MINISTRY OF TRANSPORT
TE MANATŪ WAKA

Proposed time of use charging regulations under the Land Transport Management (Time of Use Charging) Amendment Act 2025

Consultation

April 2026

Contents

Introduction

1. This document consults on two technical regulations needed to support the operation of time of use charging schemes. These regulations focus on:
    - how charges would differ by vehicle type, and
    - the infringement penalty for non-payment of a time of use charge.
2. This consultation gives you the opportunity to comment on these proposed settings before they are finalised. Your submissions will help test whether these are workable and fair in practice, and whether any adjustments or alternative approaches should be considered. After consultation, officials will analyse submissions and provide advice to the Government on next steps, including any refinements.
3. These proposals are designed to work together with the *Land Transport Management (Time of Use Charging) Amendment Act 2025* (Amendment Act) and the *Land Transport Act 1998* (the Act), and we encourage you to read this whole document before responding. We have provided questions at the end of this document to guide your submission.
4. We may share submissions with Waka Kotahi New Zealand Transport Agency (NZTA) for analysis, and they may be subject to public release under the Official Information Act 1982.

Why has the Government enabled time of use charging

5. Traffic congestion in New Zealand's cities imposes significant costs, including lost time for commuters and freight, unreliable travel, wasted fuel, and higher emissions. Traditional road funding and traffic management approaches struggle to address congestion at peak times. Time of use charging targets this problem by charging for road use when and where demand is highest.
6. Overseas schemes show congestion charging can quickly change behaviour and reduce traffic volumes. Stockholm's congestion tax cut vehicle entries into the city by around 20 percent almost immediately, with high compliance. London's congestion charges reduced traffic and generated funding for public transport. Singapore's Electronic Road Pricing system uses time and location-based charges to actively manage demand and keep traffic moving.
7. Congestion undermines productivity, with estimated economic costs in the hundreds of millions of dollars each year. Other urban centres also face peak-period pressures. In response, the Government has identified time of use charging as a key tool to improve the performance of the transport network.

How time of use charging works

8. Time of use charging encourages more efficient travel choices by applying charges at the busiest times and places on the network. Some drivers will continue to travel and pay the charge, while others may choose to travel at different times, take alternative routes, or use different modes.
9. Even small changes in travel behaviour can make a meaningful difference. Modest reductions in peak-time traffic can significantly improve traffic flow by easing pressure on the network, improving travel times and reliability for those who continue to travel.

Land Transport Management (Time of Use Charging) Amendment Act 2025

10. The Amendment Act was passed in November 2025 and comes into effect on 18 November 2026. It aims to improve network productivity on our busiest roads by improving traffic flow.

11. The Amendment Act is *enabling*, reflecting a recommendation made by the select committee inquiry into congestion in Auckland[1]. An enabling framework means the same legislation can be applied to multiple schemes.

12. Among other things, the Amendment Act enables regulations to be made that specify charging classes for motor vehicles and the ratio at which charges are to be set between different classes of motor vehicle[2]. The Amendment Act also anticipates the setting of an infringement fee for the non-payment of a time of use charge[3].

13. A scheme board must develop a scheme proposal for the Minister of Transport to consider that is consistent with regulations made under the Amendment Act. Without these regulations in place, therefore, a scheme cannot be established.

14. This consultation looks at two detailed design aspects of how time of use charging schemes would operate in practice: how charges differ by vehicle type, and how non-payment would be dealt with. The proposed regulations are intended to:

    - support fairness by setting charges that reflect the different ways vehicles contribute to congestion, while recognising the wider transport costs faced by households and businesses.
    - ensure the approach is practical and proportionate, so charges are easy to understand and apply across different schemes.
    - provide clarity and consistency for road users through clear charging ratios between vehicle types.
    - encourage high levels of compliance through enforcement settings that are reasonable and effective.
    - draw on experience from overseas, using lessons from comparable schemes to inform the design and consider alternative approaches where appropriate.

Proposal 1: Differentiating charges by vehicle type

15. Differentiating charges by vehicle type is important so that the scheme is recognised as being fair. Different vehicles affect traffic flow in different ways, and applying higher charges to larger vehicles is likely to be understood as fair and appropriate because they have a bigger impact on traffic congestion. Vehicle types are grouped where they have a similar impact on traffic conditions.

[1] https://selectcommittees.parliament.nz/view/SelectCommitteeReport/d527ca67-0bda-4d76-99c1-6121d07bba37
[2] New section 65ZO(1) of the Act, section 4 of the Amendment Act.
[3] New section 167(1)(fb) of the Act, section 8 of the Amendment Act.

