

**Land Transport Management (Time of Use Charging)
Amendment Bill**

Government Bill

As reported from the committee of the whole House

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Amendment Bill**

Key to symbols used in reprinted bill

As reported from the committee of the whole House

text inserted

~~text deleted~~

Hon Chris Bishop

Land Transport Management (Time of Use Charging) Amendment Bill

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Land Transport Management (Time of Use Charging) Amendment Act **2024**.

2 Commencement

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This Act comes into force on the first anniversary of Royal assent.

Part 1

Amendments to Land Transport Management Act 2003

3 Principal Act

This Part amends the Land Transport Management Act 2003.

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4 New subpart 3 of Part 2 inserted

After section 65, insert:

Subpart 3—Time of use charging schemes

Preliminary provisions

65A Definitions

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In this subpart, unless the context otherwise requires,—

charging class means the charging class for a motor vehicle set out in regulations made under **section 65ZH(1)(b)**

enforcement authority means any 1 or more of the following:

- (a) the Agency: 20
- (b) the Police:
- (c) any local authority (and, if the scheme is in Auckland, Auckland Transport) that is specified in an Order in Council made under **section 65H** as being an enforcement authority

registered person means, in relation to a motor vehicle, the person registered under Part 17 of the Land Transport Act 1998 in respect of the motor vehicle 25

scheme board means an entity established under **section 65U(2)** that is responsible for a time of use charging scheme

scheme region means the region in which a time of use charging scheme operates

time of use charge is the charge payable by the registered person of a motor vehicle that travels in a time of use charging area when a charge applies

time of use charging area means an area within which time of use charges operate, which must be— 5

- (a) within a time of use scheme area; and
- (b) described in a notice made under **section 65I**

time of use charging scheme means a time of use charging scheme established in a scheme region by an Order in Council made under **section 65H** 10

time of use scheme area means an area in a scheme region within which the scheme board may impose time of use charges in accordance with an Order in Council made under **section 65H**.

65B Purpose of time of use charging scheme

The purpose of a time of use charging scheme is to improve traffic flow in order to improve network productivity. 15

Initiation, preparation, and submission of proposed time of use charging scheme

65C Initiation of proposed time of use charging scheme

Local authority or local authorities may initiate time of use charging scheme 20

- (1) A local authority (or 2 or more local authorities) may initiate a time of use charging scheme by notifying the responsible Minister, the Agency, and any other local authority within the region in which the proposed scheme will operate.

Minister may direct Agency to initiate time of use charging scheme 25

- (2) If no local authority in a region has initiated a time of use charging scheme within 3 years after the commencement of this subpart, the responsible Minister may direct the Agency to initiate a time of use charging scheme if satisfied that a time of use charging scheme is likely to improve traffic flow in that region. 30

- (3) If the responsible Minister directs the Agency to initiate a time of use charging scheme for a region, the Agency must notify the local authorities within the scheme region.

Notice of charging scheme

- (4) A notice under **subsection (1) or (3)** must include an outline of the proposed time of use charging scheme that identifies— 35

- (a) the locations with poor traffic flow; and

- (b) an indicative proposed time of use scheme area; and
- (c) all indicative time of use charging areas.

65D Proposed time of use charging scheme

- (1) The scheme board responsible for a time of use charging scheme must develop a scheme proposal that it is satisfied would— 5
 - (a) improve traffic flow, being a combination of travel times and trip volumes; and
 - (b) contribute to an effective, efficient, and safe land transport system in the public interest.
- (2) The scheme proposal must set out— 10
 - (a) the proposed time of use scheme area; and
 - (b) the proposed time of use charging areas; and
 - (c) when—
 - (i) the proposed time of use scheme area is proposed to commence; and 15
 - (ii) the proposed time of use charging area or areas are proposed to commence; and
 - (d) the maximum charges proposed for each charging class of motor vehicle (which must be consistent with regulations made under **section 65ZH**); and 20
 - (e) a schedule of the operating times and charges (differentiated by charging class) that are proposed to apply to each time of use charging area; and
 - (f) a methodology for increasing the maximum charges over time; and
 - (g) a methodology or methodologies by which a charge will be triggered (such as by passing a fixed point, or by operating a motor vehicle in an area); and 25
 - (h) the method or methods of charge collection and billing; and
 - (ha) the proposed approach to exemptions from time of use charges for large passenger service vehicles—
 - (i) used primarily to provide public transport services— 30
 - (A) in the proposed time of use scheme area; and
 - (B) identified as integral under a regional public transport plan; or
 - (ii) contracted or funded by the Ministry of Education for the sole or primary purpose of transporting school children to and from school; and 35
 - (i) an investment approach including the activity classes to be funded from net time of use charging scheme revenues and the investment principles

to be applied in making funding allocations in accordance with the purpose of this Act.

