauthorised parking on or within 6 metres of intersection	\$60	\$102	70%	\$100
6.4(4)	Park on broken yellow lines	\$60	\$102	70%	\$100
6.5(1)	Park vehicle on pedestrian crossing	\$60	\$102	70%	\$100
6.5(2)(a)	Park vehicle within 6 metres of driver's approach to pedestrian crossing	\$60	\$102	70%	\$100
6.5(2)(b)	Park vehicle in signed/marked area on driver's approach to pedestrian crossing	\$60	\$102	70%	\$100
6.4(1A)	Park in an area reserved for disabled persons*	\$150	\$228	52%	\$230
2.12(2)	Stop or park on motorway	\$150	\$254	69%	\$255
6.17(a)	Stop on level crossing	\$150	\$254	69%	\$255
6.17(b)	Stop near level crossing so as to obscure view	\$150	\$254	69%	\$255
8.3(2)(c)	Fail to dip headlamps when vehicle parked	\$150	\$254	69%	\$255
8.7(1)	Park unlit vehicle during hours of darkness	\$150	\$254	69%	\$255
8.7(2)	Park heavy vehicle (or vehicle fitted with flat-deck for goods carriage) at angle during hours of darkness without rearward facing position lamp	\$150	\$254	69%	\$255
8.7(3)	Stopping or standing temporarily during hours of darkness without using position lamp(s) or dipped-beam headlamp(s)	\$150	\$254	69%	\$255
	Overstaying not more than 30 minutes	\$12	\$20	67%	\$20
	Overstaying more than 30 minutes but not more than 1 hour	\$15	\$25	67%	\$25

Overstaying more than 1 hour but not more than 2 hours	\$21	\$36	71%	\$35
Overstaying more than 2 hours but not more than 4 hours	\$30	\$51	70%	\$50
Overstaying more than 4 hours but not more than 6 hours	\$42	\$71	69%	\$70
Overstaying more than 6 hours	\$57	\$97	70%	\$95

Unless otherwise indicated, the fees were updated in 2004. *= updated in 2008. **= updated in 2019

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In Confidence

Office of the Minister of Transport

Cabinet Economic Policy Committee

Land Transport Regulation Amendments – Updating fees and penalties

- 1 I am seeking Cabinet agreement to proposals to update parking s 9(2)(f)(iv) penalties.

Relation to government priorities

- 2 I signalled this review of fees in the draft Government Policy Statement on Land Transport (GPS).

Executive summary

- 3 Many of the penalties in land transport legislation have not been reviewed or updated since they were enacted, some over 20 years ago. In that time, the size of penalties has also not been assessed against the relative harm offences cause.
- 4 Over time, financial penalties become less effective as inflation rises. This adversely affects the traffic and parking enforcement system because it reduces the incentive to comply with road rules.
- 5 Two important factors drive compliance with our road regulations – the level of financial penalties and the level of enforcement. In this paper, I am focusing on the level of financial penalties. The Government is separately progressing measures to improve enforcement. I highlighted these measures in the draft GPS.
- 6 Regulated fees and fines need updating and I intend to review all fee levels in time. This paper seeks agreement to start with priority infringement fees and vehicle reclamation fees by:
- 6.1 amending land transport regulations to update regulated towage and storage fees for inflation
 - 6.2 amending land transport regulations to update parking infringements
 - 6.3 s 9(2)(f)(iv)
 - 6.4 making minor technical clarifications to land transport regulations.

- 7 s 9(2)(f)(iv)

Background

- 8 Use of the roading system is a public right, but it comes with responsibilities to comply with rules and regulations.
- 9 The levels of penalties and enforcement are two key drivers of road rule compliance. The Government is addressing these two factors through the proposals in this paper and through proposals in the draft GPS for improved enforcement rates (respectively). s 9(2)(f)(iv)

- 10 The Land Transport Act 1998 (the Act) and its associated regulations provide road controlling authorities (RCAs) and Police with tools to enforce driving and parking laws. The RCAs for local roads are mainly local Councils. The New Zealand Transport Agency (NZTA) is the main RCA for state highways. I am proposing changes to the enforcement tools defined below:

10.1 **Infringement fees** are financial penalties imposed directly by a prosecuting authority (eg a parking warden or police officer) for breaking a law.

10.2 **Fines** are financial penalties imposed by a court for:

10.2.1 an infringement offence challenged in court

10.2.2 a non-infringement offence where the associated fine is the only penalty

10.2.3 a non-infringement offence where a fine is imposed alongside or instead of other penalties (eg imprisonment).

10.3 **Vehicle impoundments** may be ordered by road controlling authorities (RCAs) or Police for various reasons, eg:

10.3.1 RCAs can order the removal of a stationary vehicle causing an obstruction

10.3.2 Police can order a vehicle impoundment if they catch a disqualified driver using their vehicle.

10.4 **Regulated towage and storage fees** are payments made by vehicle owners to reclaim impounded vehicles. These fees are paid directly to service operators and are intended to recover services operators' various costs (eg capital, fuel).

10.5 s 9(2)(f)(iv)

Our financial penalty levels are depreciating in value and losing their effectiveness

- 11 The level of fees and/or fines (ie financial penalties) that can be imposed are set in regulations. Many of the levels set through our regulations have not been reviewed or updated in at least 20 years. In many cases it has been even longer since the government reassessed our penalty levels relative to the harm they cause.

Regulated fees and fines need updating, starting with priority infringement fees and vehicle reclamation fees

12 I intend to review all fee levels in time. As an initial step, I have prepared two sets of proposals (which I discuss below in detail):

12.1 **Proposals 1 – 4** update fee levels for towage and storage, and for parking infringements. I would like to immediately progress these proposals, subject to a brief targeted consultation phase. A table of current and proposed fee levels is at Appendix 1.

12.2 s 9(2)(f)(iv)

Proposal 1 – update regulated towage and storage fees for inflation

Regulated towage and storage fees have not kept up with rising costs

13 Towage fees were last updated in 2004 and storage fees have not changed since they were introduced in 1999. The industry has faced significant increases to operational costs and the current level of fees are not covering those costs. Officials have heard concerns about the low fees from towage operators, industry representatives (eg the Motor Trade Association), Councils and Police.

The vehicle impoundment system is critical for enforcement and safety

14 When fees do not cover costs, it discourages operators from prioritising RCA-ordered tows and Police-ordered impoundments. This, in turn, may reduce the availability of these services for parking and traffic enforcement.

15 For example, rural RCAs are concerned that there is a shortage of towing operators to retrieve impounded vehicles. Reduced service levels or incomplete coverage can increase road safety risks.

I propose to use a composite index to adjust regulated towage and storage fees for inflation

16 I propose to use a composite index (a basket of indices including labour cost, producer price and capital goods price) to calculate new fee levels. This method reflects the specific costs of towage and storage operators.

Proposal 2 – update parking infringement fees

Infringement fees are critical for local government

17 RCAs have told officials that low infringement fee levels negatively affect their ability to enforce the law, manage parking supply and demand, and encourage desirable behaviours on their roads.

18 For example, low infringement fees can diminish RCAs' ability to encourage parking turnover. Parks are being used by long-term parkers that are intended for multiple short stays throughout the day. This has flow-on effects for businesses, and people trying to access services and retail.

I propose to update parking infringement fees based on either inflation or harm

19 I am seeking Cabinet agreement to update parking infringement fees using one of two methods:

19.1 Method 1: The Consumers Price Index (CPI). This is a well known method for calculating the price of goods and services for households. Unlike towage and storage fees, the value of parking infringement fees can be maintained using a broad measure of inflation.

19.2 Method 2: Harm based increases. This method considers various factors (including international comparisons and the results of domestic public opinion surveys) to estimate the relative effects of offending. Financial penalties are calculated based on these estimates. Generally, harm based calculations lead to higher fee levels than CPI based calculations.

s 9(2)(f)(iv)

Proposal 4 – minor technical clarifications for land transport regulations

I propose to complete minor technical clarifications for land transport regulations

23 The Ministry of Transport (the Ministry) has identified some minor technical clarifications needed for land transport regulations. Others may also be identified during the drafting of regulatory changes for Proposal 1 (inflation-adjusted parking infringement fees, and regulated towage and storage fees).

24 I propose that these technical clarifications be addressed as part of the drafting of changes to fees for parking infringements, and regulated towage and storage.

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s 9(2)(f)(iv)

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Implementation

42 I am taking two different approaches to progressing my proposals:

42.1 I am seeking in principle agreement to:

42.1.1 inflation-adjusted fees for regulated towage and storage (Proposal 1)

42.1.2 **EITHER** inflation based **OR** harm based adjustments for parking infringement fees (Proposal 2)

42.1.3 s 9(2)(f)(iv)

42.1.4 making minor and technical clarifications to land transport regulations (Proposal 4).

s 9(2)(f)(iv)

Proposals I am seeking in principle agreement to

43 I have directed the Ministry to ensure the new fees for regulated towage and storage, and parking infringements, (Proposal 1 and 2) are in place by 1 October 2024. Due to the condensed timeframe, I do not plan to consult the public on these updates. However, I will consult targeted stakeholders for a period of one week.

44 I am also seeking in principle agreement s 9(2)(f)(iv) for making minor technical clarifications (Proposal 4).

45 I will use the targeted consultation phase to work with local government and relevant industry bodies to identify and mitigate risks.

46 s 9(2)(f)(iv)

s 9(2)(f)(iv)

s 9(2)(f)(iv)

Cost-of-living implications

50 These proposals seek to increase financial penalties for infringement offences. The higher financial penalty levels aim to deter people from engaging in the negative behaviours that incur the cost.

51 Financial penalty increases will not be felt equally across the population.
 For parking specifically, this could increase the costs for motorists if councils increase parking costs in response to the higher parking overstay fees.

Financial implications

52 In general, these proposals have no financial implications. However, fees are collected by parking wardens on behalf of road controlling authorities. A percentage of these fees is also retained by the Crown.

Legislative implications

- 53 The table below shows how I intend to give effect to all proposals due to be completed on or before 1 October 2024.
- 54 Towage and storage fees are set in two pieces of secondary legislation (as in the table below). The fee levels in each are identical and will both need updating.
- 55 There are no legislative implications associated with releasing the consultation document.

Proposal	Relevant legislation and/or regulation	Actions
Update regulated towage and storage fees for inflation (1)	Land Transport (Storage and Towage Fees for Impounded Vehicles) Regulations 1999	Pass amendment regulations through Order in Council.
Update regulated towage and storage fees for inflation (1)	Transport (Towage Fees) Notice 2004	Secretary of Transport to issue a notice that sets out new fee levels.
Update parking infringement fees for inflation (2)	Land Transport (Offences and Penalties) Regulations 1999	Pass amendment regulations through Order in Council.

IMPACT ANALYSIS

Regulatory Impact Statements

- 56 Two Regulatory Impact Statements (RIS) were prepared for these proposals and one proposal is exempt.
- 57 RIS one: A RIS has been completed for all financial penalty proposals and is attached in Appendix 3. This RIS discusses proposals to:

57.1 amend land transport regulations to update regulated towage and storage fees for inflation

57.2 amend land transport regulations to update parking infringement fees for inflation or for harm

s 9(2)(f)(iv)

58 This RIS was reviewed by a panel of representatives from the Ministry. It has received a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.

59 The RIS is not able achieve a full 'meets' rating because proposals have not been subject to public consultation. This is partly mitigated by evidence gathered in previous consultation processes and planned targeted consultation with local government.

s 9(2)(f)(iv)

Climate Implications of Policy Assessment

64 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that CIPA requirements do not apply to this proposal as it not expected to result in any significant, direct emissions impacts.

Population Implications

65 **Proposals 1 – 4:** I do not consider there are significant population effects associated with the first set of proposals (eg inflation-adjusting fees s 9(2)(f)(iv)

s 9(2)(f)(iv)

Human Rights

- 67 **Proposals 1 – 4:** I do not consider there are significant human rights implications for inflation-adjusting fee and fine levels.

s 9(2)(f)(iv)

Consultation

- 69 NZTA, New Zealand Police, Ministry of Justice, Department of Internal Affairs and the Treasury have been consulted. The Department of the Prime Minister and Cabinet has been informed.
- 70 **Targeted and public consultation:** Following Cabinet approval, the Ministry will:
- 70.1 undertake targeted consultation with RCAs and the towage and storage industry on proposals for immediate progression. Due to time constraints, full public consultation will not be undertaken.
- 70.2 s 9(2)(f)(iv)

Communications

s 9(2)(f)(iv)

Proactive Release

- 72 This Cabinet committee paper and associated minute will be proactively released (with appropriate redactions) within 30 days of confirmed decisions.

Recommendations

The Minister of Transport recommends that the Committee:

- 1 **agree** in principle to amend land transport regulations and the towage fees notice to update regulated towage and storage fees for inflation
- 2 **agree** in principle to amend land transport regulations to update parking infringement fees
- 3 **agree** to **EITHER**:
 - 3.1 update parking infringement fees using inflation based adjustments (CPI)

OR

 - 3.2 update parking infringement fees using harm based adjustments

IN CONFIDENCE

4 **authorise** the Minister of Transport to make any minor policy decisions on amendments in Recommendations 1 and 2, following targeted consultation

5 **authorise** the Minister of Transport to instruct the Parliamentary Counsel Office to draft the amendments in Recommendations 1 and 2

6 s 9(2)(f)(iv)

7 s 9(2)(f)(iv)

8 **agree** to include minor technical clarifications in the drafting instructions for the amendments in Recommendation 1 and 2

s 9(2)(f)(iv)

Authorised for lodgement

Hon Simeon Brown
Minister of Transport

Appendices

Appendix 1: Current and proposed fee levels

s 9(2)(f)(iv)

Appendix 3: Regulatory Impact Statement – Penalty adjustments and other regulatory amendments for parking, towage and storage and s 9(2)(f)

s 9(2)(f)(iv)

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Appendix 1: Current and proposed fee levels

Table 2: Towage and storage fees

Fee	Service	Fee last updated	Current infringement fee	Inflation increase: Composite Indices	Increase (%)
Towage (These fee levels apply to both Storage and Towage Regulations and the Towage Fees Notice)	3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$53.67	\$90.23	68%
	3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	2004	\$71.56	\$120.30	68%
	More than 3,500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$132.89	\$223.40	68%
	More than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	2004	\$204.44	\$343.69	68%
Mileage	Fee for additional kilometres towed in excess of 10 kilometres (per km or part of a km)	1999	\$3.07	\$6.09	98%
Storage	Gross vehicle weight is 3500kgs or less (per day)	1999	\$12.27	\$24.32	98%
	Gross vehicle weight is more than 3500kgs (per day)	1999	\$28.62	\$56.73	98%

Note 1 Towage and storage fees were set inclusive of GST. The figures in this table reflect the 2010 GST increase.

