

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

s 9(2)(f)(iv)

## Coversheet

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Issue 1: Parking s 9(2)(f)(iv) penalties are out of date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Issue 2: Towage and storage fees are out of date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

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

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

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

#### **Preferred options**

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

#### **What are the expected impacts of the preferred options?**

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

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

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

The public will likely benefit: Improved enforcement and deterrence will increase the availability of parking <sup>s 9(2)(f)(iv)</sup>.

<sup>s 9(2)(f)(iv)</sup>

### **Limitations and Constraints on Analysis**

Ministerial direction on this project has been to review regulated towage and storage levels, all parking penalties <sup>s 9(2)(f)(iv)</sup>

#### **Consultation**

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

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

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

<sup>s 9(2)(f)(iv)</sup>

#### **Limitations and assumptions of analysis**

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

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

#### Responsible Manager(s) (completed by relevant manager)

Paul O'Connell

Deputy Chief Executive Sector Strategy

Ministry of Transport



11 June 2024

#### Quality Assurance (completed by QA panel)

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

## Section 1: Diagnosing the policy problem

### What is the context behind the policy problem and how is the status quo expected to develop?

#### Overview of current state

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

### What is the policy problem or opportunity?

- 8 There are three policy issues being considered.

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

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

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

10 The Ministry of Transport has developed an Effective Financial Penalties Framework (the Framework) which it uses to ensure financial penalties are proportionate, applied logically and non-arbitrarily, and are consistent across transport modes.<sup>3</sup>

11 Recent analysis of the penalties using the Framework has identified that some penalties do not reflect the harm presented by the offence. For example, parking in a special vehicle lane (eg, bus or bike) currently has the same penalty as parking a trailer on a roadway for more than five days. Parking in a special lane does more harm eg, it could lead to cyclists hitting a carelessly opened door or having to enter regular traffic lanes to avoid a car.

12 s 9(2)(f)(iv)

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

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

15 Fees for towage and storage have a similar problem, with the amounts set in regulations declining over time. Towage operators, industry representatives (eg Motor Trade Association), councils and Police have argued that the regulated fees have not been meeting the costs of towing and storing impounded vehicles and illegally parked vehicles for years. Table 11 in Annex 1 compares the current fees with proposed adjustments.

16 Towage fees were last updated in 2004, and storage rates and the per kilometre rate for tows over 10 kilometres have not been updated since 1999. These levels would have been based on costs at that time. Over time, the costs of operating will have increased.

17 The regulated fees limit the amount an RCA can charge a vehicle's owner. Currently, RCAs supplement the difference between regulated fees and the actual costs of towage and storage fees from other sources including rates.

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

<sup>3</sup> [Effective transport financial penalties | Ministry of Transport](#)

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

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

### What objectives are sought in relation to the policy problem?

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

#### Counterfactual

- 20 Without intervention, parking **s 9(2)(f)(iv)** penalties and towage and storage fees will continue to decline with inflation. Assuming an average 2.1 percent inflation rate<sup>5</sup> over the next 10 years, the value of current penalties and fees cumulatively would diminish a further 24.3 percent, diminishing the effectiveness of fines, and towage for Police will become even less economically viable. This will have flow on effects, including:

- undermining the credibility of the laws and those who enforce them,
- the effective cap on what councils can charge for parking will become a bigger issue,
- the artificially low cost of parking will be an increasingly large hidden subsidy to motorists,
- **s 9(2)(f)(iv)**
- Police will face increasing challenges finding tow operators to impound cars.

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

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

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

**Table 1: Assessment criteria**

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

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

## What scope will options be considered within?

### Scope of the Review

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

### Parking fees

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

s 9(2)(f)(iv)

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

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### Towage and storage fees

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

s 9(2)(f)(iv)

27 s 9(2)(f)(iv)

## What options are being considered?

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

### Status quo (all issues)

29 The status quo would involve no change to the current fee levels as set out in the Regulations. Without intervention, parking s 9(2)(f)(iv) penalties and towage and storage fees will continue to decline with inflation. Assuming an average 2.1 percent inflation rate<sup>6</sup> over the next 10 years, the value of current penalties and fees cumulatively would diminish a further 24.3 percent, diminishing the effectiveness of fines, and towage for Police will become even less economically viable.

<sup>6</sup> Average New Zealand inflation rate between 2012 and 2022.

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

**Table 2: Summary for status quo**

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

**Key for qualitative judgements:**

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

**Options 1A and 1B: Adjusting parking <sup>s 9(2)(f)(iv)</sup> fees**

- 31 Both the options below (1A and 1B) increase fees using different approaches. Generally an increase in fees leads to greater compliance with associated safety benefits, and greater revenue from council carparks.

**Option 1A: Parking <sup>s 9(2)(f)(iv)</sup> fees (harm-based adjustment)**

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

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

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

**Option 1B: Parking <sup>s 9(2)(f)(iv)</sup> fees 1B (inflation adjustment)**

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



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

**Table 4: Option 1B – summary for inflation adjustment**

| Criterion                     | Status quo | Inflation adjustment |
|-------------------------------|------------|----------------------|
| <b>Effectiveness</b>          | 0          | +                    |
| <b>Proportionality</b>        | 0          | +                    |
| <b>Consistency</b>            | 0          | +                    |
| <b>Ease of implementation</b> | 0          | 0                    |

### Option 2 – Adjusting fees for towage and storage

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

**Table 5: Option 2 – summary for towage and storage**

| Criterion                     | Status quo | Inflation adjustment |
|-------------------------------|------------|----------------------|
| <b>Effectiveness</b>          | 0          | +                    |
| <b>Proportionality</b>        | 0          | +                    |
| <b>Consistency</b>            | 0          | +                    |
| <b>Ease of implementation</b> | 0          | 0                    |

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

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

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

44 This approach improves effectiveness by raising parking and safety fees so they are a more effective deterrent, and ensuring accessing the towage and storage system is financially viable in the long term for Police and RCAs.

