



24 April 2026

OC260152

**Hon Chris Bishop****Action required by:****Minister of Transport**

Monday, 11 May 2026

## **FINAL POLICY DECISIONS ON HEAVY VEHICLE PRODUCTIVITY**

### **Purpose**

This briefing seeks your approval of final policy decisions for the Heavy Vehicle Productivity workstream in the Land Transport Rules Reform Programme, and to issue drafting instructions to the Parliamentary Counsel Office (PCO).

### **Key points**

- In October 2025 and February 2026, you approved consultation on two phases of Heavy Vehicle Productivity. Public consultation ran from 24 October to 17 December 2025 (phase 1) and from 25 February to 25 March 2026 (phase 2). You also agreed to targeted consultation with industry groups and Police on proposals from a 2019 consultation on amendments to the Land Transport (Driver Licensing) Rule 1999. [OC260316 refers].
- There was general support for most of the proposed changes. Industry groups and businesses largely consider the proposals to be common-sense changes that would reduce compliance costs and give operators more certainty. A summary of submissions for both public consultations is attached as Annex 2. Relevant views from targeted consultation are reflected in this briefing.
- Cabinet has authorised you to make final policy decisions [ECO-25-MIN-0083 refers].
- Detailed analysis on the proposals is in Annex 1. The body of the briefing provides advice on matters that have materially shifted following consultation. We recommend:
  - introducing new penalties for 50MAX vehicles to replicate existing permit-based penalties and adjusting Road User Charges (RUC) rates to ensure that 50MAX vehicles continue to pay the same RUC once they are no longer subject to rates specific to vehicles with permits.
  - minor changes to load pilot signage requirements.
- As part of urgent fuel response work, Ministers have taken in-principle decisions on other heavy vehicle changes to support the sector, including accelerating some Heavy Vehicle Productivity proposals (marked with an asterisk in the table below) in this work.

- Our recommendations for Heavy Vehicle Productivity are set out in the table below:

Recommendation	Proposals	Minister decision
Progress	Remove the requirement for High Productivity Motor Vehicles (HPMV) to display H plates.	Yes / No
	Incorporate the Bolster Attachment Code by reference.	Yes / No
	Remove an unused definition from the Land Transport Rule: Heavy Vehicles 2004 (the Heavy Vehicles Rule).	Yes / No
	Remove the need for a permit for HPMV rental service vehicles being repositioned for lease or hire. *	Yes / No
	Permanently enable Class 1 driver licence holders to drive all zero emission vehicles with a gross laden weight of up to 7500kg and exempt this from the Transport Service Licence requirement. *	Yes / No
	Remove the Accelerated Licensing Process (ALP).	Yes / No
	Standardise speed limits for tractors and special-type vehicles to 40 km/h.	Yes / No
Progress, with changes from consultation feedback	Replace 50MAX permit requirements to meet proforma specifications and operate only on the approved 50MAX road network* <ul style="list-style-type: none"> <li>• add new penalties to replicate existing permit-based ones</li> <li>• make minor amendments to RUC types as set out in Table 1, page 6, to ensure vehicles are paying the same rates after permit removal.</li> </ul>	Yes / No Yes / No Yes / No
	Introduce three new load pilot vehicle signs, with changes to: <ul style="list-style-type: none"> <li>• amend 'PREPARE TO STOP' to 'PREPARE TO PULL OVER' to better inform motorists</li> <li>• remove load pilot signage specifications from the Land Transport Rule: Vehicle Dimensions and Mass 2016 (VDAM) and retain those in the Land Transport Rule: Traffic Control Devices 2004, to simplify the requirements.</li> </ul>	Yes / No Yes / No Yes / No
	Enable class 2 and 2L licence holders to drive heavier electric buses* <ul style="list-style-type: none"> <li>• adjust the scope to only include rigid buses within defined dimensions and include other zero emission types.</li> </ul>	Yes / No Yes / No
	Instead of removing the requirement for forward-facing signs for rear load pilot vehicles, remove the requirement for forward-facing signs and rear-facing signs to be on the reverse of each other.	Yes / No
	Do not progress	Enable automatic renewal of general licences for some endorsement holders (through requiring photographs to be taken at all endorsement renewals).
	Remove the requirement for an endorsement to drive a special-type vehicle on the road.	Yes / No
	Simplify progression from Class 2-5 licences.	Yes / No
	Improve the overseas heavy vehicle licence conversion process.	Yes / No
	Enable all load pilot vehicle signs to be 'reverse colour' for greater visibility during hours of darkness.	Yes / No

\* Accelerated as part of fuel response work

- Final Regulatory Impact Statements for phases 1 and 2 are attached as Annexes 3 and 4, respectively.