Table 3: Parking offences proposed fee increases

Road User Rule number	Offence	Fee last updated	Current infringement fee	Harm based fee	Harm based % change from current	Inflation increase: CPI [forecast to Q2 2025]	CPI increase % change from current	Rounded to nearest \$5	Difference between CPI and harm (%)
6.10	Park vehicle near fire hydrant	2004	\$40	\$150	275%	\$68	70%	\$70	114%
6.12	Fail to park vehicle parallel to road	2004	\$40	\$50	25%	\$68	70%	\$70	-29%
6.13	Fail to park vehicle at angle when required	2004	\$40	\$50	25%	\$68	70%	\$70	-29%
6.14	Park vehicle on footpath or cycle path	2004	\$40	\$200	400%	\$68	70%	\$70	186%
6.16	Park on loading zone	2004	\$40	\$150	275%	\$68	70%	\$70	114%
6.2	Park vehicle on roadway when practicable to park on road margin	2004	\$40	\$150	275%	\$68	70%	\$70	114%
6.7	Park vehicle on traffic island or flush median	2004	\$40	\$200	400%	\$68	70%	\$70	186%
6.3(1)	Park vehicle on bend	2004	\$40	\$150	275%	\$68	70%	\$70	114%
6.4(1)	Park contrary to a traffic sign (general)	2004	\$40	\$150	275%	\$68	70%	\$70	114%
6.8(1)	Park vehicle within 6 metres of bus stop sign	2004	\$40	\$50	25%	\$68	70%	\$70	-29%
6.9(1)	Vehicle obstructs entrance or exit of driveway	2004	\$40	\$100	150%	\$68	70%	\$70	43%
6.4(1B)	Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles, or park an EV while not charging	2019	\$60	\$150	150%	\$76	27%	\$75	100%
6.1	Park vehicle without due care and consideration	2004	\$60	\$100	67%	\$102	70%	\$100	0%
6.11	Park vehicle alongside another stopped vehicle (double parking)	2004	\$60	\$100	67%	\$102	70%	\$100	0%
6.15	Park vehicle of unauthorised class on reserved area	2004	\$60	\$150	150%	\$102	70%	\$100	50%
6.19	Park trailer on roadway for more than 5 days	2004	\$60	\$100	67%	\$102	70%	\$100	0%
6.6	Park vehicle in special vehicle lane (bus lane or cycle lane)	2004	\$60	\$200	233%	\$102	70%	\$100	100%

6.18(1)	Parking goods vehicle at angle during hours of darkness	2004	\$60	\$150	150%	\$102	70%	\$100	50%
6.3(2)	Unauthorised parking on or within 6 metres of intersection	2004	\$60	\$150	150%	\$102	70%	\$100	50%
6.4(4)	Park on broken yellow lines	2004	\$60	\$150	150%	\$102	70%	\$100	50%
6.5(1)	Park vehicle on pedestrian crossing	2004	\$60	\$200	233%	\$102	70%	\$100	100%
6.5(2)(a)	Park vehicle within 6 metres of driver's approach to pedestrian crossing	2004	\$60	\$150	150%	\$102	70%	\$100	50%
6.5(2)(b)	Park vehicle in signed/marked area on driver's approach to pedestrian crossing	2004	\$60	\$150	150%	\$102	70%	\$100	50%
6.4(1A)	Park in an area reserved for disabled persons	2008	\$150	\$350	133%	\$228	52%	\$230	52%
2.12(2)	Stop or park on motorway	2004	\$150	\$300	100%	\$254	69%	\$255	18%
6.17(a)	Stop on level crossing	2004	\$150	\$300	100%	\$254	69%	\$255	18%
6.17(b)	Stop near level crossing so as to obscure view	2004	\$150	\$150	0%	\$254	69%	\$255	-41%
8.3(2)(c)	Fail to dip headlamps when vehicle parked	2004	\$150	\$150	0%	\$254	69%	\$255	-41%
8.7(1)	Park unlit vehicle during hours of darkness	2004	\$150	\$150	0%	\$254	69%	\$255	-41%
8.7(2)	Park heavy vehicle (or vehicle fitted with flat-deck for goods carriage) at angle during hours of darkness without rearward facing position lamp	2004	\$150	\$150	0%	\$254	69%	\$255	-41%
8.7(3)	Stopping or standing temporarily during hours of darkness without using position lamp(s) or dipped-beam headlamp(s)	2004	\$150	\$150	0%	\$254	69%	\$255	-41%
S336(7) (Local Govt Act 1974)	Park vehicle in a pedestrian mall	N/A[3]	N/A[3]	\$200				\$0	
Schedule 1B Part 1	Overstaying not more than 30 minutes	2004	\$12	\$40	233%	\$20	67%	\$20	100%
Schedule 1B Part 1	Overstaying more than 30 minutes but not more than 1 hour	2004	\$15	\$60	300%	\$25	67%	\$25	140%

Schedule 1B Part 1	Overstaying more than 1 hour but not more than 2 hours	2004	\$21	\$80	281%	\$36	71%	\$35	129%
Schedule 1B Part 1	Overstaying more than 2 hours but not more than 4 hours	2004	\$30	\$120	300%	\$51	70%	\$50	140%
Schedule 1B Part 1	Overstaying more than 4 hours but not more than 6 hours	2004	\$42	\$160	281%	\$71	69%	\$70	129%
Schedule 1B Part 1	Overstaying more than 6 hours	2004	\$57	\$200	251%	\$97	70%	\$95	111%

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 MINISTRY OF TRANSPORT TE MANATŪ WAKAŪ

Regulatory Impact Statement: Penalty adjustments and other regulatory amendments for parking, towage and storage

s 9(2)(f)(iv)

Coversheet

Purpose of Document	
Decision sought:	Analysis to support Cabinet policy decisions, including informing Cabinet decisions on the release of a discussion document for public consultation.
Advising agencies:	Ministry of Transport
Proposing Ministers:	Minister of Transport, Hon Simeon Brown
Date finalised:	11 June 2024
Problem Definition	
<p>The fees in the Land Transport (Offences and Penalties) Regulations 1999 and the Transport (Storage and Towage Fees for Impounded Vehicles) Regulations 1999 have not kept up with inflation, with some not being updated since enactment. Without adjusting for inflation, their real value and effectiveness as a deterrent will continue to decline over time. Amendments are required to restore penalty levels to an effective level.</p>	
Executive Summary	
<p>There are three issues requiring Government intervention:</p> <p><u>Issue 1: Parking s 9(2)(f)(iv) penalties are out of date</u></p> <p>With few exceptions, parking s 9(2)(f)(iv) penalties have not been updated since 2004. Over this time, inflation has eroded the value of financial penalties and their deterrent effect.</p> <p>Without effective parking enforcement and management tools, Road Controlling Authorities (RCAs) are restricted in their ability to provide public parking efficiently.</p> <p>The current fee and fine levels for s 9(2)(f)(iv) some parking offences do not reflect the disproportionate harm they cause. Amendments to penalty levels are needed to improve the deterrence and proportionality of penalties.</p> <p><u>Issue 2: Towage and storage fees are out of date</u></p> <p>Regulated towage fees were last updated in 2004, and storage and regulated fees per kilometre have not been updated since 1999. Inflation erosion has had two effects:</p> <ul style="list-style-type: none"> • RCAs are unable to recover the full cost of council-ordered tows through vehicle reclamation fees. This means that some councils are subsidising towage costs through rates. 	

- Towage and impoundment service providers are unable to recover the full cost of Police-ordered tows/impounds through vehicle reclamation fees.

Issue 3: Penalties will continue to erode without an adjustment mechanism

From the moment that penalty levels are set, inflation erodes their effects and benefits.

Preferred options

The preferred options are to update parking ^{s 9(2)(f)(iv)} penalty levels to align with the level of harm associated with the offence, and update towage- and storage-regulated fees to account for inflation since they were set. ^{s 9(2)(f)(iv)}

What are the expected impacts of the preferred options?

RCA's will likely benefit: People will be less inclined to overstay parking and more likely to be towed if they do. This will enable efficient supply of parking.

Police will likely benefit: Towage companies will be more likely to act on Police-ordered impoundments, as it becomes more financially viable to do so, improving safety outcomes.

Towage companies will likely benefit: Towage companies are more likely to receive RCA-ordered tows and will be paid a higher fee for Police-ordered towage and storage.

The public will likely benefit: Improved enforcement and deterrence will increase the availability of parking ^{s 9(2)(f)(iv)}.

^{s 9(2)(f)(iv)}

Limitations and Constraints on Analysis

Ministerial direction on this project has been to review regulated towage and storage levels, all parking penalties and the ^{s 9(2)(f)(iv)}

Consultation

Due to time constraints, only limited targeted consultation will be possible for parking and towage and storage.

Parking – this topic has high public interest, which means consultation is unlikely to enhance the problem definition. The analysis is instead informed by previous consultation. Targeted consultation will be undertaken with affected stakeholders prior to final decisions on fee levels.

Towage and storage fees – this analysis discusses towage and storage fees that were calculated using a 2012 model. Since 2012, business costs for operators will likely have changed. Targeted consultation should help identify whether this is the case.

^{s 9(2)(f)(iv)}

Limitations and assumptions of analysis

- Limited data about number of parking offences committed: Data used to understand the scale of offending is based on data sourced from RCAs about the number of offences they observe and ticket. These data are incomplete.

- Limited data about effects of parking offences: Our ability to understand the scale of effects that parking offences have (eg on safety, accessibility, economic efficiency) is limited to evidence gathered through early engagement with key stakeholder groups.
- Limited options considered for raising towage and storage fees: This analysis focusses on adjusting the quantum of regulated towage and storage fees. It does not consider the rationale and method used in 1999 and 2004 to set the fees or the wider challenges of the towage and storage system.
- Assumption that higher penalty levels result in increased deterrence: Increasing financial penalties should increase deterrence for behaviours that society finds unacceptable.

Responsible Manager(s) (completed by relevant manager)

Paul O’Connell
 Deputy Chief Executive Sector Strategy
 Ministry of Transport



11 June 2024

Quality Assurance (completed by QA panel)

Reviewing Agency:	Ministry of Transport
Panel Assessment & Comment:	<p>This RIS was reviewed by a panel of representatives from the Ministry. It has received a ‘partially meets’ rating against the quality assurance criteria for the purpose of informing Cabinet decisions.</p> <p>The RIS is not able achieve a full ‘meets’ rating because proposals have not been subject to public consultation. This is partly mitigated by evidence gathered in previous consultation processes and planned targeted consultation.</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?

Overview of current state

- 2 Transport is a critical part of daily life for all New Zealanders. We use transport for access to services, freight, travel to work, education, health and visiting family and friends. If people act recklessly or with disregard for others this can result in harm to safety, and harm to the system as a whole.
- 3 Penalties are one of the main tools the government has to contribute to the safe and efficient operation of the transport system. Penalty systems are designed to deter unwanted behaviour, and make people think twice before committing an offence.
- 4 There is debate over where, when, and what level of penalty is needed to effectively deter behaviours. However, where penalties are used, they should be proportionate to the nature and potential consequences of an offence and applied logically. A penalty that is too harsh or applied arbitrarily can undermine confidence in the system and have unintended negative consequences.¹
- 5 Infringement fees and fines are two key punishments used to influence drivers' behaviour.
- 6 **Infringement fees** – When an individual is issued an infringement notice (such as a speeding ticket), the associated monetary penalty recorded is called an infringement fee. These are used to address minor breaches of the law, in cases where it is more efficient and effective to impose an immediate punishment. Consequently, infringement fees are at the lower end of the financial penalty scale.
- 7 **Fines** – These are financial penalties imposed by a court. There are three situations under which fines may be imposed, the second and third of which result in a criminal record:
 - where an infringement offence is challenged in court.
 - non-infringement offences where a fine is the only penalty available.
 - non-infringement offences where a fine is imposed instead of, or together with, another penalty (eg imprisonment).

What is the policy problem or opportunity?

- 8 There are three policy issues being considered.

Issue 1: Parking s 9(2)(f)(iv) penalties are out of date

- 9 The fees in the Land Transport (Offences and Penalties) Regulations 1999, which cover parking s 9(2)(f)(iv) have not kept up with inflation, with some not being updated since enactment. Since 2004, when many fees and penalties were set, cumulative inflation has been 68 percent. Without adjusting for inflation, the financial impact of penalties has declined over time. s 9(2)(f)(iv)

¹ John Braithwaite, *Regulatory Theory: Foundations and Applications*, pp117-132, Australian National University, 2017, at <https://johnbraithwaite.com/wp-content/uploads/2017/06/ch07-of-Regulatory-Theory.pdf> [accessed 1/5/24]

- 10 The Ministry of Transport has developed an Effective Financial Penalties Framework (the Framework) which it uses to ensure financial penalties are proportionate, applied logically and non-arbitrarily, and are consistent across transport modes.³
- 11 Recent analysis of the penalties using the Framework has identified that some penalties do not reflect the harm presented by the offence. For example, parking in a special vehicle lane (eg, bus or bike) currently has the same penalty as parking a trailer on a roadway for more than five days. Parking in a special lane does more harm eg, it could lead to cyclists hitting a carelessly opened door or having to enter regular traffic lanes to avoid a car.

- 14 The Ministry has assessed these offences against the Framework, and the penalties do not reflect the harm, even with an inflation adjustment. Table 12 in Annex 1 compares these penalties against CPI and harm-based adjustments.

Issue 2: Towage and storage regulated fees are out of date

- 15 Fees for towage and storage have a similar problem, with the amounts set in regulations declining over time. Towage operators, industry representatives (eg Motor Trade Association), councils and Police have argued that the regulated fees have not been meeting the costs of towing and storing impounded vehicles and illegally parked vehicles for years. Table 11 in Annex 1 compares the current fees with proposed adjustments.
- 16 Towage fees were last updated in 2004, and storage rates and the per kilometre rate for tows over 10 kilometres have not been updated since 1999. These levels would have been based on costs at that time. Over time, the costs of operating will have increased.
- 17 The regulated fees limit the amount an RCA can charge a vehicle's owner. Currently, RCAs supplement the difference between regulated fees and the actual costs of towage and storage fees from other sources including rates.

² Calculated using Reserve Bank of New Zealand inflation calculator, <https://www.rbnz.govt.nz/monetary-policy/about-monetary-policy/inflation-calculator>

³ [Effective transport financial penalties | Ministry of Transport](#)

Issue 3: Penalties will continue to erode without a regular adjustment mechanism

- 18 Amending the regulations provides an opportunity to embed periodic inflation adjustments. This would futureproof the new fee levels discussed in this analysis and simplify the process for ongoing updates. Without an inflation adjustment, any benefits realised by an amendment of the penalties would gradually erode.

What objectives are sought in relation to the policy problem?

- 19 The primary goal of the amendment is to improve the regulations and ensure they achieve their purposes.

Counterfactual

- 20 Without intervention, parking s 9(2)(f)(iv) penalties and towage and storage fees will continue to decline with inflation. Assuming an average 2.1 percent inflation rate⁵ over the next 10 years, the value of current penalties and fees cumulatively would diminish a further 24.3 percent, diminishing the effectiveness of fines, and towage for Police will become even less economically viable. This will have flow on effects, including:

- undermining the credibility of the laws and those who enforce them,
- the effective cap on what councils can charge for parking will become a bigger issue,
- the artificially low cost of parking will be an increasingly large hidden subsidy to motorists,

s 9(2)(f)(iv)

- Police will face increasing challenges finding tow operators to impound cars.

Section 2: Deciding upon an option to address the policy problem

What criteria will be used to compare options to the status quo?

- 21 We will use the following criteria to assess the options:

Table 1: Assessment criteria

Criterion	What this means
Effectiveness	s 9(2)(f)(iv)
Proportionality	Does the option reflect a proportionate response to the offence?
Consistency	How well does the option align with intent of existing regulatory regime?
Ease of implementation	How easy (procedurally simple) is the option for enforcement agencies to implement? How easy is the option for the public to understand and follow?

⁵ Average New Zealand inflation rate between 2012 and 2022. <https://www.focus-economics.com/countries/new-zealand/> [accessed 11 June 2024].

What scope will options be considered within?

Scope of the Review

22 The options were defined by the Minister at the outset of this review.

Parking fees

23 We are reviewing 33 parking offences. For the most part, the offences are being adjusted for inflation. However, some fees which were added or amended after 2004 have been adjusted to keep them consistent with other offences (these relate to electric vehicles and parking in a disabled spot).

s 9(2)(f)(iv)

Towage and storage fees

26 We are reviewing the regulated fees for RCA tows, Police impoundments, and fees for storage of towed or impounded vehicles. The fees are proposed to be increased to a level sufficient for operators to cover the costs of providing services for traffic enforcement. Costs can include labour, leasing facilities, equipment, and fuel.

s 9(2)(f)(iv)

What options are being considered?

28 Additional to the status quo, we have considered two different approaches for adjusting parking ^{s 9(2)(f)(iv)} (Options 1A and 1B), one option for adjusting towage and storage fees (Option 2) ^{s 9(2)(f)(iv)}. The analysis is set out below.

Status quo (all issues)

29 The status quo would involve no change to the current fee levels as set out in the Regulations. Without intervention, parking ^{s 9(2)(f)(iv)} and towage and storage fees will continue to decline with inflation. Assuming an average 2.1 percent inflation rate⁶ over the next 10 years, the value of current penalties and fees cumulatively would diminish a further 24.3 percent, diminishing the effectiveness of fines, and towage for Police will become even less economically viable.

⁶ Average New Zealand inflation rate between 2012 and 2022.

- 30 For parking overstay fees, no change means the artificial cap on council parking costs remains the same. This reduces councils' ability to cover increasing administrative and land use costs and would become an effective hidden subsidy to motorists.

Table 2: Summary for status quo

Criterion	Score
Effectiveness	0
Proportionality	0
Consistency	0
Ease of implementation	0

Key for qualitative judgements:

- ++ much better than doing nothing/the status quo/counterfactual
- + better than doing nothing/the status quo/counterfactual
- 0 about the same as doing nothing/the status quo/counterfactual
- worse than doing nothing/the status quo/counterfactual
- much worse than doing nothing/the status quo/counterfactual

Options 1A and 1B: Adjusting parking ^{s 9(2)(f)(iv)} fees

- 31 Both the options below (1A and 1B) increase fees using different approaches. Generally an increase in fees leads to ^{s 9(2)(f)(iv)} greater revenue from council carparks.

Option 1A: Parking ^{s 9(2)(f)(iv)} fees (harm-based adjustment)

- 32 We would use the Effective Financial Penalties Framework to amend the penalties according to the potential harm. The Framework establishes penalty limits by scoring offences against the level of harm incurred by the offence in three areas: environmental and property harm, safety harm, and system harm.
- 33 Each offence is considered against all three criteria and given a score based on the grade for each area. The score is then applied to the table to determine an initial penalty level. The results are then moderated to ensure they are consistent with like penalties. These penalty levels are in Table 10 (parking ^{s 9(2)(f)(iv)})

Table 3: Option 1A – summary for harm-based adjustment

Criterion	Status quo	Harm-based increase
Effectiveness	0	++
Proportionality	0	++
Consistency	0	+
Ease of implementation	0	-

Option 1B: Parking ^{s 9(2)(f)(iv)} fees 1B (inflation adjustment)

- 34 We would adjust fees in line with increases in inflation since they were last updated using the Reserve Bank's general CPI inflation calculator. This is a 76.2 percent increase. An inflation adjustment restores the effect of the original policy decisions and thus prevents the continued decline in the value of the fees.