- (3) For each proposed time of use charging area, the scheme proposal must identify the anticipated change in service level (including traffic flow) caused by the proposal, including a representative sample of travel times and travel volumes for trips in the scheme region affected by the scheme. 5

65E Consultation on scheme proposal

- (1) Before submitting a scheme proposal to the responsible Minister, the scheme board—
- (a) must carry out public consultation in the scheme region; and 10
 - (b) must consult any local authority in the scheme region that is not a member of the scheme; and
 - (c) if the scheme is in Auckland, must consult Auckland Transport.
- (2) When carrying out public consultation under **subsection (1)(a)**, the scheme board must make the impact assessment produced under **section 65Z(1)(a)** available to the public. 15

65F Submission of scheme proposal to responsible Minister

- (1) The scheme board may, in accordance with **section 65ZAC**, submit a scheme proposal to the responsible Minister.
- (2) The scheme proposal must be accompanied by— 20
- (a) a report of the consultation carried out in accordance with **section 65E**, including—
 - (i) a summary of the submissions made during the consultation; and
 - (ii) a description of any changes made as a result of the consultation; and 25
 - (b) the impact assessment produced under **section 65Z(1)** and updated in accordance with **section 65Z(3)**; and
 - (c) any other information that the responsible Minister considers necessary.
- (3) The responsible Minister may, after receiving a scheme proposal and the information required under **subsection (2)**, request any further information that the responsible Minister considers necessary in order to make a decision under **section 65G**. 30

Minister's decisions concerning time of use charging scheme

65G Minister's decisions concerning time of use charging scheme

- (1) The responsible Minister, after assessing a scheme proposal submitted under **section 65F**, may— 35

- (a) recommend to the Governor-General that a time of use charging scheme be established in the manner set out in the scheme proposal; or
 - (b) refer the scheme proposal back to the scheme board, requesting it to reconsider 1 or more of the aspects of the scheme proposal; or
 - (c) decline to recommend that the Governor-General establish a time of use charging scheme in the manner set out in the scheme proposal. 5
- (2) The responsible Minister may make a recommendation under **subsection (1)(a)** only if the responsible Minister, in consultation with the Minister of Finance, is satisfied that the scheme is consistent with the purposes of time of use charging schemes as set out in **section 65B** and this Act. 10

Secondary legislation relating to time of use charging scheme

65H Order in Council establishing time of use charging scheme

- (1) The Governor-General may, by Order in Council made on the recommendation of the responsible Minister, establish a time of use charging scheme.
- (2) An order made under **subsection (1)** must— 15
- (a) specify the date from which the time of use charging scheme will apply; and
 - (b) describe the time of use scheme area; and
 - (c) set the maximum charge payable by each charging class of motor vehicle under the time of use charging scheme in accordance with regulations made under **section 65ZH**; and 20
 - (d) set out a methodology by which the maximum charge payable in respect of each charging class of motor vehicle under the time of use charging scheme may be increased over time; and
 - (e) specify any local authorities (and, if the scheme is in Auckland, Auckland Transport) that are an enforcement authority for the purposes of the time of use charging scheme; and 25
 - (f) specify the local authorities (and, if the scheme is in Auckland, Auckland Transport) that may exercise the powers described in **section 65ZD**; and 30
 - (g) identify the anticipated change in service level caused by the time of use charging scheme, including a representative sample of travel times and travel volumes for trips in the scheme region affected by the scheme; and
 - (h) specify an investment approach prescribing the activity classes to be funded from net time of use charging scheme revenues and the investment principles to be applied in making funding allocations in accordance with the purpose of the Act. 35
- (2A) An order made under subsection (1) may—

- (a) set a maximum charge payable over a particular time period by each charging class of motor vehicle under the time of use charging scheme in accordance with regulations made under **section 65ZH**; and
- (b) include transitional arrangements relating to the termination of the time of use charging scheme. 5
- (2B) An order made under **subsection (1)** may exempt from time of use charges large passenger service vehicles—
- (a) used primarily to provide public transport services—
- (i) in the time of use scheme area; and
- (ii) identified as integral under a regional public transport plan; or 10
- (b) contracted or funded by the Ministry of Education for the sole or primary purpose of transporting school children to and from school.
- (3) An order made under this section—
- (a) is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements); and 15
- (b) must be confirmed by an Act (*see* subpart 3 of Part 5 of that Act).
- 65I Notification of time of use charging area**
- (1) Following a direction from a scheme board under **section 65W**, the Agency must, by notice, describe each time of use charging area by—
- (a) specifying the area or areas within the time of use scheme area in which the time of use charging scheme will operate; and 20
- (b) describing the places within each time of use charging area at which a time of use charge must be paid.
- (2) The Agency may make a notice under **subsection (1)** only if satisfied that the scheme board has publicly consulted on the proposed time of use charging area (including consulting with local authorities that are not members of the scheme and, if the scheme is in Auckland, Auckland Transport). 25
- (3) A notice made under **subsection (1)** must not come into force less than 28 days before a land transport record is created in respect of the information in that notice. 30
- (4) A notice made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).
- 65J Notification of time of use charges**
- (1) Following a direction from a scheme board under **section 65W**, the Agency must, by notice, set the charges payable in respect of a motor vehicle passing through a place at which a time of use charge must be paid, and those charges must be— 35