**Recommendations**

We recommend you:

1. **indicate** your decision on progressing the proposals in the above table.
2. **authorise** PCO and NZTA to begin drafting their respective Amendment Rules and Regulations. Yes / No
3. **agree** to proactively release this briefing on the Ministry of Transport’s website, either as part of a press release announcing policy decisions or when the rule is signed. Yes / No




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Laura Bender  
 Acting Manager, Regulatory Reform  
 Ministry of Transport  
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Hon Chris Bishop  
 Minister of Transport  
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- Minister’s office to complete:**
- Approved  Declined  
 Seen by Minister  Not seen by Minister  
 Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Laura Bender, Acting Manager – Regulatory Reform	s 9(2)(a)	✓
Amber Fraser-Mackenzie, Adviser – Safety		

## **FINAL POLICY DECISIONS ON HEAVY VEHICLE PRODUCTIVITY**

### **The Government consulted on changes to heavy vehicle regulations**

- 1 As part of the Land Transport Rules Reform programme (the Rules Reform programme) you committed to public consultation on two phases of proposals to improve heavy vehicle productivity, suggested by the heavy vehicle industry. You also agreed for officials to undertake targeted consultation with industry on proposals from (the 2019 proposals) to simplify driver licensing for heavy and special vehicles.

### **Officials have analysed the proposals post-consultation**

- 2 Consultation feedback has informed our recommendations. There was strong support from industry for changes that reduce compliance costs. Road Controlling Authorities (RCAs) were primarily concerned with the risk of damage to infrastructure. We do not expect compliance to decrease due to the changes.
- 3 We also sought input from Police to ensure that any changes were easy to enforce. A summary of submissions for both consultations is attached as Annex 2.
- 4 Annex 1 contains analysis and advice on the proposals. We have included more substantive advice below on introducing new penalties for 50MAX vehicles to mitigate the loss of enforcement levers from removing permits.
- 5 Final Regulatory Impact Statements for phases 1 and 2 are attached as Annexes 3 and 4, respectively.
- 6 Cabinet has authorised you to make final policy decisions on these proposals as part of the Rules Reform programme [ECO-25-MIN-0083 refers].

### **We are pursuing other heavy vehicle regulatory changes as part of fuel response work**

- 7 On 7 May 2026, the Ministerial Oversight Group (MOG) took in principle decisions on a range of regulatory relief proposals to allow fuel users to reduce their fuel consumption, including the heavy vehicle industry. This included accelerating proposals to review licence thresholds for some zero emissions heavy vehicles and permitting for 50MAX and rental service vehicles.
- 8 This briefing confirms the detail of those decisions, to enable drafting instructions to be issued to Parliamentary Counsel Office (PCO) and New Zealand Transport Agency (NZTA).

### **We recommend removing 50MAX permits**

- 9 50MAX vehicles exceed standard mass limit of 44 tonnes, making them a High Productivity Motor Vehicle (HPMV). These vehicles are subject to permit requirements to manage wear on the road network. Industry has called for 50MAX vehicles to be accepted as 'standard' due to their efficiency benefits. The proposal to remove 50MAX permits received majority support. Industry groups highlighted productivity gains from greater fleet flexibility.
- 10 Below we make recommendations to respond to issues identified through and following consultation.

*We recommend introducing new penalties to mitigate enforcement risks*

- 11 Police noted the importance of adequate penalty levels to deter non-compliance.
- 12 Current penalties for non-compliant 50MAX vehicles include revocation of permit, a \$2,000 infringement fee, or fine of up to \$5,000 (if convicted in court) for 'critical breach of a permit'. However, with the proposed removal of the 50MAX permit regime, these would no longer apply. Instead, non-compliant 50MAX operators could only receive penalties for overloading (which are graduated) and a \$370 infringement fee or fine of up to \$1,000 for general non-compliance with requirements set out in the Land Transport Rule: Vehicle Dimensions and Mass 2016 (VDAM).
- 13 This means that penalties for non-compliant 50MAX operators would no longer be proportionate to penalties for other heavy vehicle types. This could also create a perverse incentive for vehicles operating above 50 tonnes to risk operating unpermitted. In that case, they would only receive penalties for overloading, and not a critical breach of a permit.
- 14 To ensure penalties for 50MAX vehicles are comparable to other heavy vehicle types, we recommend amending the Land Transport (Offences and Penalties) Regulations 1999 to introduce penalties that are comparable to those that currently apply to critical breach of a permit. This would be a \$2,000 infringement fee or a fine of up to \$5,000 for:
  - the gross weight of a non-permitted vehicle exceeding 50 tonnes
  - non-compliance with access restrictions specified in the 50MAX network map
  - (if applicable) the gross weight of the vehicle exceeding the gross vehicle weight, gross combination weight, maximum towed weight or brake code weight limits.
- 15 We expect that these penalty levels are high enough to deter non-compliance. 50MAX operators would still be subject to the usual penalties for breaching VDM requirements and overloading penalties.
- 16 Officials consulted the Ministry of Justice's Offences and Penalties unit on this proposal, which supported the approach of replicating permit-based penalties.