- 35 This amendment restores penalties to the original policy decisions' levels, but it does not evaluate the level of harm and assumes the levels were set correctly originally. In the past, decisions about penalty levels for individual offences were made for a particular transport mode. This occurred without considering wider comparable offences and penalties within the transport mode's legislation being considered, across transport legislation, or in other comparable legislation.

Table 4: Option 1B – summary for inflation adjustment

Criterion	Status quo	Inflation adjustment
Effectiveness	0	+
Proportionality	0	+
Consistency	0	+
Ease of implementation	0	0

Option 2 – Adjusting fees for towage and storage

- 36 Unlike penalties, the aim of parking and towage fees is to cover costs, so it will be financially worthwhile for operators to tow and store vehicles. A CPI adjustment may not achieve this if the operating costs (including labour, capital costs and fuel) are not commensurate with the CPI. A composite index may better reflect the actual operating costs for towage and storage providers.
- 37 When modelled in the past the differences between the CPI and composite index were small (a 68 percent rise compared to a 70 percent rise in December 2023). Regardless, the Ministry recommends an adjustment of towage and storage fees using a composite index, as it will be more resilient over time if components of towage and storage fees become unaligned from CPI in future.
- 38 This adjustment would also improve fairness for RCAs and ratepayers, as they would no longer have to cover the cost gap between the regulated fee and the operators' charge. These costs would be fully remitted to the driver/owner as intended.
- 39 Updating fees for inflation will have a positive effect on operators. Feedback from an industry representative revealed that the biggest concern for Police impoundments from some of their members is inadequate compensation. Increased fees should mean an increased willingness of operators to tow and store vehicles. This should provide Police with greater confidence that they can seize vehicles to ensure compliance and safety.

Table 5: Option 2 – summary for towage and storage

Criterion	Status quo	Inflation adjustment
Effectiveness	0	+
Proportionality	0	+
Consistency	0	+
Ease of implementation	0	0

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

43 We have identified a mixture of options as best achieving the policy objectives:

- For parking s 9(2)(f)(iv) Option 1A: adjusting for harm.
- For towage and storage, Option 2: adjusting for inflation.
- s 9(2)(f)(iv)

44 This approach improves effectiveness by raising parking s 9(2)(f)(iv) so they are a more effective deterrent, and ensuring accessing the towage and storage system is financially viable in the long term for Police and RCAs.

45 It is proportionate because fees are re-evaluated to be proportionate to the harm caused. s 9(2)(f)(iv)

46 For parking specifically, amendments to penalties will give councils and their constituents parking prices that better reflect the land use and administrative costs.

47 This approach will improve consistency by correcting fees based on harm and in the case of towage and storage for past inflation. s 9(2)(f)(iv)

- 49 Adjusting fees through a harm-based increase is more complex and less clear than an inflation-based increase. Stakeholders will need to understand how the Framework works before they can understand why fees are going up, down or staying the same depending on harm.
- 50 Police, councils, and authorities will need to update their notices, websites, and systems to reflect the new prices. s 9(2)(f)(iv)

What are the marginal costs and benefits of the option?

- 51 The ministry currently has some information and modelling on the specific monetary effects on stakeholders. We have used information from previous targeted consultation on market rates to inform towage and storage. We intend to use information from further targeted consultation, especially from towage and storage operators and RCAs to improve this information.

Table 7: Costs and benefits

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Members of the public	Increase to parking penalties, s 9(2)(f)(iv) and towage and storage fees paid, subject to compliance.	The average increase to parking infringements is \$52, ranging from \$30 – \$105 per offence.	High
		s 9(2)(f)(iv)	
		For towing there will be an average increase of \$81, but ranges from \$37 - \$93 (for light vehicles) and \$93 - \$142 (heavy vehicles), depending on the time of day, and whether it	Medium. This assumes RCAs will enforce at the same level as they are currently.

Affected groups	Comment	Impact	Evidence Certainty
		is a weekend or public holiday.	
Towage and storage operators	In 2019, we estimated that between 30,000 – 45,000 vehicles are towed by councils each year and a further 20,000 – 30,000 are impounded by Police. ⁷	For Police-ordered six-month impoundments high vehicle abandonment levels are expected, which may increase disposal costs for operators and vehicle replacement costs for offenders. We do not have abandonment rates for 28-day impoundments.	Low certainty of the number of people who are required to pay the towage and storage fee given the new six-month impoundment regime. However, even under current fee levels a 90% abandonment rate is estimated. Low certainty for 28-day impoundments.
Towage and storage operators	Likely to accept more Police-ordered impoundments, more revenue, but potentially increased number of vehicles abandoned.	Unknown	Low – the new impoundment regime has only just come into force.
Additional benefits of the preferred option compared to taking no action			
Society	Increased availability of parking. s 9(2)(f)(iv)	Low – positive impacts for society, as discussed in above section, as compliance improves.	Low – this is dependent on enforcement approaches in different parts of the country.
RCAs	RCA-ordered tows would have greater cost recovery from owners of vehicles subject to RCA-ordered tows, reducing cross-subsidisation by ratepayers.	For example, in Auckland, cross-subsidisation through under-recovery of fees is around \$3 million per year.	Low as there is limited information on how an increase in fees would benefit RCA councils. It is unknown how many vehicles would be abandoned and how this would affect operator charges to cover this risk
	RCAs may have increased revenue, depending on compliance levels	Tens of millions of dollars (net per annum, NZ-wide) ⁸ .	High likelihood of benefits of revenue raised being realised depending on different enforcement approaches across the country.
Crown	For parking, 10% of the money generated by	Millions of dollars (net per annum, NZ-wide).	Medium

⁷ These are Ministry of Transport estimates. The number of impounded vehicles are extrapolated from information provided by Police. The figures relating to Council tows are a rough order of magnitude and extrapolated from information supplied by Auckland Transport.

⁸ The Ministry surveyed RCAs in 2022 on parking offences and penalties compliance between 2014 and 2022. From the survey results for Wellington City Council alone, the preferred option would lead to \$4.39 million additional revenue (less the Crown's 10% share), if average annual ticketing rates were maintained.

Affected groups	Comment	Impact	Evidence Certainty
	infringement fees goes to the Crown. s 9(2)(f)(iv)		
	For towage and storage, road safety outcomes are more likely to be realised, as more vehicles of dangerous drivers are likely to be impounded rather than left on the roadside.	Medium	Low
Towage and Storage operators	Impact depends on changes that result from the new six-month impoundment law and implementation of a towage and storage review.	Unknown, but operators have said the current rates do not cover costs. Increases to rates will improve this.	Medium
Police	Impact depends on changes that result from the new six-month impoundment law and the implementation of a towage and storage review.	Increased credibility in the enforcement power of Police by increasing their confidence that they can seize vehicles and have them removed.	Medium

Section 3: Delivering an option

How will the new arrangements be implemented?

- 52 Through targeted consultation, we will seek feedback from enforcement entities about the amount of time they would require to implement the parking changes, especially at the local level. RCAs would also need to update any information they have available on their website or other public facing documents or guidance which set out details about parking penalty levels. Enforcement of new penalty levels would continue to be undertaken by RCAs.
- 53 Changes to penalty levels would be made through amendments via Orders in Council and Gazette notices that would insert the proposed options into the:
- Penalty fees in the Land Transport (Offences and Penalties) Regulations 1999
 - Council towage fees in the Transport (Towage Fees) Notice 2004
 - Police towage fees in the Land Transport (Storage and Towage of Impounded Vehicles) Regulations 1999.

54 s 9(2)(f)(iv)

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

- 55 We propose a regulatory stewardship review of the changes in five years' time. Assessing the compliance effect of the changes may be difficult, as it depends on enforcement approaches remaining constant before and after implementation.

Consultation

- 56 Our problem definition has largely been shaped by conversations and feedback provided by local government RCAs (as they are the regulator) when we consulted them on these issues in 2022. We have also heard views from various advocacy groups (eg for cycling and walking, and for disabled people). Members of the public have also reached out to the Minister and Ministry of Transport.
- 57 While we have not formally consulted the public on specific proposals, we have gathered perspectives through various channels (ie early engagements, analysis of publicly available reporting and comments on social media). Our summary of these views is provided in the table below.

Table 8: Stakeholder perspectives: Parking

Stakeholder group	Perspective	Expected impacts on group
Local Government RCAs	Support increases to parking penalties. RCAs we have consulted during policy development consider that current penalty levels are too low to effectively deter parking behaviour and that they should be updated to allow them to improve compliance and manage parking demand through pricing.	Should parking penalty levels be updated, there is a likelihood that RCAs could generate higher levels of revenue from parking enforcement. If higher penalty levels are more effective at deterring people from committing offences, this increase in revenue would be expected to diminish over time, as fewer people commit parking offences.
The general public	We expect some members of the public will see higher parking charges as a revenue gathering tool for councils.	With increased deterrence, we expect fewer offences to occur, resulting in improved safety outcomes for other road users.
The retail sector	Parking regulation can create a negative experience for shoppers who receive parking tickets for overstaying parking. However, there is also potential for support if it meant freeing up more parking spaces and allowing access to parking nearer stores.	Managing high demand in CBD areas could make it easier for retail customers to access parking when they need it. This access would come at a higher premium.
Mobility parking users	The government accepted the recommendation from a recent petition to Parliament from a mobility parking enforcement advocate, Claire Dale, consider raising the infringement fee for parking in a mobility park without a permit from its current level.	Changes to parking penalty levels for offences that have disproportionate effects on disabled people, the elderly, and other mobility parking users are expected to result in increased deterrence and therefore better accessibility and safety outcomes for these groups. This is particularly true for harm-based penalties.
Cyclists and Pedestrians	Frequent cyclists and pedestrians would likely support changes to safety and accessibility offences including parking on footpaths,	Changes to parking penalty levels for offences that have disproportionate effects on cyclists and pedestrians are expected to result in increased deterrence and

cycle paths, and within six metres of an intersection (which can obscure sight of oncoming traffic).

therefore better accessibility and safety outcomes for cyclists and pedestrians.

58 Consultation on the parking, towage and storage proposals has not been possible due to time constraints, although targeted consultation will take place with a range of RCAs and towage providers to ensure the proposals are able to be implemented, and (for towage) to ensure the levels reflect costs.

59 The following table sets out our understanding of the perspectives of key stakeholder groups.

Table 9: Stakeholder perspectives: towage and storage

Stakeholder group	Perspective	Expected impacts on group
Local Government RCAs	Many provincial councils have indicated they no longer use towage as an enforcement tool because it is not financially viable without subsidisation by ratepayers.	Increasing the towage rates could be beneficial for councils. This would reduce or eliminate the additional costs paid by councils, helping to keep rates lower.
The general public	The commercially unrealistic rates can discourage towage operators from prioritising Police impoundments. An example is a May 2019 fatal crash in Nelson, where Police sought to impound a vehicle, but no towage operator was available. The driver of the vehicle subsequently retrieved their vehicle from the roadside and crashed it again two days later.	Members of the public being towed would be less likely to overstay parking.
Towage and storage sector	Towage operators are not willing to uplift impounded vehicles sometimes, because doing so could result in financial loss. In 2010 the Ministry undertook significant consultation with the towage and storage sector, which revealed widespread dissatisfaction with the level of fees.	Operators will be able to recover costs of their Police-ordered impoundment activities.
Police	Towage and storage operators are not willing to uplift impounded vehicles in some instances because of the financial loss they can incur. This has led to Police difficulty making impoundments work as intended	More towage and storage providers will carry out police-ordered impoundments. However, it is likely that a fee increase may lead to an increased number of vehicles being abandoned.

60 We have extensive evidence of inflation erosion provided to us by RCAs over the decades since the original parking fees were implemented. We also have the results of consultation with towage and storage operators during 2010, and during the policy development of the Land Transport (Road Safety) Amendment Act 2023. This gives us a high degree of confidence in the problem definitions, and a moderate degree of confidence in the effects of the proposals.

s 9(2)(f)(iv)

Annex 1: proposed changes to financial penalties

Parking infringement fees

Table 10: Parking offences proposed fee increases

Rule Number (Road User Rule unless otherwise specified)	Offence	Current infringement fee	Inflation increase: CPI [forecast to Q2 2025 rounded to nearest \$5]	CPI increase (%)	Proposed harm- based increase	Harm- based increase (%)
6.10	Park vehicle near fire hydrant	\$40	\$70	70%	\$150	275%
6.12	Fail to park vehicle parallel to road	\$40	\$70	70%	\$50	25%
6.13	Fail to park vehicle at angle when required	\$40	\$70	70%	\$50	25%
6.14	Park vehicle on footpath or cycle path	\$40	\$70	70%	\$200	400%
6.16	Park on loading zone	\$40	\$70	70%	\$150	275%
6.2	Park vehicle on roadway when practicable to park on road margin	\$40	\$70	70%	\$150	275%
6.7	Park vehicle on traffic island or flush median	\$40	\$70	70%	\$200	400%
6.3(1)	Park vehicle on bend	\$40	\$70	70%	\$150	275%
6.4(1)	Park contrary to a traffic sign (general)	\$40	\$70	70%	\$150	275%
6.8(1)	Park vehicle within 6 metres of bus stop sign	\$40	\$70	70%	\$50	25%
6.9(1)	Vehicle obstructs entrance or exit of driveway	\$40	\$70	70%	\$100	150%
6.4(1B)	Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles, or park an EV while not charging (2019)	\$60	\$75	27%	\$150	150%
6.1	Park vehicle without due care and consideration	\$60	\$100	70%	\$100	67%
6.11	Park vehicle alongside another stopped vehicle (double parking)	\$60	\$100	70%	\$100	67%
6.15	Park vehicle of unauthorised class on reserved area	\$60	\$100	70%	\$150	150%

Rule Number (Road User Rule unless otherwise specified)	Offence	Current infringement fee	Inflation increase: CPI [forecast to Q2 2025 rounded to nearest \$5]	CPI increase (%)	Proposed harm-based increase	Harm-based increase (%)
6.19	Park trailer on roadway for more than 5 days	\$60	\$100	70%	\$100	67%
6.6	Park vehicle in special vehicle lane (bus lane or cycle lane)	\$60	\$100	70%	\$200	233%
6.18(1)	Parking goods vehicle at angle during hours of darkness	\$60	\$100	70%	\$150	150%
6.3(2)	Unauthorised parking on or within 6 metres of intersection	\$60	\$100	70%	\$150	150%
6.4(4)	Park on broken yellow lines	\$60	\$100	70%	\$150	150%
6.5(1)	Park vehicle on pedestrian crossing	\$60	\$100	70%	\$200	233%
6.5(2)(a)	Park vehicle within 6 metres of driver's approach to pedestrian crossing	\$60	\$100	70%	\$150	150%
6.5(2)(b)	Park vehicle in signed/marked area on driver's approach to pedestrian crossing	\$60	\$100	70%	\$150	150%
6.4(1A)	Park in an area reserved for disabled persons (2008)	\$150	\$230	52%	\$350	133%
2.12(2)	Stop or park on motorway	\$150	\$255	69%	\$300	100%
6.17(a)	Stop on level crossing	\$150	\$255	69%	\$300	100%
6.17(b)	Stop near level crossing so as to obscure view	\$150	\$255	69%	\$150	0%
8.3(2)(c)	Fail to dip headlamps when vehicle parked	\$150	\$255	69%	\$150	0%
8.7(1)	Park unlit vehicle during hours of darkness	\$150	\$255	69%	\$150	0%
8.7(2)	Park heavy vehicle (or vehicle fitted with flat-deck for goods carriage) at angle during hours of darkness without rearward facing position lamp	\$150	\$255	69%	\$150	0%
8.7(3)	Stopping or standing temporarily during hours of darkness without using position lamp(s) or dipped-beam headlamp(s)	\$150	\$255	69%	\$150	0%
	Overstaying not more than 30 minutes	\$12	\$20	67%	\$20	67%

Rule Number (Road User Rule unless otherwise specified)	Offence	Current infringement fee	Inflation increase: CPI [forecast to Q2 2025 rounded to nearest \$5]	CPI increase (%)	Proposed harm-based increase	Harm-based increase (%)
	Overstaying more than 30 minutes but not more than 1 hour	\$15	\$25	67%	\$40	233%
	Overstaying more than 1 hour but not more than 2 hours	\$21	\$35	71%	\$60	300%
	Overstaying more than 2 hours but not more than 4 hours	\$30	\$50	70%	\$80	281%
	Overstaying more than 4 hours but not more than 6 hours	\$42	\$70	69%	\$120	300%
	Overstaying more than 6 hours	\$57	\$95	70%	\$160	281%

Towage and storage fees

Table 11: Towage and storage fees

	Service	Fee last updated	Current infringement fee	Inflation increase: Composite	Increase
Towage fees	3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$53.67	\$90.23	68%
	3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	2004	\$71.56	\$120.30	68%
	More than 3500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$132.89	\$223.40	68%
	More than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	2004	\$204.44	\$343.69	68%