- (a) not more than the maximum charge payable by each charging class of motor vehicle set by an Order in Council made under **section 65H**; and
- (b) in accordance with regulations made under **section 65ZH** setting out the charging classes and charging ratios for different motor vehicle types. 5
- (2) A notice made under **subsection (1)** must not come into force before a land transport record is created in respect of the information in that notice.
- (3) A notice made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).
- Termination and variation of time of use charging scheme* 10
- 65K Termination of time of use charging scheme**
- (1) A scheme board may, in accordance with **section 65ZAC**, submit a request to the responsible Minister for a time of use charging scheme to be terminated.
- (2) A request must specify—
- (a) the name of the time of use charging scheme; and 15
- (b) the reasons why the scheme board wants the scheme to be terminated; and
- (c) a date by which the scheme board wants the scheme to be terminated; and
- (d) any other information that the responsible Minister considers necessary. 20
- (3) The request must include a report by the scheme board on the views of any local authorities within the scheme region (and, if the scheme is in Auckland, Auckland Transport) that are not members of the scheme.
- (4) The responsible Minister may, in their complete discretion after considering a request for a time of use charging scheme to be terminated,— 25
- (a) recommend to the Governor-General that the time of use charging scheme be terminated by Order in Council made under **section 65H** in the manner set out in the request; or
- (b) refer the request back to the scheme board, asking it to reconsider the request; or 30
- (d) decline to recommend that the Governor-General terminate the time of use charging scheme by Order in Council made under **section 65H**.
- 65L Proposal to vary time of use charging scheme**
- (1) A scheme board may, in accordance with **section 65ZAC**, develop a proposal to vary a time of use charging scheme established by an Order in Council made under **section 65H**. 35
- (2) **Sections 65D to 65G** apply to a proposal to vary a time of use charging scheme (other than a proposal described in **subsection (3)**), subject to—

- (a) any reference to a scheme proposal being read as a proposal to vary a time in use charging scheme; and
- (b) all other necessary modifications.
- (3) **Sections 65D, 65F, and 65G** apply to a proposal to increase the maximum charges payable in respect of each charging class of motor vehicle in a time of use charging scheme in accordance with a methodology to increase the maximum charges payable by each charging class of vehicle set out in an Order in Council made under **section 65H**. 5
- (4) However, when preparing a proposal to vary a time of use charging scheme under **subsection (2) or (3)**, the scheme board may include only the information set out in **section 65D(2)** that is necessary or desirable to understand the proposed variation. 10
- (5) Nothing in this section applies to the power of the Agency to make notices under **section 65I or 65J**.
- 65M Responsible Minister may notify scheme board of concerns with time of use charging scheme** 15
- (1) This section applies if the responsible Minister is concerned that a time of use charging scheme—
- (a) is failing to deliver the expected benefits of the scheme as described in the scheme proposal submitted to the responsible Minister under **section 65F**; or 20
- (b) is not contributing to an effective, efficient, and safe land transport system in the public interest.
- (2) The responsible Minister must notify their concerns to the relevant scheme board. 25
- (3) Within 3 months of a notification made under **subsection (2)**, the scheme board must respond to the responsible Minister’s concerns, stating what actions the scheme board has taken, or intends to take, in respect of those concerns.
- 65N Responsible Minister may issue a direction, appoint a scheme commissioner or commissioners, or recommend terminating time of use charging scheme** 30
- (1) This section applies if,—
- (a) in accordance with **section 65M(2)**, the responsible Minister has notified their concerns; but
- (b) the responsible Minister is not satisfied, on reasonable grounds, that the actions the scheme board has taken or intends to take in response to the concerns notified are an adequate response to those concerns. 35
- (2) The responsible Minister may—

- (a) direct a scheme board with respect to a time of use charging scheme to make changes to time of use charges in accordance with **section 65J**; or
 - (b) appoint, by notice made in accordance with **section 65NA**, a scheme commissioner or commissioners to assume the functions, duties, and powers of the scheme board; or 5
 - (c) recommend that the Governor-General, by Order in Council made under **section 65H**, terminate a time of use charging scheme.
- (3) A direction issued under **subsection (2)(a)** is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 10
- (3A) A notice made under **subsection (2)(b)** is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).
- (4) A scheme commissioner appointed under **subsection (2)(b)** is not liable for any act done or omitted to be done by them in good faith in the performance or intended performance of their functions, responsibilities, and duties, or the exercise of their powers, as a commissioner. 15

65NA Notice of appointment of commissioner

- (1) Prior to making a notice under **section 65N(2)(b)**, the responsible Minister must notify the scheme board in writing of the appointment.
- (2) A notice made under **section 65N(2)(b)** must— 20
- (a) prescribe the term of the scheme commissioner or commissioners; and
 - (b) prescribe the role and functions of the scheme commissioner or commissioners; and
 - (c) describe any other conditions of the appointment; and
 - (d) set out any directions of the responsible Minister to the scheme commissioner or commissioners that the commissioner or commissioners must comply with in carrying out their role and functions. 25

Liability to pay time of use charge

65O Who is liable to pay time of use charge

- (1) The registered person in respect of a motor vehicle is liable to pay a time of use charge if— 30
- (a) the vehicle travels in a time of use charging area when a charge applies; and
 - (b) the vehicle is not exempt in respect of the time of use charge.
- (2) However, the registered person is not liable to pay the charge if, within 28 days after being notified by the Agency that the charge has not been paid, the registered person supplies to the Agency a statutory declaration that the vehicle was a stolen vehicle at the relevant time. 35