16. The following principles have been used to guide design decisions:
    - Proportionate to contribution to congestion. Charges should reflect the marginal congestion impact of each vehicle type.
    - Simple to understand and implement. The system should be straightforward for users to understand and efficient for NZTA to administer.
    - Efficient and future-proof. The framework should minimise complexity while allowing flexibility to adapt as technology and travel patterns change.
17. Taken together, these principles aim to ensure the charging framework can balance fairness, usability, flexibility and long-term workability. They provide the foundation for the proposals that follow, which translate these principles into a practical system design.

Proposed vehicle class definitions, grouping, and charging ratios

18. Charging vehicles proportionately to the congestion they cause is grounded in the principle of equity and efficiency – those who use more of the scarce road capacity at busy times should pay more. This helps to:
    a) encourage a shift by the heaviest vehicles to off-peak times or to improve logistics (since their costs would be higher), and
    b) make the charge fair in the eyes of the public (a motorcycle rider sees they pay much less than a large truck, which intuitively "feels" fair given the truck causes more of the traffic jam).

    It also aligns with other transport charging regimes – for example, the Road User Charges (RUC) system already charges vehicles in relation to vehicle size and weight.

Vehicle class definitions

19. Motor vehicles are defined in section 2 of the Land Transport Act 1998 and are therefore liable for a time of use charge in a charging area under section 65P of the Act. Section 65ZO(b) of the Act stipulates using the vehicle classification system as set out in the Land Transport Rules: Vehicle Standards Compliance 2002. The list below sets out the motor vehicle classes subject to time of use charging.

Mopeds with two wheels (LA)	Passenger car (MA)	Light goods GVM <3.5t (NA)	Light omnibus GVM <5t (MD1-4)
Mopeds with three wheels (LB)	Forward control passenger vehicle (MB)	Medium goods GVM 3.5-12t (NB)	Heavy omnibus GVM >5t (ME)
Motorcycle (LC)	Off-road passenger vehicle (MC)	Heavy goods GVM >12t (NC)	
Motorcycle and sidecar (LD)			
Motor tricycle (LE)			

20. Under the Land Transport Act 1998, trailers are defined as motor vehicles. For the purposes of time of use charging, however, in this proposal trailers are reflected within the charging class of the towing vehicle. This is because charging trailers separately would materially increase

administrative complexity and back-office costs. Rather than directing time of use revenue toward administration, it is preferable to invest that revenue in network upgrades and complementary measures (such as increased public transport services).

Vehicle charging classes and charging ratios

21. To ensure charging is fair and to keep things simple for users and operators, this proposal groups vehicles based on their size and impact on congestion. The following options outline different approaches to setting charging ratios, balancing precision with practicality. Each option has trade-offs in terms of complexity, equity, and ease of implementation.

22. Designing a nationally consistent charging framework necessarily involves judgement calls about where to strike the balance between precision, simplicity, and workability. In setting vehicle groupings and charging ratios, the proposed approach seeks to reflect meaningful differences in congestion impact, while remaining straightforward to administer and flexible enough to be applied across varied road types and locations.

23. Table 1 sets out the proposed vehicle groupings and charging ratios using Passenger Car Units (PCUs) as a common metric. A standard passenger car is assigned a baseline value of 1.0 PCU, with all other vehicle classes expressed as ratios relative to that baseline. Each vehicle class has been rounded to the nearest whole number. This reflects a pragmatic trade-off: while more granular differentiation could increase precision, rounding supports transparency, ease of implementation, and consistent application across schemes.

Table 1: Potential time of use charging vehicle groups and charging ratios between groups (Classes per Table A of the Land Transport Rules: Vehicle Standards Compliance 2002).

Charging class	Vehicle Classes	Rationale	Passenger car unit
A	Mopeds with two wheels Mopeds with three wheels Motorcycle Motorcycle and sidecar Motor tricycle	**Sub-Unit**: Mopeds and Motorcycles can filter through traffic and use dead space.	**0.5 : 1**
B	Passenger car Forward control passenger vehicle Off-road passenger vehicle Light omnibus GVM<3.5t Light goods GVM <3.5t	**Standard Unit:** The baseline rectangle for lane footprint and average flow impacts.	**1.0 : 1**
C	Omnibus 3.5-4.5t Omnibus 4.5-5t Heavy omnibus GVM >5t	**Heavy Buses:** Occupies a greater footprint than a passenger car; slow acceleration.	**2.0 : 1**
D	Medium goods GVM 3.5-12t Heavy goods GVM >12t	**Trucks:** Significant footprint; slow acceleration and large stopping distances.	**4.0 : 1**

24. The proposed ratios broadly correspond to differences in road space use and the level of traffic “friction” created by different vehicle types. Light vehicles, including cars and vans, are used as

the base unit because they comprise the majority of traffic on the network. Heavier vehicles are assigned higher ratios to reflect their larger physical footprint and effects on traffic flow, consistent with research and common assumptions in traffic modelling that a typical heavy truck occupies approximately two to four times the space of a passenger car.