	Service	Fee last updated	Current infringement fee	Inflation increase: Composite	Increase
	Fee for additional kilometres towed in excess of 10 kilometres (per km or part of a km)	2004	\$3.07	\$6.09	98%
Storage fees	Gross vehicle weight is 3500kgs or less (per day)	1999	\$12.27	\$24.32	98%
	Gross vehicle weight is more than 3500kgs (per day)	1999	\$28.62	\$56.73	98%

s 9(2)(f)(iv)

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(EXP) Cabinet Expenditure and Regulatory Review Committee Background Information and Talking Points

Date and time: *Tuesday 18 June, midday*

Paper Title: *Land Transport Regulation Amendments: Updating Fees and Penalties*

Portfolio: *Transport*

- *Use of the roading system is a public right, but it comes with responsibilities to comply with rules and regulations. Compliance is driven by the levels of penalties and their enforcement.*
- *Most land transport fees and penalties have not been updated since they first came into force, in some cases that is over 20 years. For example, overstaying for less than 30 minutes incurred a \$10 fee in 1987 and is currently \$12.*
- *s 9(2)(f)(iv)*
In this paper I am proposing to increase a number of priority fees and penalties, (set out in Appendix 1 of the Cabinet paper)
- *This paper asks Cabinet to agree to:*
 - a. increase towage and storage fees for inflation*
 - b. increase parking infringement fees, using the Consumers Price Index or an estimate of the 'harm' caused by offences*

s 9(2)(f)(iv)

I am proposing different methods for adjusting fees and penalties

- *I am proposing to increase Towage and Storage fees using a composite price index that better reflects the actual cost increases faced by towage firms, rather than the general inflation.*
- *For parking infringement fees s 9(2)(f)(iv) I am seeking Cabinet's preference for using one of two methods:*
 - *Method 1: The Consumers Price Index (CPI). This is a well known method for calculating the price of goods and services for households. Unlike towage and storage fees, the value of parking infringement fees can be maintained using a broad measure of inflation.*
 - *Method 2: Harm based increases. This approach attempts to set financial penalties at levels that align with other modern legislation (like the Health and Safety at Work Act 2015). It is a relative measure, rather than an absolute measure of harm caused by offences. The method also considers factors like international comparisons and the results of domestic public opinion surveys. The fee levels set using these calculations tend to be higher than those calculated through CPI.*
- *Using the CPI will result in a uniform increase across the fees in scope. Using the harm-based approach may change the proportion of fees to each other.*

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CITY PLANNING

Annex One: Talking points by proposal

Proposal	You may wish to say...
Proposal 1 – update regulated towage and storage fees for inflation	<ul style="list-style-type: none"> • <i>The system relies on third parties to support enforcement. Towage and storage operators.</i> • <i>The fees they collect for these services do not currently cover their costs.</i> • <i>To ensure they can continue supporting Police and local Councils, it's critical that we increase the fee levels in the regulations.</i> <p>Stakeholder views:</p> <ul style="list-style-type: none"> • <i>Police raised that there is a shortage of towing operators to retrieve impounded vehicles. Reduced service levels or incomplete coverage could increase road safety risks.</i>
Proposal 2 – update parking infringement fees	<ul style="list-style-type: none"> • <i>Parking infringement fees help local councils manage parking supply and demand, and the flow of traffic.</i> • <i>When the fees are too low, they can encourage poor parking behaviour.</i> <p>Stakeholder views:</p> <ul style="list-style-type: none"> • <i>RCA's have told officials that the low infringement fee levels reduce their ability to manage parking supply and demand, and enforce the law.</i>
<p>s 9(2)(f)(iv)</p>	
Proposal 4 – minor technical clarifications for land transport regulations	<ul style="list-style-type: none"> • <i>The minor technical clarifications consist mostly of updating words in the regulations to reflect recent changes in related legislation.</i>
<p>s 9(2)(f)(iv)</p>	



Cabinet Expenditure and Regulatory Review 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.

Land Transport Regulation Amendments: Updating Fees and Penalties

Portfolio Transport

On 18 June 2024, the Cabinet Expenditure and Regulatory Review Committee:

- 1 **agreed** to amend land transport regulations and the towage fees notice to update regulated towage and storage fees for inflation;
- 2 **agreed** to amend land transport regulations to update parking infringement fees;
- 3 **agreed** to update parking infringement fees using inflation-based adjustments (CPI);
- 4 **agreed** to update the infringement fee for parking in an area reserved for disabled persons, with the method of adjustment to be confirmed after consultation between the Minister of Transport (the Minister) and the Minister for Disability Issues;
- 5 **authorised** the Minister to make minor policy decisions on amendments in paragraphs 1 and 2 above, following targeted consultation;
- 6 **authorised** the Minister to instruct the Parliamentary Counsel Office (PCO) to draft the amendments in paragraphs 1 and 2;
- 7 s 9(2)(f)(iv)
- 8
- 9 **agreed** to include minor technical clarifications in the drafting instructions for the amendments in paragraph 1 and 2;

10

s 9(2)(f)(iv)



11

Sam Moffett
Committee Secretary

Present:

- Rt Hon Winston Peters
- Hon David Seymour
- Hon Nicola Willis
- Hon Simeon Brown
- Hon Louise Upston
- Hon Simon Watts
- Hon Shane Jones
- Hon Chris Penk
- Hon Melissa Lee
- Hon Andrew Bayly
- Hon Mark Patterson

Officials present from:

Officials Committee for EXP

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Cabinet

Minute of Decision

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Report of the Cabinet Expenditure and Regulatory Review Committee: Period Ended 21 June 2024

On 24 June 2024, Cabinet made the following decisions on the work of the Cabinet Expenditure and Regulatory Review Committee for the period ended 21 June 2024:

Out of Scope



EXP-24-MIN-0027

Land Transport Regulation Amendments: Updating Fees and Penalties
Portfolio: Transport

CONFIRMED

Out of Scope



Rachel Hayward
Secretary of the Cabinet



20 June 2024

OC240687

Hon Simeon Brown
Minister of Transport

Action required by:
Monday, 24 June 2024

LAND TRANSPORT FEES AMENDMENT: TARGETED CONSULTATION ON IMPLEMENTATION OF NEW FEE LEVELS

Purpose

To confirm our targeted consultation approach on parking, towage and storage fees, and approve documents to be sent to consultees.

Key points

- On Monday, Cabinet is considering recommendations from the Cabinet Expenditure and Regulatory Review Committee (EXP) to increase parking infringement fees and towage and storage cost recovery fees.
- This briefing seeks your confirmation of:
 - who the Ministry will consult on these changes, after Cabinet approval (ie from 25 June to 1 July)
 - the documents that the Ministry will provide to those consultees.
- The purpose of this targeted consultation is to
 - allow affected and interested organisations to raise any potential implementation issues now, so you can make changes under delegation from Cabinet before the policy proceeds to Cabinet Legislation Committee; and
 - to provide advance notice which will assist affected organisations in implementation planning.
- We are not inviting feedback on the actual fees approved by Cabinet.
- We also have not yet included the proposed fee for the disability parking offence in the consultation document. We understand you are discussing an appropriate fee with the Minister for Disability Issues, Hon Louise Upston. The document is currently drafted to signal an increased fee will be coming, but that decisions on the fee have not yet been made. If that decision is made prior to 25 June, we will include it in the document. Alternatively, it could be removed altogether at your direction.

- The proposed consultees are road controlling authorities, the Parking Association, the Motor Trade Association and a sample of towage and storage providers. A full list of proposed consultees is attached at **Annex one** for your approval.
- Attached are two draft targeted consultation documents for your approval:
 - **Annex two:** Updating parking infringement and towage fees, Targeted consultation, June 2024
 - **Annex three:** Updating regulated towage and storage fees, Targeted consultation, June 2024.

Recommendations

We recommend you:

- | | | |
|---|--|----------|
| 1 | approve the proposed list of entities to consult in Annex one | Yes / No |
| 2 | approve the documents that will be sent for targeted consultation after Cabinet agreement. | Yes / No |



Paul O'Connell
Deputy Chief Executive, Sector Strategy
 20 / 06 / 2024

Hon Simeon Brown
Minister of Transport
 / /

- Minister's office to complete:**
- | | |
|--|---|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Seen by Minister | <input type="checkbox"/> Not seen by Minister |
| <input type="checkbox"/> Overtaken by events | |

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓
Rebecca Chapman, Adviser, Regulatory Stewardship and Design		

ANNEX ONE: PROPOSED TARGETED CONSULTEES

Entity	Agree to consult?
<p>Parking specialists including parking officers and regulatory advisors/service managers from all 78 territorial and regional councils, plus Auckland Transport. We are not consulting elected representatives at these authorities.</p> <ul style="list-style-type: none"> • Ashburton District Council • Auckland Council • Auckland Transport • Bay of Plenty Regional Council • Buller District Council • Carterton District Council • Central Hawke's Bay District Council • Central Otago District Council • Chatham Islands Council • Christchurch City Council • Clutha District Council • Dunedin City Council • Far North District Council • Gisborne District Council • Gore District Council • Greater Wellington Regional Council • Grey District Council • Hamilton City Council • Hastings District Council • Hauraki District Council • Hawke's Bay Regional Council • Horizons Regional Council • Horowhenua District Council • Hurunui District Council • Hutt City Council • Invercargill City Council • Kaikōura District Council • Kaipara District Council • Kapiti Coast District Council • Kawerau District Council • Mackenzie District Council • Manawatu District Council • Marlborough District Council • Masterton District Council • Matamata-Piako District Council 	<p>Yes / No</p>

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Entity	Agree to consult?
<ul style="list-style-type: none"> • Napier City Council • Nelson City Council • New Plymouth District Council • Northland Regional Council • Ōpōtiki District Council • Otago Regional Council • Ōtorohanga District Council • Palmerston North City Council • Porirua City Council • Queenstown Lakes District Council • Rangitikei District Council • Rotorua Lakes Council • Ruapehu District Council • Selwyn District Council • South Taranaki District Council • South Waikato District Council • South Wairarapa District Council • Southland District Council • Stratford District Council • Taranaki Regional Council • Tararua District Council • Tasman District Council • Taupō District Council • Tauranga City Council • Thames-Coromandel District Council • Timaru District Council • Upper Hutt City Council • Waikato District Council • Waikato Regional Council • Waimakariri District Council • Waimate District Council • Waipa District Council • Wairoa District Council • Waitaki District Council • Waitomo District Council • Wellington City Council • West Coast Regional Council • Western Bay of Plenty District Council • Westland District Council • Whakatāne District Council • Whanganui District Council • Whangarei District Council 	
<p>The Parking Association John Purcell, Chair</p>	<p>Yes / No</p>

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Entity	Agree to consult?
The Motor Trade Association Larry Fallowfield, Sector Manager – Dealers and Specialist Services	Yes / No
A representative sample of towage and storage operators (two from each Police district), including owners, managers, and directors from: s 9(2)(ba)(i)	Yes / No

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Updating parking infringement and towage fees

TARGETED CONSULTATION | JUNE 2024

The Government has agreed to increase parking and towage fees

Parking infringement fees have not been updated in at least two decades, with their value reducing over time. This is limiting their ability to act as an effective deterrent and creating inefficiencies in the transport system.

The regulated fees relating to council-ordered towage have also not been updated since 2004 and are no longer covering operators' costs.

The Government has agreed to an inflation-based increase to parking and towage fees, to come into effect from 1 October 2024.

We are sharing this with you now to help you prepare to implement the new fee levels and so you can raise any potential implementation issues with us.

Please use the table at the end of this document to answer our questions.

The Minister of Transport will consider your feedback before finalising the fee proposals after 1 July 2024.

Increases to parking and towage fees

The Government has agreed to an inflationary increase to parking fees using the Consumer Price Index (CPI).

The tables below set out the current and proposed parking infringement fees for overstaying and other parking offences. For the majority, set in 2004, this results in around a 70 percent increase.

Parking overstaying fees

Table 1 CPI increase to parking overstaying fees

Time overstayed	Current infringement fee	New maximum infringement fee (CPI increase)
Not more than 30 minutes	\$12	\$20
More than 30 minutes but not more than 1 hour	\$15	\$25
More than 1 hour but not more than 2 hours	\$21	\$36
More than 2 hours but not more than 4 hours	\$30	\$51
More than 4 hours but not more than 6 hours	\$42	\$71
More than 6 hours	\$57	\$97

Our intention is for the above proposed infringement fees to be the *maximum* amount a road controlling authority (RCA) can charge for overstaying offences.

What do you think?

- Will you be able to implement new overstaying fee levels for 1 October 2024? If not, how long would you need?
- Are there other implementation issues we should be aware of?

Other parking infringement fees

Some parking fees, such as misuse of an electric vehicle parking space, were added to legislation more recently. For continuity, we propose aligning such offences with others set at the same fee level in 2004.

Table 2 CPI increase to fees for other parking offences (except mobility parking)

Offence	Current infringement fee	New infringement fee (CPI increase)
Park vehicle near fire hydrant	\$40	\$70
Fail to park vehicle parallel to road	\$40	\$70
Fail to park vehicle at angle when required	\$40	\$70
Park on loading zone	\$40	\$70
Park vehicle on roadway when practicable to park on road margin	\$40	\$70
Park vehicle on bend	\$40	\$70
Park contrary to a traffic sign (general)	\$40	\$70
Park vehicle within 6 metres of bus stop sign	\$40	\$70
Vehicle obstructs entrance or exit of driveway	\$40	\$70
Park vehicle on bend	\$40	\$70
Park vehicle on footpath or cycle path	\$40	\$70
Park vehicle on traffic island or flush median	\$40	\$70
Park vehicle without due care and consideration	\$60	\$100
Park vehicle alongside another stopped vehicle (double parking)	\$60	\$100
Park vehicle of unauthorised class on reserved area	\$60	\$100
Park trailer on roadway for more than 5 days	\$60	\$100
Parking goods vehicle at angle during hours of darkness	\$60	\$100
Unauthorised parking on or within 6 metres of intersection	\$60	\$100
Park on broken yellow lines	\$60	\$100
Park vehicle within 6 metres of driver's approach to pedestrian crossing	\$60	\$100

Offence	Current infringement fee	New infringement fee (CPI increase)
Park vehicle in signed/marked area on driver’s approach to pedestrian crossing	\$60	\$100
Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles, or park an EV while not charging	\$60	\$100
Park vehicle in special vehicle lane (bus lane or cycle lane)	\$60	\$100
Park vehicle on pedestrian crossing	\$60	\$100
Stop or park on motorway	\$150	\$255
Stop on level crossing	\$150	\$255

Setting a higher fee for parking in a disabled car park

Misuse of mobility parking has serious accessibility and safety impacts for disabled people.

The revised fee for parking in a disabled car park without a permit will have an increase higher than inflation to better reflect the seriousness of the offence, but the level of this fee has not yet been decided.

The new fee will also come into effect on 1 October.

What do you think?

- Will you be able to implement the new fee levels for 1 October 2024? If not, how long would you need?
- Are there other implementaiton issues we should be aware of?

Council-ordered towage

The Government has also agreed to an increase to regulated towage and storage fees. The purpose of these fees is to cover the costs operators incur when carrying out traffic enforcement on behalf of Police and councils.

We are proposing to increase towage and storage fees by using a basket of Statistics New Zealand indices, based on our understanding of the major costs of operating the average tow truck (wages, fuel and leasing expenses, and equipment costs).

Table 3 Operating cost weighting

Operating cost components	Percentage
Wages (Labour Cost Index)	43%
Fuel and others (Producer Price Index)	36%
Equipment and facilities (Capital Goods Price Index)	21%

This method resulted in a 68 percent increase for towage fees that were set in 2004.

Table 4 Proposed increases to towage fees

Service – Towage	Current fee	New maximum fee (Composite index increase)
3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$53.67	\$90.23
3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	\$71.56	\$120.30
More than 3500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$132.89	\$223.40
More than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	\$204.44	\$343.69

What do you think?

- Will you be able to implement new towage fee levels by 1 October 2024? If not, how long would you need?
- Are there other implementation issues we should be aware of?

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Organisation:	Contact name:
Email:	Phone:

Please complete the below and return to FeesAndPenaltiesConsultation@transport.govt.nz by 5pm on Monday, 1 July 2024.

Consultation questions	Your answer
<i>Parking overstaying</i> (Table 1)	
Will you be able to implement new overstaying fee levels for 1 October 2024? If not, how long would you need?	
Are there other implementation issues we should be aware of?	
<i>Other parking offences</i> (Table 2)	
Will you be able to implement the new fee levels for 1 October 2024? If not, how long would you need?	
Are there other implementation issues we should be aware of?	
<i>Towage</i> (Table 4)	
Will you be able to implement new towage fee levels for 1 October 2024? If not, how long would you need?	
Are there other implementation issues we should be aware of?	

PROACTIVELY RELEASED BY
MINISTRY OF TRANSPORT TE MANATU WAKA

Updating regulated towage and storage fees

TARGETED CONSULTATION | JUNE 2024

The Government has agreed to increase regulated towage and storage fees

The fees relating to Police-ordered impoundment and council-ordered towage have not been updated to account for inflation since 1999 and 2004 respectively. Because of this, the fees are no longer reflective of the cost of operating a towage and storage business.

The Government has agreed to an increase of these fees, to come into effect from 1 October 2024.