- (3) The Agency must give notice under **subsection (2)**—
- (a) by sending a notice, or a copy of it, by post addressed to the registered person at that person’s last known place of residence or business or postal address; or
 - (b) by electronic means of communication delivered to the registered person’s electronic address in compliance with Part 4 of the Contract and Commercial Law Act 2017. 5
- (4) Unless the registered person proves that through no fault of their own they did not receive the notice given under **subsection (3)**, a notice delivered by—
- (a) ordinary post is to be treated as having been delivered 5 working days after the date on which it was posted: 10
 - (b) electronic communication is to be treated as having been delivered on the day after the date on which it was delivered to the person’s electronic address.
- (5) A time of use charge and the associated enforcement costs are recoverable in a court of competent jurisdiction as a debt due to the Agency. 15

65P Classes of vehicle in respect of which time of use charge is not payable

- (1) A time of use charge is not payable in respect of—
- (a) a motor vehicle that is an emergency vehicle; or
 - (b) a large passenger service vehicle exempted by an Order in Council made under **section 65H**. 20
- (2) In this section, **emergency vehicle** means a vehicle that is used to attend emergencies and operated as—
- (a) a Police vehicle;
 - (b) an ambulance service vehicle: 25
 - (c) a vehicle for the delivery of designated services (as defined in section 6 of the Fire and Emergency New Zealand Act 2017) by an employee, a volunteer, or a contractor of Fire and Emergency New Zealand.

65Q How time of use charge is paid

A person liable to pay a time of use charge must pay the charge in accordance with any billing system developed by the Agency under **section 65ZG(1)(a)**. 30

Offences and penalties

65R Offences and penalties

- (1) A person commits an offence if the person, without reasonable excuse, fails to pay a time of use charge payable by that person. 35
- (2) An offence against **subsection (1)** is a moving vehicle offence under the Land Transport Act 1998.

- (3) A person commits an offence if, for the purpose of **section 65O(2)**, the person gives a statutory declaration that contains information that the person knows to be false or misleading.
- (4) A person who commits an offence against **subsection (3)** is liable on conviction to a fine not exceeding \$500. 5
- (5) **Subsection (3)** does not limit section 111 of the Crimes Act 1961.

Scheme revenue

65S Scheme revenue

- (1) Revenue from a time of use charging scheme must be disbursed by the Agency and applied by the Agency or the holder of a time of use disbursement account under **section 65X(5)**— 10
- (a) to meet the reasonable—
- (i) establishment costs of establishing the scheme board in accordance with **section 65U** and developing the scheme incurred by members of the scheme under **section 65D**; and 15
- (ii) costs incurred by members of the scheme after a scheme proposal is accepted by the responsible Minister under **section 65G** (other than those costs set out in **subparagraph (iii)**); and
- (iii) costs of appointing an independent chairperson of a scheme board appointed under **section 65V(4) or (4B)** (including remuneration for that chairperson); and 20
- (iv) costs of scheme operation, revenue collection, and billing by the Agency; and
- (v) costs of appointing a scheme commissioner or commissioners under **section 65N** (including remuneration for that commissioner or those commissioners); and 25
- (vi) costs of the monitoring and reviewing functions of the Secretary under **section 65T**; and
- (b) to invest in land transport activities (such as activities involving State highways, local roads, public transport, and active transport) in the scheme region in a way that contributes to an effective, efficient, and safe land transport system in the public interest. 30
- (2) **Subsection (2A)** applies in relation to revenue from a time of use charging scheme to be disbursed by the Agency under **subsection (1)(a)(i), (ii) or (iv)** to meet any costs of an activity for which payments from the national land transport fund have been approved under section 20. 35
- (2A) Any revenue to which this subsection applies must be paid by the Agency into a Crown Bank Account and treated as land transport revenue for the purposes of this Act.

- (3) The prioritisation and allocation of revenues under **subsection (1)(b)** must be in accordance with an investment agreement reached under **section 65X(1) or (2)**.

Secretary must monitor and review time of use charging scheme

65T Secretary must monitor and review time of use charging scheme

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- (1) The Secretary, for the purpose of enabling well-informed decisions about time of use charging scheme effectiveness by the responsible Minister, must monitor and review each time of use charging scheme.
- (2) In monitoring and reviewing a time of use charging scheme, the Secretary must consider whether the scheme is—
- (a) achieving the service level changes identified in the scheme proposal; and
- (b) contributing to an effective, efficient, and safe land transport system in the public interest in accordance with the purposes of time of use charging schemes as set out in **section 65B** and this Act.
- (3) The Secretary must report annually to the responsible Minister on the performance of each time of use charging scheme.
- (4) All costs incurred by the Secretary in relation to a time of use charging scheme may be recovered from the revenue of the time of use charging scheme in accordance with **section 65S(1)(a)(v)**.

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Scheme boards

65U Scheme boards

- (1) Each time of use charging scheme must have a scheme board.
- (1A) A scheme board is a body that directs members of a time of use charging scheme on matters relating to the proposal for, and development, ~~operation, and enforcement~~ and operation of, that scheme.
- (2) The Agency and any local authorities involved in initiating the time of use charging scheme must establish the scheme board,—
- (a) if a time of use charging scheme is initiated by 1 or more local authorities under **section 65C(1)**, on the date that the Agency receives notice of the proposal from that local authority or those local authorities, or as soon as practicable afterwards; or
- (b) in any other case, on the date that the Agency sends notice that it is initiating a time of use charging scheme to all relevant local authorities under **section 65C(3)**, or as soon as practicable afterwards.
- (4) It is the duty of the local authority members of the scheme, the Agency, and the Secretary to give reasonable assistance to each other to perform their respective functions and duties, and exercise their respective powers, under this subpart.

