SUBMISSION

Submission:	Time of Use Charging regulations
To:	Ministry of Transport TOUregulations2026@transport.govt.nz
Date:	24 June 2026
Contact:	Dom Kalasih Chief Executive Ia Ara Aotearoa Transporting New Zealand dom@transporting.nz 04 471 8285 Mark Stockdale Policy and Advocacy Advisor Ia Ara Aotearoa Transporting New Zealand mark@transporting.nz 021 434 097

About Ia Ara Aotearoa Transporting New Zealand

Ia Ara Aotearoa Transporting New Zealand is a national membership association representing the road freight transport industry.

Our 1,200 member companies operate and support urban, rural and inter-regional commercial freight transport services throughout the country.

As the peak body and authoritative voice of the road freight sector, Transporting New Zealand helps trucking firms operate successful, safe and sustainable businesses. Our strategic priorities are:

- Providing one industry voice for advocacy
- Promoting the road freight transport industry
- Attracting talent and promoting workforce development
- Supporting our members and customers
- Sustainability, safety and responsible emissions reduction

New Zealand's road freight industry employs over 31,000 people and has a gross annual turnover in the order of $9.73 billion (Stats NZ, Deloitte analysis). Road freight transport accounts for 93% of the total tonnage of freight moved in New Zealand (MoT National Freight Demand Study 2018).

Transporting New Zealand submission on the MoT proposed time of use charging regulations consultation

1 Transporting New Zealand appreciates the opportunity to make a submission on the proposed time of use charging regulations (the regulations).

2 Transporting New Zealand's recommended revisions to the regulations:

a. That the regulations don't differentiate time of use charges according to vehicle class.

b. If differential vehicle charging is adopted, that all heavy vehicles be included in one category, with a charging ratio no more than double that of cars.

Proposal 1: Differentiating charges by vehicle type

3 Transporting New Zealand does not support differing charges according to vehicle type, which we outlined in our submission on the Land Transport Management (Time of Use Charging) Amendment Bill.

4 There is an established precedent for such a standardised approach, with congestion management schemes in Stockholm, Gothenburg and London not using vehicle-type adjustment.[1]

5 The consultation paper suggests that higher charges for larger vehicles will be seen as fair and appropriate because "they have a bigger impact on traffic congestion." We submit this view is inaccurate when considering the transport of the entire freight task. The optimal congestion reduction outcome is to have a relatively low number of high-capacity trucks delivering the road freight task, limiting necessary trips and reducing the emissions intensity of each freight unit transported.

6 Charging heavy goods vehicles more than light goods vehicles (under 3,500kg GVM) will encourage the transport of freight in more smaller, less efficient vehicles (i.e. vans), particularly if the price differential is high.

7 The consultation paper also suggests that differential charges for heavy vehicles will encourage them to shift to off-peak times. However, because freight demand is inelastic, congestion charges will not result in material changes in heavy vehicles travelling at peak times, but simply drive up the cost to businesses and consumers without materially improving traffic flow.

8 This is demonstrated by road pricing schemes overseas. An analysis of the impact of the London Congestion Charge and Low Emissions Zones found that freight traffic was largely insensitive to the congestion charge.[2]

[1] Auckland Transport, The Congestion Question Technical Report, 2020. https://www.transport.govt.nz/assets/Uploads/Report/TheCongestionQuestionsTechnicalReport.pdf.
[2] Broaddus, A., Browne, M. and Allen, J. Sustainable freight: impacts of the London congestion charge and low emissions zone (Transportation Research Board (TRB) 94th Annual Meeting), 2015. [Copy available on request].

9 Our road freight members are already highly motivated to move freight at off-peak or inter-peak times due to the high cost of operation (including factors such as labour and vehicle costs, fuel, tyres, repair and maintenance, and insurance).

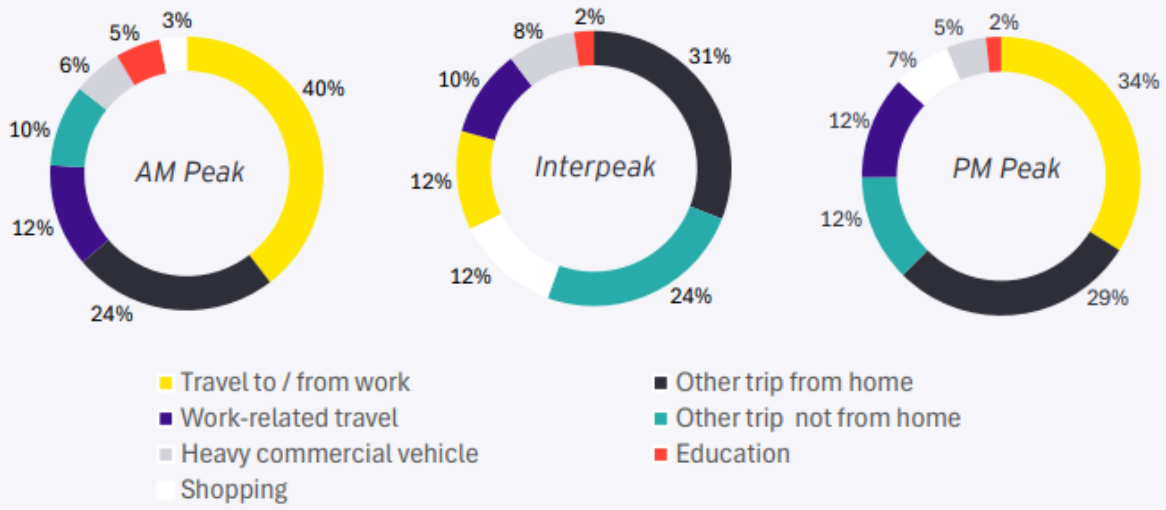
10 This is demonstrated by Auckland traffic data showing that heavy trucks largely avoid travelling at peak times.[3] If they are travelling at that time, it is because of a customer's 'capacity to receive'. For example, meeting a particular shipping window, available port booking slot, or at a time when a business is adequately staffed and able to load or unload safely.

