

25 June 2026  
Ministry of Transport  
WELLINGTON  
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## Retail NZ submission: Time of Use Charging Regulations

### Overview

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 30,000 businesses and employs around 222,000 Kiwis.
2. Retail NZ consulted our membership in the preparation of this submission.
3. Retail NZ members understand the need to address traffic congestion on our Auckland roads. Traffic congestion causes wasted time, lost productivity, increased fuel use and higher emissions
4. However, the way the Ministry of Transport has designed this time of use charging framework does not take into account the difference between discretionary and essential road use, nor does it take into account what impacts such high charges for freight movements will have on the wider economy.

### Freight movement is essential

5. Freight is not discretionary - it underpins every household and business. It is essential and needs to be considered as such.
6. Ninety-three percent of domestic freight in New Zealand is transported via heavy trucks. This is deliberate; consolidated loads on large vehicles are the most efficient form of freight Aotearoa has, with domestic rail and boat networks not as extensive nor effective for the movement of goods around the country.
7. Penalising the most efficient form of freight movement through high time of use charges is counterproductive to both the economic and environmental objectives of this consultation document.
8. The document also states *"applying higher charges to larger vehicles is likely to be understood as fair and appropriate because they have a bigger impact on traffic congestion"*. Retail NZ rejects this - it is the volume of light passenger vehicles on the roads during peak times that makes up the vast majority of traffic congestion. This should be considered when determining what charges to impose, and what will actually have an impact.
9. For retailers, freight movements are tied to Distribution Centre operations, port operations, inter-island freight timing, store capacity and labour availability. Retailers and freight service providers would have limited ability to shift these trips outside peak periods, meaning these trucks will still be on the roads during peak periods regardless of any time of use charges.

10. The purpose of these charges is to encourage the deferment of travel to off-peak periods, yet freight movements are unlikely to change as a result of this, unless there were major adjustments to the way our ports, inter-island ferries, businesses and labour forces all operate. That is not a legitimate expectation.
11. Any costs incurred by freight movements would be passed on through the supply chain, which ultimately would lead to consumers paying more for their goods.
12. Retail NZ recommends the movement of freight be exempt from time of use charging.

## Charging classes

13. Having four different charging classes risks increasing inefficiencies and potentially more vehicles on the roads.
14. Higher charges for larger trucks risks pushing operators toward less efficient fleet mixes, eroding productivity gains from operating larger vehicles, and increasing congestion and emissions due to a higher volume of smaller commercial vehicles. This is counterproductive to the intent of these charges.
15. Additionally, charging “Heavy Buses” will have a direct impact on public transport costs, leading to higher fares for users. If the intent is to reduce congestion, there should be as much incentive as possible to encourage people who need to travel during peak times onto public transport, to free up the roads. Charging buses for moving passengers during peak times is counterproductive to this intent.
16. As mentioned in point 8, it is private vehicles that make up the vast majority of traffic congestion. That volume is what needs to be addressed, and congestion charges there are likely to have the best chance of success.
17. We recommend both freight vehicles and public transport be exempt from congestion charges, and a flat tariff across all remaining vehicle types.
18. If the Ministry deems it inappropriate to exempt some vehicles from the time of use charging regime, having a flat charge across all vehicle types would be fairer, and stand a better chance of success. Additionally, consistent treatment across vehicle types would reduce complexity and minimise unintended impacts on supply chains.

## Charging ratios

19. Retail NZ does not support different charging rates being applied to different vehicle types. However, if that rationale is not accepted and different rates are applied, any differential must be proportionate to limit cost impacts, while still supporting the objectives of the scheme.
20. A ratio of 4:1 for trucks is not proportionate. Freight is an essential service and any congestion charges are unlikely to change freight movement in the same way as private vehicles. These costs will not incentivise a change in road use behaviour, rather they will be passed down the supply chain to consumers.
21. A maximum charging ratio of no more than 2x passenger cars would limit cost impacts to customers, and therefore the impact to the economy,
22. We also recommend considering a daily cap on charges, to provide cost certainty for businesses which need to undertake multiple trips, and reduce the risk of cumulative impacts across the supply chain

## Conclusion

23. Thank you for the opportunity to make a submission.
24. Retail NZ does not support the inclusion of freight or public transport vehicles in this regime. It undermines the intent of time of use charges and would have negative impacts

on the public transport network and the cost to consumers, as a result of higher freight costs being passed down to consumers.

25. We also recommend a flat rate to be imposed rather than having vehicle charging ratios, to ensure this regime has the greatest chance of success, i.e. reducing traffic congestion on our roads.
26. Retail NZ is happy to discuss any aspect of this submission further.
27. No part of this submission should be withheld under the OIA.

Sincerely,



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