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65UA How local authority may join time of use charging scheme

Before charging scheme is recommended by responsible Minister

- (1) **Subsection (2)** applies—
 - (a) before the date on which a proposed time of use charging scheme is recommended by the responsible Minister under **section 65G(1)(a)**; and 5
 - (b) to a local authority that is located in a scheme region but is not a member of the scheme in that region.
- (2) A local authority that has not joined a time of use charging scheme may become a member of a scheme in the region in which that local authority is located by notice in writing to the scheme board and is a member of that scheme from the date of that notice. 10

After charging scheme is established by Order in Council

- (3) **Subsection (4)** applies—
 - (a) after a time of use charging scheme has been established by Order in Council made under **section 65H**; and 15
 - (b) to any local authority that is not already a member of that scheme.
- (4) The local authority may become a member of the scheme with the agreement of the responsible Minister and the existing local authorities that are members of the scheme and is a member of that scheme from the date of that agreement.

65UB Agency must reach agreement with local authority members of scheme on any proportion of establishment costs to be incurred by Agency 20

The Agency must reach agreement with the local authority members of the scheme on any proportion of establishment costs to be incurred by the Agency under **section 65D**.

65V Scheme boards: representatives and voting rights 25

- (1) The scheme board consists of—
 - (a) 1 representative of each local authority that is a member of the time of use charging scheme; and
 - (b) if fewer than 3 local authorities are members of the time of use charging scheme, 1 additional representative for each local authority that initiated the scheme under **section 65C**; and 30
 - (c) up to 2 representatives of the Agency; and
 - (d) an independent chairperson appointed under **subsection (4) or (4B)**.
- (2) The board members who are representatives of the Agency hold 50% of the voting rights in relation to decisions made by the scheme board. 35
- (3) The board members who are representatives of local authorities collectively hold 50% of the voting rights in relation to decisions made by the scheme

board, divided between them proportionate to the share of the scheme establishment costs that each local authority has agreed to contribute.	
(4) If the time of use charging scheme was initiated by 1 or more local authorities, the chairperson of the scheme board must be—	
(a) independent; and	5
(b) appointed by the Agency and the local authority or authorities that initiated the scheme by unanimous agreement.	
(4A) If the time of use charging scheme was initiated by the Agency and there are no local authority members of the scheme, the chairperson of the scheme board must be appointed by, and a representative of, the Agency.	10
(4B) If the time of use charging scheme was initiated by the Agency and there are 1 or more local authority members of the scheme, the chairperson of the scheme board must be—	
(a) independent; and	
(b) appointed by the Agency and the local authority members of the scheme by unanimous agreement.	15
(4C) Remuneration for an independent chairperson appointed under subsection (4) or (4B) must be determined by the responsible Minister in accordance with the fees framework as defined in section 10 of the Crown Entities Act 2004.	
(5) The chairperson of the scheme board holds the casting vote.	20
(6) This section is subject to section 65ZAC (which sets out certain decisions that, despite the allocation of voting rights under this section, must be ratified by a majority of local authority members of a scheme before action is taken).	
65W Responsibilities of scheme board	
A scheme board has the following functions and duties:	25
(a) developing scheme proposals (including proposals to vary a time of use charging scheme under section 65L):	
(aa) determining that a local authority that is a member of the scheme must provide secretariat services for the scheme board (<i>see section 65ZG</i> , which provides that the Agency is the default secretariat for a scheme board if the scheme board does not determine otherwise):	30
(b) consulting under sections 65E and 65I :	
(c) directing the operation of the time of use charging scheme by local authority members of the scheme and the Agency:	
(ca) directing the Agency to make notices—	35
(i) setting out a time of use charging area under section 65I ; and	
(ii) setting out time of use charges under section 65J :	

- (cb) reaching agreement with the Agency on matters relating to the collection of charges for a time of use charging scheme and how the Agency will conduct billing under a time of use charging scheme:
- (cc) monitoring the compliance of the time of use charging scheme with any technical specifications relating to data and security set by the Agency under **section 65ZGA**: 5
- (d) monitoring the investment of net revenues of the time of use charging scheme in accordance with investment agreements reached under **section 65X(1)**:
- (e) reporting on the performance of the time of use charging scheme under **section 65Y**. 10

65WA Procedure of scheme board

The provisions of the Local Government Official Information and Meetings Act 1987 concerning information held by local authorities, so far as they are applicable and with the necessary modifications, apply in respect of information held by a scheme board. 15