We are sharing this with you now to help you prepare to implement the new fee levels, and so you can raise any potential implementation issues with us.

Please use the table at the end of this document to answer our questions.

The Minister will consider your feedback before finalising fee levels after 1 July 2024.

Increases to towage and storage fees

The Government has agreed to an inflationary increase to towage and storage fees using a composite index method.

This method involves adjusting the fees for inflationary increases in a towage operator's business costs by using a basket of Statistics New Zealand indices (composite index). We selected the indices to reflect our understanding of the major costs of operating the average tow truck.

Based on earlier Ministry of Transport modelling, we have weighted them as follows.

Table 1: Operating cost weighting

Operating cost components	Percentage
Wages (Labour Cost Index)	43%
Fuel and others (Producer Price Index)	36%
Equipment and facilities (Capital Goods Price Index)	21%

We also considered using the Consumers Price Index (CPI) to increase fees. The CPI resulted in a comparable increase to our composite index method. However, we propose using the composite index method because the fees should be linked as closely as possible to the actual cost of running a tow company, and the CPI may not always reflect that, even if it does currently.

Using the composite index, we have calculated that the change in storage and per kilometre fees should be 98 percent, and towage rates increased by 68 percent. The GST inclusive figures are in Table 2, below.

Implementation

We will include a transitional arrangement to allow for a clear and simple transition to the new fee levels, both for you and people whose vehicles are impounded. This arrangement would mean only vehicles impounded on or after 1 October 2024 will be subject to the new fee levels.

We propose an end date of six months for any transitional arrangement. For example, a vehicle impounded before 1 October 2024 would be subject to the fees under previous regulations for six months or until paid in full, whichever is sooner.

Table 2 Increases to regulated towage and storage fees (GST inclusive)

	Service	Current fee	New fee (Composite index method)	% change
Towage (last updated 2004)	3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$53.67	\$90.23	68%
	3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	\$71.56	\$120.30	68%
	More than 3500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$132.89	\$223.40	68%
	More than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	\$204.44	\$343.69	68%
Mileage (last updated 1999)	Fee for additional kilometres towed in excess of 10 kilometres (per km or part of a km)	\$3.07	\$6.09	98%
Storage (last updated 1999)	Gross vehicle weight is 3500kgs or less (per day)	\$12.27	\$24.32	98%
	Gross vehicle weight is more than 3500kgs (per day)	\$28.62	\$56.73	98%

What do you think?

- Will you be able to implement new fee levels for 1 October 2024?
- Are there any other implementation issues we should be aware of, including with the six-month transitional arrangement?

Business name:	Contact name:
Email:	Phone:

Please complete the below and return to FeesAndPenaltiesConsultation@transport.govt.nz by 5pm on Monday, 1 July 2024.

Consultation questions	Your answer
Will you be able to implement new fee levels for 1 October 2024?	
Are there any other implementation issues we should be aware of, including with the six-month transitional arrangement?	

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s 9(2)(g)(i)

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Increases to parking infringement fees and towage and storage fees

- Most parking infringement fees were set in 2004. Applying a Consumer Price Index (CPI) increase to parking infringement fees resulted in around a 70 percent increase. Where fees were set post 2004, we aligned the increase with similar offences for consistency.
- Towage and storage fees are being increased using a composite index method to reflect the costs of running a towage business. This has resulted in a 68 percent increase to towage fees and a 98 percent increase to storage and mileage fees.

Table 1 Inflation increases to parking overstaying fees

Time overstayed	Current infringement fee	New infringement fee
Not more than 30 minutes	\$12	\$20
More than 30 minutes but not more than 1 hour	\$15	\$25
More than 1 hour but not more than 2 hours	\$21	\$36
More than 2 hours but not more than 4 hours	\$30	\$51
More than 4 hours but not more than 6 hours	\$42	\$71
More than 6 hours	\$57	\$97

Table 2 Inflation increases to fees for other parking offences

Offence	Current infringement fee	New infringement fee
Park vehicle near fire hydrant	\$40	\$70
Fail to park vehicle parallel to road	\$40	\$70
Fail to park vehicle at angle when required	\$40	\$70
Park on loading zone	\$40	\$70
Park vehicle on roadway when practicable to park on road margin	\$40	\$70
Park vehicle on bend	\$40	\$70
Park contrary to a traffic sign (general)	\$40	\$70
Park vehicle within 6 metres of bus stop sign	\$40	\$70
Vehicle obstructs entrance or exit of driveway	\$40	\$70
Park vehicle on bend	\$40	\$70
Park vehicle on footpath or cycle path	\$40	\$70
Park vehicle on traffic island or flush median	\$40	\$70
Park vehicle without due care and consideration	\$60	\$100
Park vehicle alongside another stopped vehicle (double parking)	\$60	\$100
Park vehicle of unauthorised class on reserved area	\$60	\$100
Park trailer on roadway for more than 5 days	\$60	\$100

Offence	Current infringement fee	New infringement fee
Parking goods vehicle at angle during hours of darkness	\$60	\$100
Unauthorised parking on or within 6 metres of intersection	\$60	\$100
Park on broken yellow lines	\$60	\$100
Park vehicle within 6 metres of driver's approach to pedestrian crossing	\$60	\$100
Park vehicle in signed/marked area on driver's approach to pedestrian crossing	\$60	\$100
Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles, or park an EV while not charging	\$60	\$100
Park vehicle in special vehicle lane (bus lane or cycle lane)	\$60	\$100
Park vehicle on pedestrian crossing	\$60	\$100
Stop or park on motorway	\$150	\$255
Stop on level crossing	\$150	\$255

Table 3 Increased fee for mobility parking offences

Offence	Current infringement fee	New infringement fee
Park in an area reserved for disabled people	\$150	\$1,000

Table 4 Inflation increases to regulated towage and storage fees (GST included)

	Service	Current maximum fee	New maximum fee
Towage	3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$53.67	\$90.23
	3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	\$71.56	\$120.30
	More than 3500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$132.89	\$223.40
	More than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	\$204.44	\$343.69
Mileage	Fee for additional kilometres towed in excess of 10 kilometres (per km or part of a km)	\$3.07	\$6.09
Storage	Gross vehicle weight is 3500kgs or less (per day)	\$12.27	\$24.32
	Gross vehicle weight is more than 3500kgs (per day)	\$28.62	\$56.73



3 July 2024

OC240722

Hon Simeon Brown
Minister of Transport

Action required by:
Monday, 8 July 2024

PROGRESSING THE LAND TRANSPORT REGULATION AMENDMENTS: UPDATING FEES AND PENALTIES

Purpose

This paper:

- updates you on the outcome of targeted consultation on implementing new parking infringement and towage cost recovery fees
- seeks your agreement to a three-month transitional arrangement for implementing the new fees
- seeks your final approval of all fee levels, including on the infringement fee for misuse of disability parking spaces, so we can progress drafting of the Regulations.

Key points

- Feedback from targeted stakeholder consultation indicated that most road controlling authorities (RCAs) and towage operators will be able to implement the new fee levels for 1 October 2024. However, three councils said they would need more time (three to six months).
- s 9(2)(f)(iv)
- Based on consultation feedback, we recommend a three-month transitional period for both parking and towage and storage fees. This will give RCAs and towage operators until 1 January 2025 to transition to the new fee levels. We are seeking your agreement to this arrangement.
- A list of all fees being updated, and our proposed minor technical clarifications, is attached at **Annex One** for your approval. The minor technical clarifications will align wording in the Regulations with changes made to the Land Transport (Road User) Amendment Rule 2023.
- We are seeking confirmation that you and the Minister for Disability Issues have agreed to set the fee for parking in a space reserved for disabled people at \$1,000.
- Setting the fee at this level poses some risks. We recommend you mitigate these risks by:

- updating the maximum Court fine for parking in a space reserved for disabled people at the earliest available opportunity
- communicating the new fee to stakeholders and the public in advance of implementation, including the rationale for the increase.

Recommendations

We recommend you:

- | | | |
|---|---|----------|
| 1 | approve the fee levels and minor technical clarifications in Annex One for the Parliamentary Counsel Office (PCO) to draft the updated Regulations and Notice | Yes / No |
| 2 | confirm you have agreed with Minister Upston that the infringement fee for parking in an area reserved for disabled persons will be \$1,000 | Yes / No |
| 3 | agree to a three-month transitional period for local authorities and towage and storage operators to transfer to the new fee levels | Yes / No |
| 4 | agree to update the maximum fine for parking in an area reserved for disabled people s 9(2)(f)(iv) or earlier if a suitable opportunity arises | Yes / No |
| 5 | agree to communicate with stakeholders and the public in late August or early September on: <ul style="list-style-type: none"> a) all parking infringement, and towage and storage fee increases b) the new mobility parking fee, including your rationale for the higher increase | Yes / No |
| 6 | forward this briefing to Hon Louise Upston, Minister for Disability Issues. | Yes / No |



Paul O'Connell
Deputy Chief Executive, Sector Strategy
 03 / 07 / 2024

Hon Simeon Brown
Minister of Transport
 / /

- Minister's office to complete:**
- | | |
|--|---|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Seen by Minister | <input type="checkbox"/> Not seen by Minister |
| <input type="checkbox"/> Overtaken by events | |

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓
Rebecca Chapman, Adviser, Regulatory Stewardship and Design		

PROGRESSING THE LAND TRANSPORT REGULATION AMENDMENTS: UPDATING FEES AND PENALTIES

We have completed targeted consultation on implementing increased fees

- 1 We consulted with your agreed list of stakeholders: 79 RCAs, the Parking Association, the Motor Trade Association (MTA) and a representative sample of 24 towage operators.
- 2 We had responses from 27 RCAs, the Parking Association, and nine towage operators (35 percent response rate). **Annex Two lists** all respondents.
- 3 The purpose of the consultation was to allow stakeholders to raise any potential implementation issues, so you can make any changes (under delegation from Cabinet) and provide them with advance notice of the fee increases.

Most RCAs and towage operators will be able to implement fee changes for 1 October 2024

- 4 Submissions from RCAs were generally supportive of increasing fees. Most RCAs said they could implement the parking fees for 1 October this year. However, three councils have told us they would need more time (between three and six months).
- 5 Councils said they would be able to implement the new towage fees for 1 October 2024, however some noted that the fees were still below market rate and would not solve the issue of towage not being a financially viable enforcement option.
- 6 In general, consultees asked for reasonable notice between confirming the fee levels and implementation. The expectation of "reasonable notice" varied from two weeks to three months.
- 7 Two towage operators told us that a six-month transitional period would not be required, provided that the fee levels were made public prior to 1 October. The remaining seven operators were silent on fee implementation issues.

8

s 9(2)(f)(iv)

- 9 Some towage operators told us the fee levels are still too low, and suggested levels that they considered more appropriate.

We recommend a three-month transitional period for both sets of fees, and a public announcement about the increases

- 10 We consider that a three-month transitional period will help enable a smooth transition to the new fee levels for RCAs and will provide financial certainty for towage operators.

- 11 EXP authorised you to make minor policy decisions on amendments to land transport regulations and the towage fees notice following targeted consultation. We consider that implementing a transitional period would constitute a minor policy decision that falls within your delegation from EXP. We will also note this decision when the amended regulations are considered at LEG.

Table 1 Recommendations to address stakeholder feedback for parking, towage and storage fees

Issue	Our recommendation	What this means
<p>Whether all RCAs can implement the fees by 1 October 2024.</p> <ul style="list-style-type: none"> While most local authorities were confident they could implement the fee changes by 1 October, some told us it would take three to six months to update their systems. 	<p>A three-month transitional period for RCAs to implement the new parking infringement fees.</p>	<p>RCAs must implement all new fees by 1 January 2025.</p> <p>Between 1 October and 1 January, for each parking offence, RCAs could either apply the old or the new fee. They do not have to transition all fees at once.</p>
<p>Whether a six-month transitional period is needed for towage and storage increases.</p> <ul style="list-style-type: none"> Only two of the consultees addressed the issue of transitioning to the new fees for vehicles impounded before 1 October. 	<p>A three-month transitional arrangement whereby</p> <ul style="list-style-type: none"> vehicles impounded on or after 1 October 2024 will be subject to the new fee levels if a vehicle impounded before 1 October 2024 is not paid for in full by 1 January 2025, the new fees will apply from this date. 	<p>Based on feedback, we consider a three-month transitional period sufficient. This aligns with our recommendation for parking fees.</p> <p>We do not expect this would apply in many circumstances; it is more likely that the vehicle would be abandoned. However, it provides assurance to the operators the new fees will apply after three months.</p>
<p>Communicating fee increases publicly and to stakeholders.</p> <ul style="list-style-type: none"> Both councils and the towage sector asked that the fee increases are publicly communicated ahead of implementation. This request is largely for the safety of parking wardens and towage operators who become the public face of these increased costs. 	<p>Communicate all new fees to RCAs and towage operators to allow them time to prepare for implementation. We recommend doing this following LEG (22 August) and before Gazettal (3 September).</p> <p>Issue a press release to send a consistent message from central Government to support regional enforcement.</p>	<p>We can support your office with a press release and media lines.</p> <p>We would work with MTA, NZTA, and Police to communicate the new fee levels to towage operators. In the past we have not found a reliable way to engage with all members of the industry. It is important they are aware of these changes.</p>

We recommend some minor changes to fee levels

- 12 We have had feedback that the towage and storage fees should be rounded so the total fee amount can be paid both electronically and by cash. To address this, we recommend rounding the GST inclusive fees to the nearest 10 cent.
- 13 The fee for the EV parking offences was set in 2019. An inflation increase would result in an \$75 fee. This would be the only fee set at this amount. We recommend you increase this fee to \$100, in line with other fees currently at the \$60 fee level.
- 14 These changes are included in **Annex One** for your approval. We consider the above would fall within your delegation from EXP, however we will also note these changes when the amended regulations are considered at LEG.

We are seeking your confirmation of the disability parking infringement fee

- 15 Cabinet agreed that you and the Minister for Disability Issues, Hon Louise Upston, could set the infringement fee for parking in an area reserved for disabled persons.
- 16 We understand that you and Minister Upston have agreed to set this fee at \$,1000, which presents some risks. These are outlined below, along with proposed mitigations in Table 2.

Maintaining an appropriate fee to fine ratio

- 17 A person may choose to challenge their infringement notice in Court. The maximum Court fine for parking offences is \$1,000. In most cases, the Court issues fines below the maximum amount.
- 18 The current fee for parking in an area reserved for disabled persons is \$150 and the fine is \$1,000. The Ministry recommends a ratio of 1:5 for fees and fines, ie for a \$1,000 fee, we recommend a \$5,000 fine.
- 19 The purpose of the ratio is to encourage access to the justice system while discouraging frivolous challenges to fees. If the fine is the same as the fee, we are likely to see an increase in challenges which adds pressure to the Court system.
- 20 We would need to increase the associated maximum fine to maintain an appropriate ratio. However, we do not have Cabinet approval to update parking fines.

Proportionality with other penalties

- 21 The Effective Transport Financial Penalties Framework suggests a fee of \$350 would be appropriate for this offence. Australian jurisdictions generally charge NZD \$500 - \$600 for this offence.
- 22 Increasing the fee to \$1,000 will make it considerably higher than our most serious road safety offences, like speeding and drink driving. Currently, speeding 46-50km/h has a \$630 infringement fee, and the fee for drink driving is \$200.

s 9(2)(f)(iv)

Implementation challenges

24 We did not consult with RCAs on the fee because it had not been confirmed. However, based on our previous engagement with RCAs and agency feedback, there are risks associated with a relatively high fee:

24.1 Safety of parking wardens. Parking wardens are frequently involved in negative public encounters. Issuing a \$1,000 fee could make wardens the target of increased abuse.

24.2 Inconsistent enforcement. The level of enforcement of parking offences is a decision for the local authority. Some regions may be hesitant to issue such a high fee, which could undermine the enforcement regime.

Table 2 Risks and mitigations for implementing a \$1,000 mobility parking fee

Issue	Our recommendation
Maintaining an appropriate fee to fine ratio	<p>If this becomes an issue, we work with the Ministry of Justice to monitor it. ^{s 9(2)(f)(iv)}</p> <p>Another option is to draft a new fine along with the fee, and ask LEG to agree to increasing the fine. This would be the quickest way to remedy the issue, however we would need to seek advice from the Cabinet Office on whether it is appropriate to take this policy decision to LEG.</p>
Proportionality with other land transport fees	<p>Explain the rationale for the higher fee in public communications. ^{s 9(2)(f)(iv)}</p>
Implementation challenges	<p>Communicate the fee to RCAs and disability providers early to allow them time to prepare for implementation.</p> <p>Issue a press release to send a consistent message from central Government to support regional enforcement. We understand a joint press release with Minister Upston has already been drafted.</p>

Other agency and departmental views

25 We have consulted NZ Police, Ministry of Justice, Whaikaha and the Department of Internal Affairs on a \$1,000 parking infringement fee. They highlighted risks broadly consistent with the above. ^{s 9(2)(ba)(i)}

26 ^{s 9(2)(f)(iv), s 9(2)(ba)(i)}

27 Whaikaha also raised that misuse of disability car parks is a bigger issue on privately owned land. In the Government's response to the Petition of Claire Dale, you asked

the Minister for Disability Issues to look at options for working with the private sector to develop a code of practice for enforcing mobility parking.

