

18 December 2025

Transport and Infrastructure Select Committee  
Parliament Buildings  
Wellington

## Submission on the Land Transport (Revenue) Amendment Bill

Tēnā koutou katoa,

### Introduction

1. Kāpiti Coast District Council appreciates the opportunity to provide feedback on the Land Transport (Revenue) Amendment Bill. We acknowledge the Bill's intent to create a more flexible tolling framework and modernise the Road User Charges (RUC) system to support a user-pays approach for land transport funding. While we support the principle of sustainable funding for transport infrastructure, we do have concerns about potential impacts on equity, safety, and local, intra-district connectivity.
2. Of the Bill's proposals, we generally:
  - **Support** modernising revenue tools and enabling a transition from fuel excise duty to RUC for light vehicles.
  - **Conditionally support** greater flexibility in tolling arrangements, provided that equity, safety, and resilience considerations are fully addressed, and toll income is available to assist in the upkeep of alternative routes.
  - **Oppose** tolling proposals (including heavy vehicle restriction on local roads) that disproportionately impact communities with limited transport alternatives, or local commerce requirements, such as those in the Kāpiti Coast and Horowhenua regions.
3. Further detail on our views is in the following paragraphs. Additionally, our [submission prepared on proposed tolling of Ō2NL](#) provides detail on the kind of specific considerations that can impact a local community.

### Corridor Tolling, Equity, Connectivity and Restrictions

4. The Bill proposes 'corridor' tolling of existing roads where they are in the same corridor as the toll road (clause 8, new section 48). While this may improve funding flexibility and increase revenue streams, we strongly caution against tolling existing roads. As the

definition of 'existing roads' is unclear in the Bill, this raises concerns about maintaining untolled alternative routes for local travel and commerce. This raises issues of equity and connectedness for our communities.

5. For example, Ōtaki relies on old SH1 and SH57 for access to health, education, and employment services and opportunities. Tolling these routes as part of the Ō2NL corridor would undermine the connectivity this community has for these important services and functions and disproportionately impact this vulnerable community.
6. The Bill proposes restricting heavy vehicle use of alternative and local roads (clause 6, new section 46D) to protect local routes and toll revenue. However, these roads (e.g. SH1 north of Ōtaki) are currently unsafe and lack resilience irrespective of their use by heavy vehicles. Toll revenue should help maintain them, as local authorities otherwise bear the cost.
7. Heavy vehicles restrictions could harm local businesses and freight operators, so clear definitions and exemptions (e.g. Farm machinery, local delivery firms) are essential. Detours onto toll roads due to restrictions could also increase emissions from longer trip distances, and any 'feasible untolled alternative' route must consider safety, flooding risk, and vehicle stability as design and operational factors. The bill also fails to specify enforcement responsibilities for the restrictions. This should not fall to local authorities.
8. Council's Position in this matter is that:
  - Tolling can be a useful tool to support funding new development of essential infrastructure while targeting those who benefit from the initiative appropriately. Accordingly, it should apply only to new infrastructure that provides a demonstrable improvement in safety and travel efficiency.
  - Extension to existing roads within corridors should occur with caution and 'alternative' routes must remain toll-free unless robust equity assessments and mitigation measures (e.g., exemptions for local users) are in place.
  - Designating feasible untolled alternative routes must reflect the needs of local communities and be supported by investment in alternative route safety and resilience.
  - Restrictions on heavy vehicle use must be practical and fair to local businesses needing to use heavy vehicles locally. Monitoring and enforcing heavy traffic restrictions should not become a responsibility of local government.

### **Expansion of Concessions to Private Investors**

9. The Bill expands provisions in the Land Transport Management Act (Clause 15 amending section 63) for the leasing of existing roads, as well as roads that form a link between two toll roads. While private investment can accelerate infrastructure delivery, it must not compromise public interest or affordability. Tolling of existing roads must only occur where that road's primary function is to carry through traffic and not servicing local connectivity and needs.
10. Council's Position in this matter is that:
  - Concession agreements should include clear safeguards to prevent excessive tolling and ensure transparency in pricing and apply to roads that predominantly handle 'through' traffic.

- Revenue from concessions should prioritise regional safety improvements, not just new projects.

### **Transition from Fuel Excise to RUC**

11. We support transitioning to RUC for light vehicles as a fair, distance-based alternative to fuel excise duty. Implementation should be phased and supported by clear public education. To avoid hardship, RUC must allow small, affordable purchase options and provide physical outlets for those without online access (perhaps supermarkets as with mobile phone top-ups).

12. Council's Position in this matter is that:

- There is a need to ensure a phased approach with clear timelines and support for rural and low-income communities.
- Implementation should consider integrating technology solutions to simplify RUC compliance for light vehicle users.
- The Bill should provide for small RUC purchase opportunities as well as for larger outlays and ensure there are physical outlet alternatives for purchasing RUC.

### **Conclusion**

13. Kāpiti Coast District Council supports the Bill's objectives in principle but urges the Committee to incorporate safeguards that uphold equity, safety, and resilience. Tolling should not disadvantage communities with limited transport choices or local businesses in their daily transport related business requirements. We recommend the Committee consider the below to ensure the balance of these issues supports local communities.

- a. Require equity impact assessments before approving any tolling scheme.
- b. Maintain free access for local users where tolling would create hardship, disadvantage local businesses, or limit access to essential services.
- c. Invest tolling income in alternative routes to ensure they meet safety and resilience standards and don't unfairly burden local authorities and ratepayers.
- d. Ensure transparency in concession arrangements and toll-setting processes.
- e. Phase in RUC transition with strong public engagement and support mechanisms. Ensure minimum distance RUCs are available to provide for low dollar purchases, and RUC purchase are available from physical outlets.

Yours sincerely



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Kāpiti Coast District Council