65X Investment agreements and disbursement accounts

- (1) Before a time of use charging scheme comes into operation, and at least every 5 financial years afterwards, the local authority members of the scheme must reach an investment agreement with the responsible Minister. 20
- (2) If there are no local authority members of the scheme, the Agency must reach an investment agreement with the responsible Minister before the time of use charging scheme comes into operation and at least every 5 financial years afterwards.
- (3) An investment agreement reached under **subsection (1) or (2)** must— 25
- (a) be consistent with the investment approach and investment principles set out in the order establishing the time of use charging scheme; and
- (b) prioritise land transport activities that improve the ability of people to move into, out of, within, and around the scheme area.
- (4) An investment agreement reached under **subsection (1) or (2)** must— 30
- (a) include a list of land transport activities (such as activities involving State highways, local roads, public transport, and active transport) to be funded through scheme revenue; and
- (b) set out whether delivery is the responsibility of— 35
- (i) the Agency; or
- (ii) a local authority that is a member of the scheme; or
- (iii) a local authority that is not a member of the scheme; or
- (iv) if the scheme is in Auckland, Auckland Transport.

- (5) Each local authority receiving funds under **subsection (4)** must—
- (a) operate a time of use charging disbursement account into which must be paid all money received by the local authority under an investment agreement; and
 - (b) make any payments out of that account only in accordance with—
 - (i) the investment agreement reached under **subsection (1) or (2)**; and
 - (ii) a procurement procedure approved under section 25.
- (6) The Agency need not have a time of use charging disbursement account, but must—
- (a) comply with section 96; and
 - (b) ensure that all payments are made in accordance with a procurement procedure approved under section 25.
- 65Y Reporting obligations of scheme boards**
- (1) The Secretary may request, by notice in writing, any information about a time of use charging scheme from the scheme board or any members of the scheme.
- (2) The scheme board must respond to a request under **subsection (1)** within 20 working days.
- (3) A scheme board must, as soon as practicable after the end of each financial year, provide an annual report on the time of use charging scheme to the Secretary.
- (4) The annual report must address the following topics:
- (a) the actual change in traffic flow for trips affected by the scheme compared to the anticipated service levels set by Order in Council under **section 65H(2)(g)**, including—
 - (i) a representative sample of travel times and traffic volumes; and
 - (ii) trips taking place entirely outside the scheme area and trips taking place entirely inside the scheme area:
 - (b) the gross revenues, the costs of operating the scheme, and net revenues from the scheme after the costs of operating the scheme have been met:
 - (c) a summary of allocations made under an investment agreement reached under **section 65X(1) or (2)**, including spent and unspent allocations:
 - (d) any other information requested by the Secretary.
- (5) The scheme board must ensure that the annual report is available, free of charge, on an Internet site.
- 65Z Time of use charging scheme impact assessments**
- (1) The scheme board must produce a time of use charging scheme impact assessment for—

- (a) a scheme proposal developed under **section 65D**; and
- (b) any proposed variation to a time of use charging scheme under **section 65L**, except for a proposal to increase the maximum charges payable in respect of each charging class of motor vehicle in a time of use charging scheme in accordance with a methodology to increase the maximum charges payable by each charging class of vehicle set out in an Order in Council made under **section 65H**; and 5
- (c) the purpose of public consultation on a notice proposed to be made under **section 65I**.
- (2) The time of use charging scheme impact assessment must set out and explain the following: 10
- (a) the current and expected service levels within the scheme region:
- (b) the expected impacts on the State highway network, local road network, and public transport network in the region in which the charges apply or will apply: 15
- (c) the expected impacts on key communities of interest, including the economic, social, cultural, and environmental impacts:
- (d) any measures in the proposal designed to address negative network and distributional impacts that may be caused by the scheme:
- (e) the views of any local authorities in the scheme region that are not members of the scheme: 20
- (f) the views of Māori in the scheme region on the impacts of the scheme on their interests:
- (fa) the potential impacts on privacy brought about by the scheme, and any measures likely to be needed to address those impacts: 25
- (g) a monetised summary of the expected costs and benefits of the scheme, including time savings, reduced vehicle operating costs, any emissions reductions, and safety improvements.
- (3) Following consultation carried out in accordance with **section 65E**, the scheme board must update the time of use charging scheme impact assessment submitted to the responsible Minister under **section 65F** to take into account any measures taken in the scheme proposal or proposed variation to a time of use charging scheme in response to that consultation. 30
- 65ZA Public notification of information relating to time of use charging scheme**
- The scheme board must ensure that the following is available, free of charge, on a single Internet site: 35
- (a) the impact assessment or assessments developed under **section 65Z**:
- (b) the scheme proposal developed under **section 65D**:

- (c) a report of the consultation carried out in accordance with **section 65E**, including—
 - (i) a summary of the submissions made during the consultation; and
 - (ii) a description of any changes made as a result of the consultation:
- (d) the scheme proposal submitted to the responsible Minister under **section 65F**: 5
- (e) the time of use charging scheme established under **section 65H** and any amendments to it:
- (f) instructions on how to pay a time of use charge under **section 65Q**:
- (g) each investment agreement made under **section 65X**: 10
- (h) any proposals to vary the time of use charging scheme developed under **section 65L**:
- (i) each notice made under **section 65I or 65J**:
- (j) each annual report required by **section 65Y**:
- (k) each privacy policy document required by **section 65ZF(4)**. 15

65ZAB Disestablishment of scheme board

Disestablishment of scheme board before scheme proposal submitted to responsible Minister