*We recommend adjusting RUC rates to ensure 50MAX vehicles are paying the right amount*

- 17 The Road User Charges Act 2012 requires vehicles operating on a permit, including 50MAX vehicles, to carry either a type H RUC licence (for regular operation), or an additional licence (for single trips).
- 18 Removing the permit requirement would mean 50MAX vehicles must re-licence as standard powered vehicle types. Officials expect that some vehicles would be re-licensed as types that are either 'too low', which would reduce RUC revenue, or some at types with materially higher rates, which may not be proportionate to their road wear.
- 19 To ensure 50MAX vehicles are paying appropriate RUC rates, we recommend minor adjustments that ensure vehicles will pay the same RUC price as they do currently. To do this, we recommend removing some type H RUC types, as these are currently attached to permits, and amending the definition of type 408, as some 50MAX vehicles would be re-licensed to

this type, which has a lower RUC rate. Vehicles will be moved to the new RUC types set out in Table 1 below. These changes would be made through amendments to the Road User Charges Regulations 2012 and the Road User Charges (Rates) Regulations 2015.

Table 1. Proposed changes to RUC types

Change	New RUC type
Restrict the definition of 408 to vehicles with eight axles	50MAX vehicles move to Standard type 14
Remove H94	Standard type 14
Remove H97	309
Remove H91	Standard type 19
Remove H30	Proposed new type "430"
Remove H33	Proposed new type "433"

- 20 Key sector stakeholders have indicated support for this proposal through targeted engagement.

### Load pilot signage requirements

- 21 Following consultation, the New Zealand Heavy Haulage Association indicated that it does not support the final recommendations made by NZTA on load pilot signage requirements.

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### Implementation

- 23 NZTA has advised that changes in phase 1 and 2 would be implemented over a five-month period, from June to November 2026. NZTA estimates the cost to implement both phases at \$840,000, plus an additional \$120,000 to implement the RUC type changes. We expect these to be managed within baselines.

- 24 This timing and cost estimate does not include the proposals from the 2019 consultation on changes to the Driver Licensing Rule. These are expected to be implemented later, by June 2027, due to implementation of the Graduated Driver Licensing System reforms.

- 25 Key implementation measures are:

- updating proforma documentation, internal processes, and digital systems (including for Commercial Vehicle Safety Centres) to reflect permitting changes to 50MAX and rental service HPMVs
- updating online guidance and reference materials
- engagement with internal stakeholders, industry, Police, and RCAs, through email, industry forums, and newsletters.

- updating the approved network map for 50MAX vehicles to better indicate where vehicles can go and enabling RCAs to update access restrictions in the map. This work is expected to take 18 months. In the meantime, users can continue to refer to the current map.

### **Industry have advocated strongly for a faster pace and larger scale of reform**

- 26 Industry groups have expressed disappointment in the media and in correspondence to you about the scale and pace of the changes for Heavy Vehicle Productivity.
- 27 The constraint to being able to advance faster is an absence of information which NZTA has contracted research to fill. Once this is complete, we will be able to advise you on letting larger and heavier vehicles on the road. This phase is likely to deliver the larger productivity benefits that industry is seeking.
- 28 In the short run, we are working closely with industry representatives on regulatory relief proposals through the fuel response plan work that will allow some increases to vehicle weight limits sooner.