Next steps

- 28 We are seeking your final decisions on the disability parking fee and transitional periods by 8 July 2024. Our timeline for the remaining stages of the Regulations Amendment is at **Annex Four**.

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ANNEX 1 – FINAL FEE LEVELS AND MINOR TECHNICAL CLARIFICATIONS FOR DRAFTING INSTRUCTIONS

We are seeking your confirmation of final fee levels and minor technical clarifications so we can issue drafting instructions to the PCO.

- 1 Table 1 contains the parking infringement fee levels which were provided to EXP [see briefing OC340345]. EXP agreed to update parking infringement fees using inflation-based adjustments (CPI). We have rounded the increased amounts to the nearest \$5 to align with other fees in the Regulations – this figure was provided to EXP.
- 2 Table 2 contains two parking infringement fees for your approval. These are parking in a space reserved for electric vehicles (EV) and parking in a space reserved for disabled people.
 - 2.1 The fee for the EV parking offences was set in 2019. An inflation increase would result in an \$75 fee. This would be the only fee set at this amount. We recommend you increase this fee to \$100, in line with other fees currently at the \$60 fee level. We consider this is a minor policy decision which EXP authorised you to make following targeted consultation.
 - 2.2 Cabinet delegated authority for you and the Ministry for Disability Issues to set the fee for parking in a space reserved for disabled people. We are seeking your confirmation of this fee before we progress drafting.
- 3 Table 3 contains four minor technical clarifications we will include in the drafting instructions to align wording in the Regulations with changes made to the Land Transport (Road User) Amendment Rule 2023. This will improve clarity and consistency in transport legislation. EXP agreed minor technical clarifications could be included in the drafting instructions for the Regulations Amendment.
- 4 Table 4 contains the towage and storage increases for the Land Transport (Storage and Towage Fees for Impounded Vehicles) Regulations 1999 and the Transport (Towage Fees) Notice 1999 as provided to EXP [OC340345]. Following consultation, we have rounded the GST inclusive fees to the nearest 10 cent so the total fee amount can be paid both electronically and by cash. We consider this rounding to be a minor policy decision which EXP authorised you to make.

Table 1 Parking infringement fees for updating the Land Transport (Offences and Penalties) Regulations 1999

Provision	Offence	Current infringement fee	New infringement fee (CPI increase, rounded to nearest \$ ¹)
2.12(2)	Stop or park on motorway	\$150	\$255
6.1	Park vehicle without due care and consideration	\$60	\$100

¹ We have not rounded overstay fees to the nearest \$5 because of their lower value compared to most other parking offences.

6.2	Park vehicle on roadway when practicable to park on road margin	\$40	\$70
6.3(1)	Park vehicle on bend	\$40	\$70
6.3(2)	Unauthorised parking on or within 6 metres of intersection	\$60	\$100
6.4(1)	Park contrary to a traffic sign (general)	\$40	\$70
6.4(4)	Park on broken yellow lines	\$60	\$100
6.5(1)	Park vehicle on pedestrian crossing	\$60	\$100
6.5(2)(a)	Park vehicle within 6 metres of driver's approach to pedestrian crossing	\$60	\$100
6.5(2)(b)	Park vehicle in signed/marked area on driver's approach to pedestrian crossing	\$60	\$100
6.6	Park vehicle in special vehicle lane (bus lane or cycle lane)	\$60	\$100
6.7	Park vehicle on traffic island or flush median	\$40	\$70
6.8(1)	Park vehicle within 6 metres of bus stop sign	\$40	\$70
6.9(1)	Vehicle obstructs entrance or exit of driveway	\$40	\$70
6.10	Park vehicle near fire hydrant	\$40	\$70
6.11	Park vehicle alongside another stopped vehicle	\$60	\$100
6.12	Fail to park vehicle parallel to road	\$40	\$70
6.13	Fail to park vehicle at angle when required	\$40	\$70
6.14	Park vehicle on footpath or cycle path	\$40	\$70
6.15	Park vehicle of unauthorised class on reserved area	\$60	\$100
6.16	Park on loading zone	\$40	\$70
6.17(a)	Stop on level crossing	\$150	\$255
6.17(b)	Stop near level crossing so as to obscure view	\$150	\$255
6.18(1)	Parking goods vehicle at angle during hours of darkness	\$60	\$100
6.19	Park trailer on roadway for more than 5 days	\$60	\$100
8.3(2)(c)	Fail to dip headlamps when vehicle parked	\$150	\$255
8.7(1)	Park unlit vehicle during hours of darkness	\$150	\$255
8.7(2)	Park heavy vehicle (or vehicle fitted with flat-deck for goods carriage) at angle during hours of darkness without rearward facing position lamp	\$150	\$255
8.7(3)	Stopping or standing temporarily during hours of darkness without using position lamp(s) or dipped-beam headlamp(s)	\$150	\$255
Schedule 1B Part 1	Overstaying not more than 30 minutes	\$12	\$20
	Overstaying more than 30 minutes but not more than 1 hour	\$15	\$25
	Overstaying more than 1 hour but not more than 2 hours	\$21	\$36
	Overstaying more than 2 hours but not more than 4 hours	\$30	\$51
	Overstaying more than 4 hours but not more than 6 hours	\$42	\$71
	Overstaying more than 6 hours	\$57	\$97
	Parking on or within 6 metres of an intersection	\$60	\$100
	Parking on or near a pedestrian crossing	\$60	\$100
	Parking on broken yellow lines	\$60	\$100
	Double parking	\$60	\$100
	Inconsiderate parking	\$60	\$100
	Parking on a clearway	\$60	\$100
	Parking on a bus-only lane	\$60	\$100
	All other parking offences	\$40	\$70

Table 2 Increases other than CPI requiring your approval

Provision	Offence	Current infringement fee	New infringement fee
6.4(1B)	Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles	\$60	\$100
6.4(1A)	Park in an area reserved for disabled persons	\$150	\$1,000

Table 3 Minor technical clarifications to the Land Transport (Offences and Penalties) Regulations 1999

Provision	Current brief description in Regulations	Required update to align with Road User Rule (exact wording to be decided by PCO)
2.12(2)	Stop or park on motorway	Update to 'Stop, stand, or park on motorway'
6.4(1B)	Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles	Add 'or a vehicle that electric but not charging'.
6.4 (1C)	N/A (new offence provision)	Add 'park, etc, a vehicle in an area that is designated as a clearway or no stopping area. Add \$100 infringement fee to align with other offences under clause 6.4.
6.19	Park trailer on roadway for more than 7 days	Update to 'Park trailer on roadway for more than 5 days'

Table 4 Updated fees for the Land Transport (Storage and Towage Fees for Impounded Vehicles) Regulations 1999 and the Transport (Towage Fees) Notice 2004

Provision	Service	Current fee (including GST)	New fee (including GST, rounded to nearest 10 cent)
Regs 3(1)(a)(i) Notice 5(a)(i)	Towage - 3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$53.67	\$90.20
Regs 3(1)(a)(ii) Notice 5(a)(ii)	Towage - 3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	\$71.56	\$120.30
Regs 3(1)(b)(i) Notice 5(b)(i)	Towage - more than 3,500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	\$132.89	\$223.40
Regs 3(1)(b)(ii) Notice 5(b)(ii)	Towage - more than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	\$204.44	\$343.70
Regs 3(2)	Fee for additional kilometres towed in excess of 10 kilometres (per km or part of a km)	\$3.07	\$6.10
Regs 4(1)(a)	Storage - gross vehicle weight is 3500kgs or less (per day)	\$12.27	\$24.30
Regs 4(1)(b)	Storage - gross vehicle weight is more than 3500kgs (per day)	\$28.62	\$56.70

ANNEX 2 - TARGETED CONSULTATION RESPONDERS

Parking and council-ordered towage	Towage and Storage
<p>Councils/RCA:</p> <ul style="list-style-type: none">• Auckland Transport• Christchurch City Council• Dunedin City Council• Far North District Council• Gisborne District Council• Gore District Council• Hamilton City Council• Hurunui District Council• Invercargill City Council• Kāpiti Coast District Council• Marlborough District Council• Palmerston North City Council• Queenstown Lakes District Council• Rangitikei District Council• Ruapehu District Council• Selwyn District Council• South Taranaki District Council• Stratford District Council• Tasman District Council• Tauranga City Council• Timaru District Council• Upper Hutt City Council• Waikato District Council• Waimakariri District Council• Waitaki District Council• Wellington City Council• Whanganui District Council <p>Sector representatives:</p> <ul style="list-style-type: none">• New Zealand Parking Association	<p>Operators:</p> <p>s 9(2)(b)(i)</p> 

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s 9(2)(f)(iv)

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ANNEX 4 - REMAINING STAGES OF THE LAND TRANSPORT REGULATIONS AMENDMENTS

Date	Stage
15 July – 7 August	PCO drafting
7 August	Draft Regulations and Notice to your office
8 - 12 August	Ministerial consultation
12 August	Final changes incorporated and returned to you
15 August	Lodge
22 August	LEG
26 August	Executive Council
3 September	Final date to Gazette
1 October	In force
1 January 2025	Proposed end date for transitional period

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15 July 2024

OC240792

Hon Simeon Brown
Minister of Transport

Action required by:
Monday, 22 July 2024

FURTHER ADVICE ON THE INFRINGEMENT FEE FOR MISUSE OF MOBILITY PARKING SPACES

Purpose

To provide advice on the suitability of a \$500 infringement fee for misuse of a mobility parking space, and to seek your final decision on the fee.

Key points

- An infringement fee is an on-the-spot penalty (ticket) issued for breaching parking rules, whereas a fine is the result of an unsuccessful challenge of a parking ticket in Court. For clarity, parking infringement fees will be referred to below as 'tickets'.
- We consider a \$500 ticket for misuse of a mobility parking space more suitable than a \$1,000 ticket on the basis that:
 - **It creates a more appropriate ratio between the ticket amount and the maximum Court-imposed fine (\$1,000) for this offence.** An appropriate ratio between tickets and fines is important because a low ratio can incentivise more tickets to be challenged in Court. We usually recommend a 1:5 ratio, but we are less concerned about a 1:2 ratio than we were about the potential 1:1 ratio from a \$1,000 ticket amount. We still recommend updating the fine to \$2,500 (to maintain a 1:5 ratio) when an appropriate vehicle arises.
 - **It is broadly in line with international examples.** The ticket amount for misuse of a mobility park in Australia ranges from \$220 NZD (Victoria) to \$756 NZD (New South Wales). The average across the six states is \$512 NZD (**Annex 1** provides a full list, including examples from Canada and England).
- Councils can only issue tickets for misuse of mobility parks where these parks are on council-owned land. Councils are unable to issue tickets for misuse of privately owned mobility spaces, such as those in supermarket car parks. The ticket amount and enforcement level on private land are at the discretion of the landowners.
- In theory, the shift in relative prices that this increase creates will incentivise private landowners to increase their penalties as well. However, whether this happens and is effective is a function of how much enforcement action they pursue. We understand that mobility parking enforcement is low on privately owned land.

- While we do not have any regulatory levers to influence enforcement on private land, changing relative prices may have some effect, and other measures like education can help improve consistency of enforcement. Whaikaha has engaged with the New Zealand Parking Association (NZPA) on incorporating guidance for mobility parking enforcement into the NZPA Code of Practice for Parking Enforcement on Private Land.

s 9(2)(f)(iv)

- **Next steps:** On 7 August 2024, we will provide you with the draft Regulations and Cabinet Legislation Committee (LEG) paper, which, pending your agreement, will include a \$500 mobility parking fee. A full timeline to bring the Regulations into force is set out at Annex 2.

Recommendations

We recommend you:

- | | | |
|---|--|----------|
| 1 | confirm you have agreed with Hon Louise Upston, Minister for Disability Issues, that the infringement fee (ticket) for parking in an area reserved for disabled persons will be \$500 | Yes / No |
| 2 | forward this briefing to Minister Upston | Yes / No |



Paul O'Connell
Deputy Chief Executive, Sector Strategy
 15 / 07 / 2024

Hon Simeon Brown
Minister of Transport
 / /

- Minister's office to complete:**
- | | |
|--|---|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Seen by Minister | <input type="checkbox"/> Not seen by Minister |
| <input type="checkbox"/> Overtaken by events | |

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓
Rebecca Chapman, Adviser, Regulatory Stewardship and Design		

ANNEX 1: COMPARISON OF MOBILITY PARKING TICKET AMOUNTS

Jurisdiction	State/City	Ticket amount ¹
New Zealand		\$150 NZD
Australia ²	New South Wales ³	\$756 NZD (\$682 AUD + 1 demerit point)
	Queensland ⁴	\$715 NZD (\$645 AUD)
	South Australia ⁵	\$607 NZD (\$548 AUD)
	Tasmania ⁶	\$224 NZD \$202 AUD
	Victoria ⁷	\$220 NZD (\$198 AUD)
	Western Australia ⁸	\$554 NZD (\$500 AUD)
England	Liverpool ⁹	\$145 NZD (£70)
Canada	Waterloo ¹⁰	\$357 NZD (\$300 CAD)
	Edmonton ¹¹	\$297 NZD (\$250 CAD)

¹ Ticket amounts and conversion to NZD current as at 11 July 2024.

² Some Australian ticket amounts are higher than previously advised. This is due to a regular increase, indexed to inflation, which came into effect on 1 July 2024.

³ <https://www.nsw.gov.au/sites/default/files/2021-09/demerits-parking.pdf>

⁴ <https://www.qld.gov.au/disability/out-and-about/travel-transport/driving/parking-permits/disability-parking-permits>

⁵ https://www.police.sa.gov.au/_data/assets/pdf_file/0007/370573/PD320A-Expiable-Offences-and-Fees-Traffic.pdf

⁶ <https://www.legislation.tas.gov.au/view/whole/html/inforce/current/sr-2017-049>

⁷ <https://www.vicroads.vic.gov.au/safety-and-road-rules/road-rules/penalties/fines>

⁸ <https://www.dlgsc.wa.gov.au/local-government/local-governments/parking-for-people-with-disability>

⁹ <https://liverpool.gov.uk/parking-roads-and-travel/parking-fines-and-challenges/pay-a-parking-fine/>

¹⁰ <https://www.waterloo.ca/en/living/disabled-parking-by-law.aspx>

¹¹ https://www.edmonton.ca/transportation/driving_carpooling/accessible-parking

ANNEX 2: REMAINING STAGES OF THE LAND TRANSPORT REGULATIONS AMENDMENT

Date	Stage
15 July – 7 August	PCO drafting
7 August	Draft Regulations, Notice, and LEG paper to your office
8 - 12 August	Ministerial consultation
12 August	Final changes incorporated and returned to you
15 August	Lodge
22 August	LEG
26 August	Executive Council
3 September	Final date to Gazette
1 October	Regulations in force

PROACTIVELY RELEASED BY
MINISTRY OF TRANSPORT TE MANATŪ WAKA



7 August 2024

OC240878

Hon Simeon Brown

Action required by:

Minister of Transport

Thursday, 8 August 2024

APPROVAL OF LEGISLATIVE CHANGES TO UPDATE LAND TRANSPORT FEES

Purpose

To provide you with a copy of the Amendment Regulations and the accompanying Cabinet Legislation Committee (LEG) paper on the new land transport fees, and to seek your approval to remove the transitional period for local authorities to update their parking fees.

Key points


- On 18 June 2024, the Cabinet Expenditure and Regulatory Review Committee agreed to increase parking infringement fees and towage and storage fees by inflation [EXP-24-MIN-0027 and CAB-24-MIN-0220 refer].
- The following draft documents are attached for your consideration and consultation with your Cabinet colleagues:
 - Cabinet paper for LEG (**Annex One**)
 - Amendment Regulations (**Annex Two**), being the:
 - Land Transport (Offences and Penalties) Amendment Regulations 2024
 - Land Transport (Storage and Towage Fees for Impounded Vehicles) Amendment Regulations 2024; and the
 - Transport (Towage Fees) Notice 2024.
- We will continue to work with the Parliamentary Counsel Office (PCO) to quality assure and finalise the draft regulations as you conduct your review and consultation.

We seek your approval to remove the three-month transitional period for parking infringement fees so PCO can finalise drafting

- We received varied feedback from road controlling authorities (RCAs) about their ability to have the new parking infringement fees in place by 1 October 2024:
 - twenty RCAs said they could implement the new fees by 1 October (with some requiring a minimum four weeks' notice of the final fee amounts)

- three RCAs told us they need between two to three months notice
- five RCAs said they need 'reasonable notice' but didn't define how long.
- Forty-eight RCAs did not engage with us during consultation (see **Annex Three** for a full list of the notice periods requested by RCAs, as well as RCAs that did not respond).
- We subsequently recommended, and you agreed to, a three-month period for RCAs to transition to the new fees by 1 January 2025 (OC240722 refers).
- However, we have since been advised by Police that the transitional period is not workable: the parking offence code system cannot hold more than one fee per offence, and creating temporary codes would create IT issues.
- We require your written agreement to remove the transitional period so that PCO can finalise drafting.
- For the avoidance of doubt, the above only applies to parking fees. We are not recommending any change to the agreed transitional arrangements for towage and storage regulations (OC240722 refers).