- (1) A scheme board may be disestablished by a vote of the scheme board at any point before the scheme board submits a scheme proposal to the responsible Minister under **section 65F(1)**. 20
- (2) The effect of the disestablishment of the scheme board is that the scheme proposal is terminated.
- (3) This section is subject to **section 65ZAC** (which sets out certain decisions that, despite the allocation of voting rights under **section 65V**, must be ratified by a majority of local authority members of a scheme before action is taken). 25

Disestablishment of scheme board following termination of time of use charging scheme by Order in Council

- (4) A scheme board is disestablished on the date that a time of use charging scheme is terminated by Order in Council made under **section 65H** in accordance with any transitional arrangements provided for in that order. 30

Certain decisions of scheme board must be ratified by majority of local authority members of scheme

65ZAC Certain decisions of scheme board must be ratified by majority of local authority members of scheme

Despite the allocation of voting rights in **section 65V**, the following decisions of a scheme board must be ratified by a majority of local authority members of the scheme before any action is taken:

- (a) a decision to submit a scheme proposal to the responsible Minister under **section 65F(1)**;
- (b) a decision to submit a proposal to vary a scheme to the responsible Minister under **section 65F(1)**, as required by **section 65L(2) or (3)**;
- (c) a decision to submit a request to terminate a scheme to the responsible Minister under **section 65K(1)**;
- (d) a decision to disestablish the scheme board under **section 65ZAB**.

Responsibilities of territorial authorities that are not members of scheme

65ZB Territorial authority that is not member of scheme: collection and billing infrastructure

- (1) This section applies to a territorial authority that—
 - (a) is not a member of a scheme; but
 - (b) controls local roads that are part of a time of use charging scheme.
- (2) The territorial authority must facilitate the scheme board and its members in operating scheme collection and traffic monitoring infrastructure.

Responsibilities of local authorities that are not members of scheme

65ZC Local authority that is not member of scheme: investment

- (1) This section applies to a local authority that is not a member of a scheme.
- (2) The local authority must undertake any land transport activity investment funded by a scheme's revenue in accordance with an investment agreement reached under **section 65X(1) or (2)**.

Works related to time of use charging scheme

65ZD What works may be done in relation to a time of use charging scheme

- (1) This section applies to the Agency, and any local authority (or, if the scheme is in Auckland, Auckland Transport) specified in an order made under **section 65H**.
- (2) The powers in this section do not apply to a private road (within the meaning of section 315 of the Local Government Act 1974).

- (3) An entity to which this section applies has the powers listed in **subsections (4) to (6)**—
- (a) for the purposes of implementing or operating a time of use charging scheme established under **section 65H**; and
 - (b) subject to any reasonable conditions imposed under **section 65ZE(3)**. 5
- (4) The entity may construct and maintain works in, on, along, across, or under any road, and for any of these purposes may—
- (a) open or break up any road:
 - (b) alter the position of any of the following that are constructed in, on, along, over, across, or under that road: 10
 - (i) pipes (not being a main) for the supply of water or gas; or
 - (ii) telecommunications lines; or
 - (iii) works:
 - (c) alter, repair, or remove any of those works, or any part of those works.
- (5) The entity may connect infrastructure necessary for time of use charging to the necessary power supply (including within the meaning of the Electricity Act 1992) and necessary telecommunications services (including within the meaning of the Telecommunications Act 2001). 15
- (6) The entity may access any road necessary for the purposes of doing any work under **subsections (4) and (5)**. 20

65ZE Conditions on works

- (1) Before doing any work under **section 65ZD(4) or (5)**, an entity to which **section 65ZD** applies must give notice in writing to—
- (a) the local authority or other body or person that has jurisdiction over the road to which the work relates; and 25
 - (b) the owner of any pipe, telecommunications line, or works that are constructed in, on, along, over, across, or under that road and that will be affected, or are likely to be affected, by the work.
- (2) The notice must specify the location of the proposed work, the nature of the work to be undertaken, and the reasons for it. 30
- (3) The recipient of a notice may, within 15 days of receiving the notice, notify the entity undertaking the work, in writing, of any reasonable conditions it imposes on the work.
- (4) Without limiting **subsection (3)**, the local authority or other body or person having jurisdiction over a road may impose a condition requiring the entity undertaking works under **section 65ZD** to meet the reasonable costs and expenses of that local authority or other body or person— 35
- (a) in processing any notice given under **subsection (1)**; and

- (b) in supervising the carrying out of the work, where supervision is necessary in the circumstances.
- (5) In setting, varying, or revoking reasonable conditions under **subsection (3)**, the local authority or other body or person having jurisdiction over a road may consider all or any of the following matters: 5
- (a) the safe and efficient flow of traffic (whether pedestrian or vehicular):
- (b) the health and safety of any person who is, or class of persons who are, likely to be directly affected by the work on the road:
- (c) the need to lessen the damage that is likely to be caused to property (including the structural integrity of the roads) as a result of work on the road: 10
- (d) the need to lessen disruption to the local community (including businesses):
- (e) co-ordinating the works with the installation of other networks:
- (f) co-ordinating the works with road construction work by the local authority or other body or person who has jurisdiction over that road. 15