25. Motorcycles are assigned a lower ratio to reflect their relatively small footprint and limited contribution to congestion. This judgement is consistent with approaches taken in some overseas schemes, where motorcycles are exempt entirely on the basis that their impact on congestion is minimal.

26. Under this proposal, if (hypothetically) the base time of use charge for a car is set at $4.50 for entering the time of use charging area, a motorcycle would be charged $2.25 and a truck $18.00. Subject to any maximum charge, the charge could apply each time the vehicle entered, left or travelled inside the charging area during charging hours.

Alternative charging structures

27. Some congestion charge schemes adopt a simpler charging structure similar to what is being proposed, often for administrative ease. London, as an example, charges a flat daily rate (£15) for almost all vehicles regardless of size, and completely exempts motorcycles from the charge. Stockholm's congestion tax is also the same for cars and trucks, with motorcycles exempt as well.

28. Singapore's ERP (electronic road pricing) charges vary by vehicle type to a degree – for each ERP camera gantry, there are different rates for motorcycles, cars, and heavy vehicles at that location – but these differences are relatively modest (e.g. a car might pay S$3 and a motorcycle S$2 at a given time). New York's congestion toll plan charges cars are only charged once per day, making heavy vehicles pay more if they make multiple trips.

29. Another alternative approach would be to make these groupings slightly simpler by creating a single "large vehicle" category that combines all medium and heavy trucks and buses. This would reduce complexity for motorists and have operational benefits such as requiring less space for road signage. However, grouping more vehicles together means some would end up paying more and others less than their actual impact, and the differences between vehicle types become less clear. Some may consider this to under-recognise the bigger truck's impact on congestion.

30. An even greater differentiation was considered but was not pursued because it could disproportionately impact freight businesses and their customers. Furthermore, there is limited evidence that such differentiation would deliver proportionate benefits in reducing congestion or emissions.

Proposal 2: Enforcement and penalties for non-payment

31. To ensure a time of use charging scheme is effective a robust enforcement regime is needed for those that either fail or refuse to pay the charge[4]. Such a regime needs to:
    - deter non-payment by removing any financial incentive to evade the charge.
    - be proportionate to the offence, recognising that non-payment is an evasion issue rather than a direct safety risk.
    - escalate appropriately for repeat offenders without placing unnecessary pressure on the court system.
32. To achieve this, this proposal treats the non-payment of the time of use charge as an infringement offence with a fixed infringement fee for each non-payment event.

Proposed infringement fee

33. A fixed $70 infringement fee is proposed. If a vehicle enters the charging zone during charging hours and does not pay on time, the registered owner will receive a $70 infringement. This fee, like the toll road enforcement regime, is intended to be simple, certain, and strong deterrent. Importantly, the infringement does not accumulate interest or additional fees over time – it is a one-off charge for that incident (though each separate unpaid charge without payment would incur a new $70 infringement fee, just as multiple days of unpaid parking would lead to multiple tickets).
34. This approach draws on established precedent in our traffic enforcement system and is designed to balance deterrence, proportionality, and administrative simplicity:
    - **Deterrence**: A $70 infringement fee is high enough to eliminate any financial incentive to evade the charge. For most drivers, $70 is many times higher than the time of use charge itself, so there is less financial incentive to avoid payment. The $70 fee is also significant enough for repeat offenders to incur substantial costs, ensuring habitual evaders are strongly discouraged from continued violations.
    - **Proportional and fair:** A flat $70 infringement fee is in the same order of magnitude as other minor traffic penalties. This level is not exorbitant for a one-time lapse, yet it is high enough to deter intentional evasion. Notably, this flat fee would apply equally to all vehicle types, treating the act of non-payment as the same offence for everyone. Cities like London also use a single flat penalty for all vehicles (e.g. £180 penalty for failing to pay London's £15 charge), so having one uniform fee is a common and accepted approach.
    - **Administrative simplicity and certainty:** A fixed infringement fee makes enforcement efficient and predictable. Certainty aids compliance and public understanding. It avoids complex formulas or case-by-case assessment, streamlining processing and keeping the burden off the courts. Under *s.139 of the Land Transport Act 1998*, infringement notices with fixed fees are used for minor transport offences. Failing to pay a toll is handled by issuing a $40 infringement fee

[4] Under section 65P of the Land Transport Management (Time of Use Charging) Amendment Act 2025, registered persons in respect of motor vehicles are liable for time of use charges unless the vehicle is exempt or the registered person supplies a statutory declaration that the vehicle was stolen at the relevant time.

on top of the toll itself. A $70 infringement fee leverages an existing legal mechanism and process that enforcement agencies and motorists already know.