11 A large member of Transporting New Zealand operating across Tauranga and Auckland surveyed customers (in response to peak-time port access pricing being introduced) and found that only 12 per cent were able to accept night-time deliveries of containers.

12 As truck journeys at peak times cannot generally be rescheduled, or practically moved to another mode, time of use charges for road freight operates as an unavoidable tax, rather than a demand-altering charge.

13 Heavy vehicles (gross vehicle mass of 3.5 tonnes and above) only make up around 7 per cent of Auckland's vehicle movements – and a lower proportion of congested weekday travel trips[4] – meaning time of use charging schemes will not materially affect heavy vehicle traffic volumes.

Figure 4: Proportion of congested weekday travel trips by purpose in Auckland, 2026



Source: Auckland Transport, Auckland's Cost of Congestion, 2024, p9

[3] Auckland Transport, Auckland Freight Plan, 2020, https://at.govt.nz/media/1983652/item-137-aucklandfreight-plan-attachment-1-summary-report.pdf.
[4] Auckland Transport, Auckland's Cost of Congestion, 2024. https://at.govt.nz/media/pqxhk3cn/auckland-transport-cost-of-congestion-white-paper.pdf.

14 There is a strong view in the freight sector that they should be exempted from time of use charging altogether. Seventy-nine per cent of respondents in the 2025 Road Freight Survey agreed that freight vehicles should be exempted from congestion charging. Five per cent disagreed, and 16 per cent of respondents were neutral.

15 Transporting New Zealand also disagrees with the suggested vehicle classes in the consultation, which lumps all trucks over 3,500kg GVM into one category charged four times that of a car, whilst all buses are a separate category charged twice the rate as a car. Under the Road User Charges cost allocation model (CAM), for the purposes of space-related costs, a rigid (2, 3 or 4-axle) trucks is considered to be equal to two passenger car equivalents (the same footprint as buses), whilst a truck and trailer combination is considered equal to three passenger car equivalents[5].

16 According to 2025 NZTA RUC data, 2-axle rigid trucks make up around 27% of all national vehicle kilometres travelled by heavy vehicles. A considerable number of those vehicles will be of similar size to large utility vehicles and none will be as big as a large bus and therefore it is unfair and unequitable that they pay a fee higher than a bus.

17 We have not been able to confirm the distance travelled by 3 and 4-axle trucks by themselves (without towing trailers) from the NZTA 2025 RUC data we have seen however, it appears that those vehicles undertake a significant amount of travel in a single vehicle configuration. Examples of large trucks operating without trailers typically include urban delivery activities and specialist vehicles such as: waste collection trucks, concrete mixers, food delivery, infrastructure maintenance (power, water, gardens) and furniture delivery. The proportion of that travel could be as high as 41 percent of all heavy vehicle kilometres travelled. Thus in total, some two-thirds (68%) of heavy vehicle kilometres travelled could be by rigid truck, which under the CAM is deemed to be equal to two passenger car equivalents. As a consequence, under this proposal a significant number of trucks would be disadvantaged by being charged four times the rate of a car yet typically they are smaller in size than a large bus charged twice the rate of a car.

18 Moreover, whilst public transport buses (e.g. scheduled urban and school buses) can be exempted from time of use charging schemes, it seems odd that other buses (including tour coaches for example) are included as a vehicle type to be captured since they are a more efficient means of moving people than cars for example. Transporting New Zealand would support the regulations explicitly exempting large buses and coaches from time of use charging schemes.

19 Therefore, in the event that a single vehicle class approach does not proceed, Transporting New Zealand would support the alternative suggestion in the consultation document that a single “large vehicle” category be created that encompasses all heavy vehicles (but excluding buses and coaches). Furthermore, with light vehicles becoming bigger and heavier, especially due to electrification, we suggest that the threshold for large vehicles be set at a GVM of 12,001kg, which aligns with the well-established regulatory vehicle class NC setting.

[5] https://www.transport.govt.nz/assets/RUC-CAM.pdf

20 We further suggest that the maximum “large vehicle” charge should be capped at twice the rate of light vehicles (2:1)[6] to avoid heavy vehicles being used as a revenue-generating tool which is at odds with the objective of time of use charging schemes. Additionally, we also propose that a maximum daily charge apply irrespective of the number of movements through the charging zone at peak times.

Proposal 2: Enforcement and penalties for non-payment

21 Transporting New Zealand supports the principle of a fixed infringement penalty for non-payment of the time-of-us charge (irrespective of vehicle type), although we suggest that when a scheme is first launched it will need to be supported by comprehensive publicity including use of electronic message signs on the route notifying users of the need to pay or set up an account, along with a reasonable initial grace period.

22 We consider the proposed $70 infringement fee would be an effective, but not excessive, deterrent. But we note that it amounts to 16 times the suggested $4.50 charge for a car, which puts it at the high end of charge multipliers compared to other time of use charging schemes (as little as 3 times for New York, 11 times for Stockholm and 12 times for London), albeit their charges are higher. If the single “large vehicle” category is adopted with a charge at twice that of a car as we recommend, then the $70 infringement would amount to nearly 8 times the $9 charge.

23 Given this large multiplier, Transporting New Zealand suggests that any scheme also offer a 50% discount for prompt payment, as with the London scheme.

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[6] This was the differential suggested by the Ministry of Transport’s The Congestion Question Technical Report (2020)