Privacy

65ZF Privacy

- (1) This section applies to personal information held or stored for the purposes of a time of use charging scheme by or on behalf of an enforcement authority or the Agency. 20
- (2) The enforcement authority and the Agency must not use any personal information to which this section applies except for—
- (a) the purpose of collecting time of use charges (including billing); or
- (b) the purpose of enforcing this subpart. 25
- (3) The disclosure of personal information to which this section applies on any of the grounds set out in information privacy principle 11 set out in section 22 of the Privacy Act 2020 is not prohibited by **subsection (2)**.
- (4) The enforcement authority and the Agency must each set out their privacy policies in a document and make the document available for inspection by the public free of charge on their Internet sites. 30
- (4A) In developing their privacy policies under **subsection (4)**, the enforcement authority and the Agency must consult the Privacy Commissioner regarding the collection of personal information.
- (5) Personal information to which this section applies may be retained only for as long as it is reasonably necessary to— 35
- (a) collect the time of use charges that the personal information relates to:

- (b) enforce the provisions of this Act in relation to unpaid time of use charges that the personal information relates to:
 - (c) comply with any information retention requirements specified in any other enactment that relate to that personal information.
- (6) In this section, **personal information** includes any time of use charging scheme information that is linked to registration plates. 5

Agency's responsibilities in respect of time of use charging schemes

65ZG Agency's responsibilities in respect of time of use charging schemes

- (1) The Agency has the following functions and duties under this subpart:
- (aa) providing secretariat services to scheme boards established under **section 65U**, unless otherwise determined by the scheme board under **section 65W**: 10
 - (a) collecting charges and conducting billing under a time of use charging scheme as agreed between the Agency and a scheme board:
 - (ab) making notices under **sections 65I and 65J** following a direction of a scheme board under **section 65W**: 15
 - (b) disbursing revenue in accordance with investment agreements:
 - (c) disbursing revenue to cover establishment, collection, billing, and oversight costs incurred by a time of use charging scheme.
- (2) ~~The Agency must make the details of any billing system developed for the purposes of **subsection (1)(a)** available, free of charge, on its Internet site.~~ 20
- (2) The Agency must make the following available, free of charge, on its Internet site:
- (a) details of any billing system developed for the purposes of **subsection (1)(a)**; and 25
 - (b) details of any technical specifications relating to data and security set by the Agency under **section 65ZGA**.

65ZGA Agency may set technical specifications relating to data and security

The Agency may set technical specifications relating to data and security for the interaction of a time of use charging scheme with the Agency's systems for billing and collecting time of use charges. 30

Regulations

65ZH Regulations

- (1) The Governor-General may, by Order in Council, make regulations for all or any of the following purposes: 35

- (a) specifying any other information required to be included in a scheme proposal under **section 65D(2)**:
 - (b) specifying charging classes of motor vehicle for the purpose of setting time of use charges, including specifying which vehicle classes (within the meaning of Land Transport Rule: Vehicle Standards Compliance 2002) are within each charging class: 5
 - (c) specifying the ratio at which charges are to be set between different classes of motor vehicle:
 - (e) providing for anything that this subpart says may or must be provided for by regulations: 10
 - (f) providing for anything incidental that is necessary for carrying out, or giving full effect to, this subpart.
- (2) An Order in Council made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Part 2 15

Amendments to other enactments

Amendments to Land Transport Act 1998

5 **Principal Act**

Sections 6 to 8 amend the Land Transport Act 1998.

6 **Section 2 amended (Interpretation)** 20

- (1) In section 2(1), definition of **enforcement authority**, after paragraph (e), insert:

(f) an entity that enforces a time of use charging scheme in accordance with an order made under **section 65H** of the Land Transport Management Act 2003, in the case of an infringement offence that is a time of use charging offence 25

- (2) In section 2(1), definition of **moving vehicle offence**, after paragraph (b), insert:

(c) a time of use charging offence

- (3) In section 2(1), insert in their appropriate alphabetical order: 30

time of use charge has the same meaning as in **section 65A** of the Land Transport Management Act 2003

time of use charging offence means an offence against **section 65R** of the Land Transport Management Act 2003

- 6A Section 145 amended (Evidence of approved vehicle surveillance equipment)**
In section 145(1), after “a toll has not been paid in respect of the vehicle,”, insert “the fact that a time of use charge has not been paid in respect of the vehicle,”. 5
- 7 Section 167 amended (Regulations)**
After section 167(1)(fa), insert:
(fb) setting the infringement fee for a time of use charging offence:
- 8 Section 208 amended (Appointment of enforcement officers and dangerous goods enforcement officers)** 10
Replace section 208(3)(a)(ia) with:
(ia) **subpart 3 of Part 2** of the Land Transport Management Act 2003:
Amendment to Legislation Act 2019
- 9 Principal Act** 15
Section 10 amends the Legislation Act 2019.
- 10 Schedule 4 amended**
In Schedule 4, Part 1, insert in its appropriate alphabetical order:
Land Transport Management Act 2003 **65H(1)**

Legislative history

16 December 2024	Introduction (Bill 113–1)
4 March 2025	First reading and referral to Transport and Infrastructure Committee
27 August 2025	Reported from Transport and Infrastructure Committee (Bill 113–2)
21 October 2025	Second reading
5 November 2025	Committee of the whole House