We will work with your Office to communicate with RCAs as soon as Cabinet has agreed the updated fees

- s 9(2)(h)

- We understand you do not want to communicate the fee increases until they have been approved by Cabinet. To maximise the notice period for RCAs, we recommend you announce the new fee levels immediately following Cabinet's agreement on 26 August. We will work with any RCAs that raise issues with this timeline.
- We can discuss this further at Officials on Monday, 12 August.

The draft LEG paper notes your post-Cabinet Expenditure and Regulatory Review Committee decisions

- The Amendment Regulations contain the inflation increases to fees as well as other minor changes that Cabinet delegated you the responsibility to make decisions on.
- We will consult the following agencies on the LEG paper: the Treasury, the Ministry of Justice, the Department of Internal Affairs, Whaikaha – Ministry of Disabled People, the New Zealand Transport Agency, New Zealand Police, and the Department of the Prime Minister and Cabinet. We have been working closely with these agencies and are not expecting any substantive feedback.

Next steps

Date (2024)	Stage
8-14 August	Ministerial and departmental consultation
Week of 12 August	Draft talking points for LEG and media statement to your Office
14/15 August	Consultation feedback incorporated and final LEG paper to your Office
15 August	Lodge LEG paper
22 August	LEG
26 August	Cabinet and Executive Council
Week of 26 August	Comms and PR - approach to be confirmed after discussion at Officials
3 September	Final date to Gazette
1 October	In force

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Recommendations

We recommend you:

- 1 **approve** the removal of the three-month transitional period for parking fees so that PCO can finalise drafting Yes / No
- 2 **agree** to consult with your Cabinet colleagues on the draft LEG paper and Amendment Regulations between 8 and 14 August 2024 Yes / No
- 3 **agree** to discuss the approach for communicating the fee increases with stakeholders and the public at Officials on Monday, 12 August 2024. Yes / No
- 4 **note** that the Ministry will commence departmental consultation at the same time as you are consulting Ministers. Noted



Paul O’Connell
Deputy Chief Executive, Sector Strategy
 05 / 08 / 2024

Hon Simeon Brown
Minister of Transport
 / /

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

Comments

Contacts

Name	Telephone	First contact
Paul O’Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓
Tessa Ayson, Acting Manager, Regulatory Stewardship and Design		

**ANNEX 1 - OC240878 APPROVAL OF LEGISLATIVE CHANGES TO
UPDATE LAND TRANSPORT FEES – LEG PAPER**

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ANNEX 3 – RCA TARGETED CONSULTATION: NOTICE REQUIREMENTS AND NON-RESPONDERS

Table 1 RCA targeted consultation: Implementation notice requirements

RCA	s 9(2)(ba)(i)
Auckland Transport	<p style="color: red; font-size: 2em; transform: rotate(-45deg); opacity: 0.5;"> PROACTIVELY RELEASED BY MINISTRY OF TRANSPORT TE MANATŪ WAKA </p>
Christchurch City Council	
Far North District Council	
Gisborne District Council	
Gore District Council	
Hurunui District Council	
Invercargill City Council	
Marlborough District Council	
Palmerston North City Council	
Rangitikei District Council	
Ruapehu District Council	
Selwyn District Council	
South Taranaki District Council	
Stratford District Council	
Tasman District Council	
Tauranga City Council	
Timaru District Council	
Waimakariri District Council	
Waitaki District Council	

s 9(2)(ba)(i)

RCA	s 9(2)(b)(i) 
Whanganui District Council	
Dunedin City Council	
Hamilton City Council	
Kapiti Coast District Council	
South Waikato District Council	
Upper Hutt City Council	
Wellington City Council	
Queenstown Lakes District Council	
Waikato District Council	

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Table 2 RCA targeted consultation: Non-responders

Road Controlling Authority
• Ashburton District Council
• Auckland Council (sent letter direct to Minister)
• Bay of Plenty Regional Council
• Buller District Council
• Carterton District Council
• Central Hawkes Bay District Council
• Central Otago District Council
• Chatham Islands Council
• Clutha District Council
• Greater Wellington Regional Council
• Grey District Council
• Hastings District Council
• Hauraki District Council
• Hawkes Bay Regional Council
• Horizons Regional Council
• Horowhenua District Council
• Kaikoura District Council
• Kaipara District Council
• Kawerau District Council
• MacKenzie District Council
• Manawatu District Council
• Masterton District Council
• Matamata-Piako District Council
• Napier City Council
• Nelson City Council
• New Plymouth District Council
• Northland Regional Council
• Ōpōtiki District Council
• Otago Regional Council
• Otorohanga District Council
• Porirua City Council
• Rotorua Lakes Council
• South Wairarapa District Council
• Southland District Council
• Taranaki Regional Council
• Tararua District Council
• Taupō District Council
• Thames Coromandel District Council
• Waikato Regional Council
• Waimate District Council
• Waipa District Council
• Wairoa District Council
• Waitomo District Council
• West Coast Regional Council
• Western Bay of Plenty District Council
• Westland District Council
• Whakatāne District Council
• Whangarei District Council

MANAGER OF TRANSPORT PROACTIVELY RELEASED BY
 TE MANATŪ WAKA



14 August 2024

OC240951

Hon Simeon Brown

Action required by:

Minister of Transport

Thursday, 15 August 2024

LAND TRANSPORT AMENDMENT REGULATIONS 2024 (FEES UPDATES) – LEG PAPER

Purpose

To provide you with feedback from Ministerial and Department consultation, along with a copy of the final LEG paper for lodging on 15 August 2024

Key points

- We provided you with a draft of the Amendment Regulations and the accompanying LEG paper for Ministerial Consultation between 8 to 14 August 2024. We consulted with relevant departments within the same period.
- We received no new or substantive feedback (to date) from either consultation.
- Whaikaha – Ministry for Disabled People suggested including a statement in the LEG paper about the likely positive impacts for the disability community of the increased mobility parking fee. We have incorporated this at paragraph 9.1.
- The other main feedback was from Ministry of Justice (MoJ), which again raised that the increases for mobility parking and some higher level parking offences could result in fees not being paid, and potentially being escalated to the Courts. MoJ noted it is comfortable with the proposed inflation adjustments, given the fees have not increased in 20 years.
- On PCO advice, we have renamed the Transport (Towage Fees) Notice 2024 to the Land Transport (Towage Fees) Notice 2024.
- The following documents are attached:
 - **Annex One:** updated LEG paper, 'Approval of legislative changes to update land transport fees' (tracked and clean versions)
 - **Annex Two:** LEG speaking points
 - **Annex Three:** draft press release (for you to release following Cabinet approval on 26 August).

Recommendations

We recommend you:

- 1 **agree** to lodge the LEG paper on 15 August 2024 Yes / No
- 2 **note** that PCO will lodge the final Amendment Regulations on 15 August 2024 Noted
- 3 **note** that we have prepared the attached draft press release for you to announce the changes once they are approved by Cabinet on 26 August. Noted



Paul O'Connell
Deputy Chief Executive, Sector Strategy
14 / 08 / 2024

Hon Simeon Brown
Minister of Transport
..... / /

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

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	
Chris Nees, Director, Sector Strategy		✓

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MINISTRY OF TRANSPORT TE MANATU WAKA

**ANNEX 1 – APPROVAL OF LEGISLATIVE CHANGES TO UPDATE
LAND TRANSPORT FEES – LEG PAPER**

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ANNEX 2 – LEG SPEAKING POINTS

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**ANNEX 3 – DRAFT PRESS RELEASE: GOVERNMENT TO UPDATE
PARKING INFRINGEMENT FEES AND TOWAGE AND STORAGE
FEES TO IMPROVE EFFICIENCY OF TRANSPORT SYSTEM**

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In Confidence

Office of the Minister of Transport
Chair, Cabinet Legislation Committee

APPROVAL OF LEGISLATIVE CHANGES TO UPDATE LAND TRANSPORT FEES

Proposal

- 1 This paper seeks authorisation for submission to the Executive Council of the:
 - 1.1 Land Transport (Offences and Penalties) Amendment Regulations 2024; and the
 - 1.2 Land Transport (Storage and Towing Fees for Impounded Vehicles) Amendment Regulations 2024.
- 2 These documents are together referred to as the “Amendment Regulations”.

Policy

- 3 Many land transport fees and financial penalties (infringement fees) have not been reviewed or updated since they were enacted, in some cases more than 20 years ago. This includes parking infringement fees, towing fees, and storage fees, which were last updated in 2004, 2004, and 1999, respectively.
- 4 Over time, inflation decreases the effectiveness of financial penalties. This adversely affects the traffic and parking enforcement system by reducing the incentive to comply with road rules. Low towing fees make it financially unviable for operators to carry out enforcement activities on behalf of New Zealand Police and councils.
- 5 On 18 June 2024, the Cabinet Expenditure and Regulatory Review Committee agreed to amend land transport regulations and the towing notice to update parking, towing, and storage fees for inflation [EXP-24-MIN-0027 and CAB-24-MIN-0220 refer].
- 6 The regulations to be authorised are the:
 - 6.1 **Land Transport (Offences and Penalties) Amendment Regulations 2024**, which will amend parking infringement fees in the Land Transport (Offences and Penalties) Regulations 1999 using the Consumers Price Index. For most fees, this is a 67 to 75 percent increase (after rounding to the nearest \$5).
 - 6.2 **Land Transport (Storage and Towing Fees for Impounded Vehicles) Amendment Regulations 2024**, which will amend fees in the Land Transport (Storage and Towing Fees for Impounded Vehicles) Regulations 1999 using a composite price index method (a basket of indices including the Labour Cost Index, the Producers Price Index, and the Capital Goods Price index). This method reflects the costs of a towing and storage business. Towing

IN CONFIDENCE

fees will increase by 68 percent (from 2004 prices) and storage fees will increase by 98 percent (from 1999 prices).

- 7 Regulations drafted by PCO but made by the Secretary of Transport are the:
- 7.1 **Land Transport (Towage Fees) Notice 2024**, which will replace the Transport (Towage Fees) Notice 2004. Fees payable will increase according to the same composite index method outlined at 6.2 above.
- 8 The full amendments for the above regulations are outlined in **Annex One**.

I have made some minor policy decisions under Cabinet's delegated authority

- 9 Cabinet authorised me to make minor policy decisions following targeted consultation. Cabinet also agreed to update the infringement fee for parking in an area reserved for disabled persons (i.e. a mobility parking space), with the method of adjustment to be confirmed between myself and the Minister for Disability Issues [EXP-24-MIN-0027 refers].
- 10 I am proposing to include in the Land Transport (Offences and Penalties) Amendment Regulations 2024:
- 10.1 **A \$750 infringement fee for mobility parking offences**, which I have agreed with the Minister of Disability Issues. This fee was set at \$150 in 2008. Mobility parking misuse can cause significant disruption to New Zealand's 160,000 mobility parking permit holders. This fee increase may deter misuse, enabling disabled people to have unencumbered, dignified access to facilities and services on publicly owned land.
- 10.2 **A \$100 infringement fee for electric vehicle (EV) parking offences**. The offence for misuse of EV parks was added to legislation in 2019. An inflation increase from 2019 would result in a \$75 fee, but I have decided to instead increase this fee to \$100 to better align with similar penalties.
- 10.3 **Minor technical clarifications**. Cabinet agreed to include minor technical clarifications in the drafting instructions [EXP-24-MIN-0027 refers]. The Ministry of Transport (the Ministry) has identified four minor technical changes needed to align wording in the regulations with a 2023 amendment made to the Land Transport (Road User) Rule 2004. I am including these to improve consistency and clarity in transport legislation (refer **Annex One**).
- 11 I am proposing to include in the Land Transport (Storage and Towage Fees for Impounded Vehicles) Amendment Regulations 2024:
- 11.1 A transitional period to provide towage operators with financial certainty, whereby:
- 11.1.1 vehicles impounded on or after 1 October 2024 will be subject to the new fee levels
- 11.1.2 if a vehicle impounded before 1 October 2024 is not paid for in full by 1 January 2025, the new fees will apply from this date.

12 I am proposing to include in the Land Transport (Storage and Towage Fees for Impounded Vehicles) Amendment Regulations 2024 and the Land Transport (Towage Fees) Notice 2024:

12.1 **A minor rounding adjustment to towage and storage fees.** Following targeted consultation feedback, I propose rounding the GST inclusive towage and storage fees to the nearest 10 cents. This means the total fee amount can be paid both electronically and by cash.

Timing and 28-day rule

13 The Amendment Regulations have a proposed in-force date of 1 October 2024. No waiver of the 28-day rule is sought.

Compliance

14 The proposed regulations comply with:

- 14.1 the principles of the Treaty of Waitangi (advice was not sought from the Treaty Provisions Officials Group, as increases to these fees do not relate to Treaty Provisions)
- 14.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993
- 14.3 the principles and guidelines set out in the Privacy Act 2020
- 14.4 relevant international standards and obligations
- 14.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Regulations Review Committee

15 There are no grounds for the Regulations Review Committee (RRC) to draw the Amendment Regulations to the attention of the House of Representatives under Standing Order 327.

Certification by Parliamentary Counsel [Legally privileged]

16

17

18

s 9(2)(h)

s 9(2)(h)

19

Impact Analysis

- 20 The Ministry prepared a Regulatory Impact Assessment (RIA) in accordance with the necessary requirements. This was submitted when Cabinet approval was sought for the related policy decisions.

Publicity

- 21 The Amendment Regulations will be published in the *New Zealand Gazette*.
- 22 I intend to issue a media statement on the fee increases immediately following Cabinet approval.

Proactive release

- 23 This Cabinet committee paper and associated minute will be proactively released (with appropriate redactions) within 30 days of confirmed decisions. I intend to release the Cabinet Expenditure and Regulatory Review Committee paper and associated minute [EXP-24-MIN-0027] at the same time.

Consultation

- 24 The Ministry carried out targeted consultation on my behalf. Proposals for parking and council ordered towage were emailed to representatives of 79 road controlling authorities and the New Zealand Parking Association. Proposals for towage and storage fees were sent to a sample of 24 towage operators and the Motor Trade Association. Feedback from this targeted consultation was considered in finalising the Amendment Regulations.
- 25 The Ministry consulted the following agencies in drafting this paper: the Ministry of Justice, the Department of Internal Affairs, Whaikaha – Ministry of Disabled People, New Zealand Police, the New Zealand Transport Agency, and the Treasury. The Department of the Prime Minister and Cabinet was informed.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that on 18 June 2024 the Cabinet Expenditure and Regulatory Review Committee agreed to [EXP-24-MIN-0027 refers]:
- 1.1 amend land transport regulations and the towage fees notice to update regulated towage and storage fees for inflation;

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- 1.2 amend land transport regulations to update parking infringement fees using the Consumers Price Index;
 - 1.3 update the infringement fee for parking in an area reserved for disabled persons, with the method of adjustment to be confirmed after consultation between myself and the Minister for Disability Issues; and
 - 1.4 include minor technical clarifications in the drafting instructions for the regulatory amendments.
- 2 **note** that following targeted consultation I made minor policy decisions on parking, towage, and storage fee increases, and made minor technical clarifications to some descriptions of offences as authorised by the Cabinet Expenditure and Regulatory Review Committee on 18 June 2024 [EXP-24-MIN-0027 refers]
- 3 **note** that the:
- 3.1 Land Transport (Offences and Penalties) Amendment Regulations 2024;
 - 3.2 Land Transport (Storage and Towage Fees for Impounded Vehicles) Amendment Regulations 2024; and the
 - 3.3 Land Transport (Towage Fees) Notice 2024
- will give effect to recommendation 1 above.
- 4 **authorise** the submission to the Executive Council of the following regulations which give effect to recommendation 1 above:
- 4.1 Land Transport (Offences and Penalties) Amendment Regulations 2024; and the
 - 4.2 Land Transport (Storage and Towage Fees for Impounded Vehicles) Amendment Regulations 2024.
- 5 **note** that the Amendment Regulations will come into force on 1 October 2024.