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

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

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

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

### What are the marginal costs and benefits of the option?

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

**Table 7: Costs and benefits**

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

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

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

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

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

## Section 3: Delivering an option

### How will the new arrangements be implemented?

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

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

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

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

**Consultation**

56 Our problem definition has largely been shaped by conversations and feedback provided by local government RCAs (as they are the regulator) when we consulted them on these issues in 2022. We have also heard views from various advocacy groups (eg for cycling and walking, and for disabled people). Members of the public have also reached out to the Minister and Ministry of Transport.

57 While we have not formally consulted the public on specific proposals, we have gathered perspectives through various channels (ie early engagements, analysis of publicly available reporting and comments on social media). Our summary of these views is provided in the table below.

**Table 8: Stakeholder perspectives: Parking**

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

|  |  |
|--|--|
| cycle paths, and within six metres of an intersection (which can obscure sight of oncoming traffic). | therefore better accessibility and safety outcomes for cyclists and pedestrians. |
|--|--|

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

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

**Table 9: Stakeholder perspectives: towage and storage**

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

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

61 s 9(2)(f)(iv)

# Annex 1: proposed changes to financial penalties

## Parking infringement fees

Table 10: Parking offences proposed fee increases

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



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

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

## Towage and storage fees

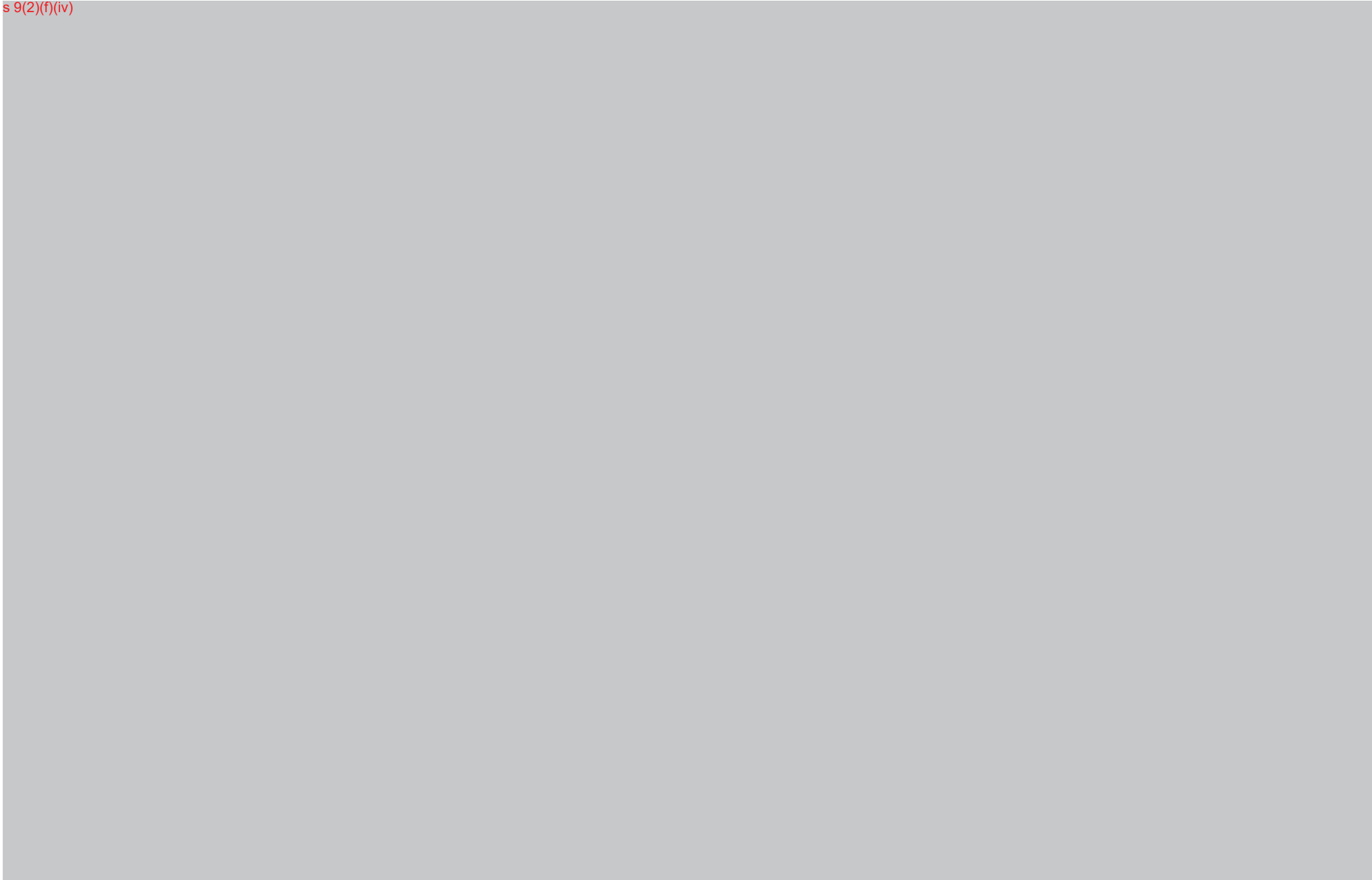
Table 11: Towage and storage fees

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

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

s 9(2)(f)(iv)

s 9(2)(f)(iv)



s 9(2)(f)(iv)



s 9(2)(f)(iv)