35. Each unpaid trip is a separate offence incurring its own $70 infringement fee, so a persistent evader would accumulate multiple infringement fees. This by itself creates an escalating cost for repeat offences (e.g. 10 violations would mean $700 in infringement fees).

International comparison of congestion charge penalties

36. To ensure this enforcement proposal is in line with global best practice, a comparison was made with how other major cities penalise congestion charge evasion. Most cities set penalties that are an order of magnitude higher than the charge itself. Table 2 below compares a few examples of congestion charge schemes and their penalties (with approximate NZ dollar equivalents for context):

Table 2: Charges and non-payment charges for a range of cities with a congestion charging scheme established.

City	Daily Congestion Charge	Penalty for Non-Payment	Charge multiplier
London	£15 (NZ$32)	£180 (NZ$385)	12
New York	US$15 (NZ$25)	US$50 (NZ$83)	3
Stockholm[5]	SEK 45 (NZ$7)	SEK 500 (NZ$78)	11
Singapore[6]	SGD 5 (NZ$6)	SGD 80 (NZ$97)	14-16

37. In London, the £180 Penalty Charge Notice (PCN) for a £15 congestion charge equates to about 12× the charge (though London, like many UK jurisdictions, offers a 50% discount for quick payment, effectively making it 6× for those who settle promptly). Stockholm's system (which bills congestion charges as a tax) adds a flat 500 SEK late fee per invoice, roughly 11× its peak charge.

38. Singapore's electronic road pricing fees (including an administrative fee) come out to around 14–16× a typical ERP charge. New York's congestion toll plan is an outlier on the lower side – the proposed infringement fee of $50 is only about 3× its $15 charge. New York plans to use additional enforcement like withholding vehicle registration renewal to bolster compliance.

39. A $70 flat infringement fee would equate to about 16× a $4.50 charge for a car. This is on par with Singapore's regime, but notably higher than New York's. $70 is within an appropriate range to achieve compliance without being excessive. It's also broadly consistent with domestic analogies. The international evidence suggests that as long as the penalty is significantly larger than the charge, compliance stays high.

[5] Stockholm's charge varies by time of day (SEK 45 is a peak-hour charge) and is levied as a tax billed monthly. A one-time 500 SEK late fee is added if the bill isn't paid.

[6] Singapore's ERP charges vary; S$5 is a representative peak charge. Failing to have sufficient funds in the in-vehicle unit leads to a S$10 administrative fee, and if that isn't paid, a S$70 fine notice.

Have your say – Consultation Questions

40. Feedback is welcomed on any aspect of these proposals for regulations. You may wish to consider the following questions when making a submission:

- **Vehicle Groups and Charging Ratios:**
  - Do you agree with the vehicle groups proposed?
  - Do you agree with the proposed vehicle group charging ratios?
  - If not, what alternative approaches or ratios would you suggest, and why?
  - Are there specific vehicle classes that should be treated differently?
- **Fairness and Impacts:**
  - How do you think the differentiated charges will impact different road users?
  - Do you foresee any unintended consequences?
- **Infringement fee and level:**
  - Do you agree that a $70 infringement fee is appropriate?
  - Do you think this infringement fee would be an effective deterrent?
  - Do you think this infringement fee would be fair? If not, what level, or way of calculating the infringement, do you believe would be effective and fair?

Further information

41. The regulatory impact statement and Cabinet materials on Time of use charging have been proactively released: https://www.transport.govt.nz/assets/Uploads/Time-of-Use-Charging-Cabinet-Material-Proactive-Release.pdf

Consultation period and how to make a submission

42. The Ministry of Transport is seeking feedback on the proposals outlined in this document. The consultation period runs from 29th April to 25th June 2026. Submissions must be received by 5pm on the 25th June.

43. You can make a submission in any of the following ways:

- **Email**: Send your submission to Time of Use Charging Regulations Consultation Inbox at: TOUregulations2026@transport.govt.nz with “Time of Use Charging Regulations – Submission” in the subject line.
- **Post**: Time of Use Charging Regulations Consultation, Ministry of Transport, PO Box 3175, Wellington 6140.

44. Please include your name, organisation (if applicable), and contact details. You are welcome to address any of the consultation questions listed at the end of this document or comment on any other aspect of the proposals.

45. All submissions may be subject to release under the Official Information Act 1982. If your submission contains commercially sensitive or personal information you wish to withhold, please clearly identify this and explain the reason.

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