Authorised for lodgement

Hon Simeon Brown

Minister of Transport

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ANNEX 1 – FEE INCREASES AND ASSOCIATED AMENDMENTS

Table 1 Parking infringement fees set out in the Land Transport (Offences and Penalties) Regulations 1999

Provision	Offence	Year fee last updated	Current infringement fee	New infringement fee	Percentage increase (%)
2.12(2)	Stop or park on motorway	2004	\$150	\$255	70
6.1	Park vehicle without due care and consideration	2004	\$60	\$100	67
6.2	Park vehicle on roadway when practicable to park on road margin	2004	\$40	\$70	75
6.3(1)	Park vehicle on bend	2004	\$40	\$70	75
6.3(2)	Unauthorised parking on or within 6 metres of intersection	2004	\$60	\$100	67
6.4(1)	Park contrary to a traffic sign (general)	2004	\$40	\$70	75
6.4(1A)	Park in an area reserved for disabled persons	2008	\$150	\$750	400
6.4(1B)	Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles	2019	\$60	\$100	67
6.4(4)	Park on broken yellow lines	2004	\$60	\$100	67
6.5(1)	Park vehicle on pedestrian crossing	2004	\$60	\$100	67
6.5(2)(a)	Park vehicle within 6 metres of driver's approach to pedestrian crossing	2004	\$60	\$100	67
6.5(2)(b)	Park vehicle in signed/marked area on driver's approach to pedestrian crossing	2004	\$60	\$100	67
6.6	Park vehicle in special vehicle lane (bus lane or cycle lane)	2004	\$60	\$100	67
6.7	Park vehicle on traffic island or flush median	2004	\$40	\$70	75
6.8(1)	Park vehicle within 6 metres of bus stop sign	2004	\$40	\$70	75
6.9(1)	Vehicle obstructs entrance or exit of driveway	2004	\$40	\$70	75
6.10	Park vehicle near fire hydrant	2004	\$40	\$70	75
6.11	Park vehicle alongside another stopped vehicle	2004	\$60	\$100	67
6.12	Fail to park vehicle parallel to road	2004	\$40	\$70	75
6.13	Fail to park vehicle at angle when required	2004	\$40	\$70	75
6.14	Park vehicle on footpath or cycle path	2004	\$40	\$70	75
6.15	Park vehicle of unauthorised class on reserved area	2004	\$60	\$100	67

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Provision	Offence	Year fee last updated	Current infringement fee	New infringement fee	Percentage increase (%)
6.16	Park on loading zone	2004	\$40	\$70	75
6.17(a)	Stop on level crossing	2004	\$150	\$255	70
6.17(b)	Stop near level crossing so as to obscure view	2004	\$150	\$255	70
6.18(1)	Parking goods vehicle at angle during hours of darkness	2004	\$60	\$100	67
6.19	Park trailer on roadway for more than 5 days	2004	\$60	\$100	67
8.3(2)(c)	Fail to dip headlamps when vehicle parked	2004	\$150	\$255	70
8.7(1)	Park unlit vehicle during hours of darkness	2004	\$150	\$255	70
8.7(2)	Park heavy vehicle (or vehicle fitted with flat-deck for goods carriage) during hours of darkness without rearward facing position lamp	2004	\$150	\$255	70
8.7(3)	Stopping or standing temporarily during hours of darkness without using position lamp(s) or dipped-beam headlamp(s)	2004	\$150	\$255	70
Schedule 1B Part 1	Overstaying not more than 30 minutes	2004	\$12	\$20	67
	Overstaying more than 30 minutes but not more than 1 hour	2004	\$15	\$25	67
	Overstaying more than 1 hour but not more than 2 hours	2004	\$21	\$36	71
	Overstaying more than 2 hours but not more than 4 hours	2004	\$30	\$51	70
	Overstaying more than 4 hours but not more than 6 hours	2004	\$42	\$71	69
	Overstaying more than 6 hours	2004	\$57	\$97	70
	Parking on or within 6 metres of an intersection	2004	\$60	\$100	67
	Parking on or near a pedestrian crossing	2004	\$60	\$100	67
	Parking on broken yellow lines	2004	\$60	\$100	67
	Double parking	2004	\$60	\$100	67
	Inconsiderate parking	2004	\$60	\$100	67
	Parking on a clearway	2004	\$60	\$100	67
	Parking on a bus-only lane	2004	\$60	\$100	67
	All other parking offences	2004	\$40	\$70	75

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IN CONFIDENCE

Table 2 Minor technical clarifications to the Land Transport (Offences and Penalties) Regulations 1999

Provision	Current brief description (Schedule 1)	Updated brief description (Schedule 1)
2.12(2)	Stop or park on motorway	Stop, stand, or park on motorway
6.4(1B)	Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles	Park, etc, a non-electric vehicle or an electric vehicle that is not charging in parking area reserved for charging electric vehicles
6.4 (1C)	N/A (new offence provision)	Park, etc, a vehicle in an area that is designated as a clearway or no stopping area
6.19	Park trailer on roadway for more than 7 days	Park trailer on roadway for more than 5 days

Table 3 Fees set out in the Land Transport (Storage and Towage Fees for Impounded Vehicles) Regulations 1999 and Transport (Towage Fees) Notice 2004

Provision	Service	Year fee last updated	Current fee (including GST)	New fee (including GST)	New fee (excluding GST)	Percentage increase (%)
Regs 3(1)(a)(i) Notice 5(a)(i)	Towage - 3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$53.67	\$90.20	\$78.43	68
Regs 3(1)(a)(ii) Notice 5(a)(ii)	Towage - 3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	2004	\$71.56	\$120.30	\$104.61	68
Regs 3(1)(b)(i) Notice 5(b)(i)	Towage - more than 3,500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$132.89	\$223.40	\$194.26	68
Regs 3(1)(b)(ii) Notice 5(b)(ii)	Towage - more than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	2004	\$204.44	\$343.70	\$298.87	68
Regs 3(2)	Fee for additional kilometres towed in excess of 10 kilometres (per km or part of a km)	1999	\$3.07	\$6.10	\$5.30	98
Regs 4(1)(a)	Storage - gross vehicle weight is 3500kgs or less (per day)	1999	\$12.27	\$24.30	\$21.13	98
Regs 4(1)(b)	Storage - gross vehicle weight is more than 3500kgs (per day)	1999	\$28.62	\$56.70	\$49.30	98



Cabinet Committee Background Information and Talking Points

Cabinet Committee: *Cabinet Legislation Committee (LEG)*

Paper Title: **Approval of Legislative Changes to Update Land Transport Fees**

Portfolio: *Transport*

Officials Attending:

- *Tessa Ayson, Acting Manager, Regulatory Stewardship and Design, Ministry of Transport*
- *Kayla Herbert, Senior Solicitor, Legal, Ministry of Transport*

Talking points

- I am seeking your approval to authorise to the submission of the Executive Council two pieces of secondary legislation, the:
 - Land Transport (Offences and Penalties) Amendment Regulations 2024; and the
 - Land Transport (Storage and Towing Fees for Impounded Vehicles) Amendment Regulations 2024.
- The Amendment Regulations will apply inflation adjustments to parking infringement fees (otherwise known as parking tickets) and regulated towing and storage fees from 1 October 2024.
- Council-ordered towing fees will be updated through the Land Transport (Towing Fees) Notice 2024. While also drafted by PCO, the Notice is made by the Secretary of Transport and does not require Cabinet approval.
- In addition to the inflation adjustments, the Cabinet agreed to update the infringement fee for parking in an area reserved for disabled persons (also referred to as mobility parking) and delegated the method of adjustment to myself and the Minister for Disability Issues.
- The Minister for Disability Issues and I have agreed to increase the fee for parking in an area reserved for disabled persons to \$750 (the current fee is \$150). We consider this increase is necessary because of the significant impact that illegal use of these spaces has on those who are permitted to use them.

- I have also made some minor policy decisions under delegation from Cabinet:
 - **a \$100 infringement fee for electric vehicle (EV) parking offences.** The offence for misuse of EV parks was added to legislation in 2019. An inflation increase from 2019 would result in a \$75 fee, but I have decided to instead increase this fee to \$100 to better align with similar penalties.
 - **minor rounding adjustments to towage and storage fees** to the nearest 10 cents. This means the total fee amount can be paid both electronically and by cash.
 - **a transitional arrangement to provide towage operators with financial certainty, whereby**
 - vehicles impounded on or after 1 October 2024 will be subject to the new fee levels
 - if a payment arrangement is entered on or after 1 October 2024 for a vehicle impounded before this date, the new storage fees will apply to all days of the impoundment period from 1 January onward (inclusive).

Next steps

- I intend to issue a media statement on the fee increases immediately following Cabinet and Executive Committee approval. Prior to this, Officials will engage directly with road controlling authorities and the towage industry to confirm the timing of changes.
- The new fees will take effect from 1 October 2024

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Further information, if needed

- On 18 June 2024, the Cabinet Expenditure and Regulatory Review Committee agreed to increase parking infringement and towage and storage fees for inflation. Many of these fees have not been updated in over twenty years.
- The change is needed to support councils to effectively enforce parking breaches and ensure towage operators can better cover their costs.

Methodology

- Parking fees are being increased using the Consumers Price Index. For most fees, this results in a 67 to 75 percent increase.
- Towage and storage fees are being increased using a composite index method, representative of the costs of running a towage business. Towage fees are increasing by 68 percent; storage and mileage fees are increasing by 98 percent.

Relevant provisions

- Section 167 of the Land Transport Act 1998 (the Act) authorises the Governor General, by Order in Council, to:
 - make regulations for specifying infringement offences for the purposes of the Act
 - specify the arrangements for the payment of fees and charges in respect of impounded vehicles.
- Section 2 of the Act allows for the Secretary of Transport to set towage fees for parking offences by notice.

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Q & A

Question	Suggested response
<i>Who did you consult with?</i>	<ul style="list-style-type: none">• The Ministry of Transport carried out targeted consultation on my behalf from 25 June to 1 July 2024.• Proposals for parking and council-ordered towage were emailed to representatives of all road controlling authorities and the New Zealand Parking Association.• Proposals for towage and storage fees were sent to a sample of 24 towage operators and the Motor Trade Association.• I considered feedback from targeted consultation in finalising the Amendment Regulations.
<i>Is there support for these fee increases?</i>	<ul style="list-style-type: none">• Councils and the towage industry have been calling for parking and towage fee increases for many years.• The Department of Internal Affairs supports the increases to parking infringement fees.• The fees are only payable by those who have, or are thought to have, committed an offence.
<i>Are council and towage operators prepared to implement the fees by 1 October?</i>	<ul style="list-style-type: none">• Councils were first informed of the proposals in late June through targeted consultation.• Following LEG approval, Officials will engage with councils again to support implementation of the new fees.• I am advised that the towage sector can implement fee changes with 28 days notice.
<i>How did you decide on a \$750 mobility parking fee?</i>	<ul style="list-style-type: none">• Misuse of mobility parks can have serious impacts on the lives of disabled people by limiting their access to work, services and community connection.• The Minister for Disability Issues and I agree that the \$750 fee better represents the seriousness of this offence.• New Zealand's current fee of \$150 is low compared to other countries. Australia's median fee across six states is \$580 NZD.

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Notes to editors:

Increases to parking infringement fees and towage and storage fees

- Most parking infringement fees were set in 2004. Applying a Consumers Price Index (CPI) increase to parking infringement fees resulted in around a 70 percent increase. Where fees were set post 2004, we aligned the increase with similar offences for consistency.
- Towage and storage fees are being increased using a composite index method to reflect the costs of running a towage business. This has resulted in a 68 percent increase to towage fees and a 98 percent increase to storage and mileage fees.

Table 1 Updates to parking infringement fees in the Land Transport (Offences and Penalties) Regulations 1999

Offence	Year fee last updated	Current infringement fee	New infringement fee	Percentage increase (%)
Overstaying not more than 30 minutes	2004	\$12	\$20	67
Overstaying more than 30 minutes but not more than 1 hour	2004	\$15	\$25	67
Overstaying more than 1 hour but not more than 2 hours	2004	\$21	\$36	71
Overstaying more than 2 hours but not more than 4 hours	2004	\$30	\$51	70
Overstaying more than 4 hours but not more than 6 hours	2004	\$42	\$71	69
Overstaying more than 6 hours	2004	\$57	\$97	70
Stop or park on motorway	2004	\$150	\$255	70
Park vehicle without due care and consideration	2004	\$60	\$100	67
Park vehicle on roadway when practicable to park on road margin	2004	\$40	\$70	75
Park vehicle on bend	2004	\$40	\$70	75
Unauthorised parking on or within 6 metres of intersection	2004	\$60	\$100	67
Park contrary to a traffic sign (general)	2004	\$40	\$70	75
Park in an area reserved for disabled persons	2008	\$150	\$750	400
Park, etc, a non-electric vehicle in parking area reserved for charging electric vehicles	2019	\$60	\$100	67
Park on broken yellow lines	2004	\$60	\$100	67
Park vehicle on pedestrian crossing	2004	\$60	\$100	67
Park vehicle within 6 metres of driver's approach to pedestrian crossing	2004	\$60	\$100	67

Park vehicle in signed/marked area on driver's approach to pedestrian crossing	2004	\$60	\$100	67
Park vehicle in special vehicle lane (bus lane or cycle lane)	2004	\$60	\$100	67
Park vehicle on traffic island or flush median	2004	\$40	\$70	75
Park vehicle within 6 metres of bus stop sign	2004	\$40	\$70	75
Vehicle obstructs entrance or exit of driveway	2004	\$40	\$70	75
Park vehicle near fire hydrant	2004	\$40	\$70	75
Park vehicle alongside another stopped vehicle	2004	\$60	\$100	67
Fail to park vehicle parallel to road	2004	\$40	\$70	75
Fail to park vehicle at angle when required	2004	\$40	\$70	75
Park vehicle on footpath or cycle path	2004	\$40	\$70	75
Park vehicle of unauthorised class on reserved area	2004	\$60	\$100	67
Park on loading zone	2004	\$40	\$70	75
Stop on level crossing	2004	\$150	\$255	70
Stop near level crossing so as to obscure view	2004	\$150	\$255	70
Parking goods vehicle at angle during hours of darkness	2004	\$60	\$100	67
Park trailer on roadway for more than 5 days	2004	\$60	\$100	67
Fail to dip headlamps when vehicle parked	2004	\$150	\$255	70
Park unlit vehicle during hours of darkness	2004	\$150	\$255	70
Park heavy vehicle (or vehicle fitted with flat-deck for goods carriage) during hours of darkness without rearward facing position lamp	2004	\$150	\$255	70
Stopping or standing temporarily during hours of darkness without using position lamp(s) or dipped-beam headlamp(s)	2004	\$150	\$255	70

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Updates to fees in the Land Transport (Storage and Towage Fees for Impounded Vehicles) Regulations 1999 and Transport (Towage Fees) Notice 2004

Service	Year fee last updated	Current fee (including GST)	New fee (including GST)	Percentage increase (%)
Towage - 3500kg or less, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$53.67	\$90.20	68
Towage - 3500kg or less, any other time (eg Saturday, Sunday or a public holiday)	2004	\$71.56	\$120.30	68
Towage - more than 3,500kg, between the hours of 7am and 6pm, Monday to Friday (not including public holidays)	2004	\$132.89	\$223.40	68
Towage - more than 3500kg, any other time (eg Saturday, Sunday or a public holiday)	2004	\$204.44	\$343.70	68
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Storage - gross vehicle weight is more than 3500kgs (per day)	1999	\$28.62	\$56.70	98

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Cabinet Legislation Committee

Document 15

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.

Approval of Legislative Changes to Update Land Transport Fees

Portfolio Transport

On 22 August 2024, the Cabinet Legislation Committee:

- 1 **noted** that in June 2024, the Cabinet Expenditure and Regulatory Review Committee agreed to:
 - 1.1 amend land transport regulations and the towage fees notice to update regulated towage and storage fees for inflation;
 - 1.2 amend land transport regulations to update parking infringement fees using the Consumers Price Index;
 - 1.3 update the infringement fee for parking in an area reserved for disabled persons, with the method of adjustment to be confirmed after consultation between the Minister of Transport (the Minister) and the Minister for Disability Issues; and
 - 1.4 include minor technical clarifications in the drafting instructions for the regulatory amendments.

[EXP-24-MIN-0027]
- 2 **noted** that following targeted consultation the Minister made minor policy decisions on parking, towage, and storage fee increases, and made minor technical clarifications to some descriptions of offences as authorised by the Cabinet Expenditure and Regulatory Review Committee in June 2024 [EXP-24-MIN-0027];
- 3 **noted** that the:
 - 3.1 Land Transport (Offences and Penalties) Amendment Regulations 2024;
 - 3.2 Land Transport (Storage and Towage Fees for Impounded Vehicles) Amendment Regulations 2024; and the
 - 3.3 Land Transport (Towage Fees) Notice 2024

will give effect to the decision in paragraph 1 above;

- 4 **authorised** the submission to the Executive Council of the:
- 4.1 Land Transport (Offences and Penalties) Amendment Regulations 2024 [PCO 26579/4.0];
 - 4.2 Land Transport (Storage and Towage Fees for Impounded Vehicles) Amendment Regulations 2024 [PCO 26580/9.0];
- 5 **noted** that the Amendment Regulations will come into force on 1 October 2024.

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Chris Bishop (Chair)
Hon Dr Shane Reti
Hon Judith Collins KC
Hon Mark Mitchell
Hon Brooke van Velden
Hon Tama Potaka
Hon Casey Costello
Hon Nicole McKee
Hon Matt Doocey
Hon Simon Watts
Hon Andrew Bayly
Hon Scott Simpson, MP
Jamie Arbuckle, MP

Officials present from:

Officials Committee for LEG
Prime Minister's Office

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Cabinet

Document 16

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Report of the Cabinet Legislation Committee: Period Ended 23 August 2024

On 26 August 2024, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 23 August 2024:

LEG-24-MIN-0158 **Approval of Legislative Changes to Update Land Transport Fees** CONFIRMED
Portfolio: Transport

Out of Scope

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Out of Scope



Rachel Hayward
Secretary of the Cabinet

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