### **Next steps**

- 29 Once you have made policy decisions, PCO can begin drafting amendments to the:
- Land Transport (Road User Rule) 2004
  - Land Transport (Offences and Penalties) Regulations 1999
  - Road User Charges Regulations 2012
  - Road User Charges (Rates) Regulations 2015
  - Land Transport (Driver Licensing) Rule 1999.
- 30 Some changes also require amendments to VDAM, the Heavy Vehicles Rule, the Land Transport Rule: Operator Licensing 2017, and the Land Transport Rule: Traffic Control Devices 2004 (TCD Rule), which are administered by NZTA. NZTA's legal team will draft the changes to these rules.
- 31 We recommend the Rule and Regulation amendments are made by the Governor-General, by Order in Council. This process is set out in section 152A of the Land Transport Act 1998.
- 32 Accelerated proposals will be progressed quickly as part of the Government's fuel response plan, with exact timing to be confirmed.
- 33 For the remaining proposals, we will provide you with two Amendment Rules and an Amendment Regulation, a Cabinet Legislation Committee (LEG) paper, and advice on the matters you must have regard to when signing the Amendment Rules under section 164(2) of the Land Transport Act 1998 in June. This includes how the Amendment Rules may affect land transport safety, whether the rule assists economic development and access and mobility, and the costs of implementing the Amendment Rules.

34 This will allow for rule changes in June, as set out below:

<b>Deliverable</b>	<b>Timing</b>
PCO and NZTA draft Amendment Rules and Regulation	April – May 2026
Provide Amendment Rules and Regulation, LEG paper, and Section 164 advice	June 2026
Amendment Rules and Regulation signed	June 2026
Implementation of phases 1 and 2	May – November 2026
Implementation of 2019 proposals	June 2027

**Annex 1: Heavy Vehicle Productivity – proposal analysis and recommendations**

Key: 

better than status quo	neutral impact	not applicable	worse than status quo
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Consultation proposal	Compliance costs	Road wear	Safety	Consultation feedback	Ministry recommendation
<b>Phase 1 - Public consultation from 24 October – 17 December 2025</b>					
Remove 50MAX permits, require operators to comply with proforma requirements and operate on the approved 50MAX network map, and carry proforma documentation for enforcement purposes	Compliance costs will be reduced for industry and government agencies.  Removing the 50MAX permit would remove annual direct costs to the sector of around \$173,420. It would also allow operators more flexibility with their vehicle fleet. For example, in the case of a breakdown, a vehicle’s load could be redistributed onto other vehicles.	50MAX vehicles will still be subject to access restrictions set by RCAs as determined in the 50MAX network map.  RUC types for 50MAX vehicles are currently permit-based, so removing permits requires minor adjustments to RUC types. We have recommended minor amendments that will ensure 50MAX vehicles pay the same amount of RUC as they do currently.	50MAX permits are not a safety tool, and operators will still be subject to proforma and access requirements.	<b>61% support</b>  <b>32% oppose</b> This proposal was mostly opposed by RCAs. RCAs were largely concerned about retaining visibility of HPMV movements for enforcement purposes. However, Police has said that H plates do not indicate if the vehicle is operating on an HPMV permit and therefore are not used for enforcement. We have weighted Police’s feedback higher as Police are responsible for enforcing HPMV access restrictions.  Police noted that removing permits for 50MAX vehicles would remove existing permit-based penalties, and that new penalties may be needed to maintain enforcement levers.	Progress  Introduce new penalties as detailed in the body of the briefing.  Make minor amendments to RUC types as detailed in the body of the briefing.
Remove the requirement for HPMVs to display H plates	HPMVs are required to display H plates to show they are operating on a permit. These are often not removed when the vehicle is unladen or has a different trailer attached and are therefore not useful to identify permitted vehicles. Removing H plates could prevent confusion from the public and unnecessary reports to Police.  It would save a minimum of \$429,000 to industry annually in H plate costs, and operators would also not have to spend time purchasing, attaching, or maintaining the plates.	HPMVs will still be subject to access restrictions set by RCAs as determined in NZTA’s network map.	H plates are not a safety tool.	<b>47% support</b> A number of industry representative groups made a combined submission which would have resulted in majority support if split out.  <b>49% oppose</b> RCAs largely had concerns about the ability to maintain visibility of HPMV movements and enforce access restrictions.  Police supported removing H plates. We weighted this feedback higher than that of RCAs, as Police are responsible for enforcing heavy vehicle movements, including access restrictions.	Progress
Incorporating the Bolster Attachment Code (a technical safety document) by reference	This is a technical change to streamline updates to the Bolster Attachment Code, through incorporating it into the Heavy Vehicles Rule by reference. Any updates would still need to be approved by the Director of Land Transport (the Director) but not require a Rule change process.			<b>100% support</b>	Progress

**Annex 1: Heavy Vehicle Productivity – proposal analysis and recommendations**

Key: better than status quo neutral impact not applicable worse than status quo

Consultation proposal	Compliance costs	Road wear	Safety	Consultation feedback	Ministry recommendation
Remove an unused definition from the Heavy Vehicles Rule	This would simplify the Heavy Vehicles Rule.			100% support	Progress
<b>Phase 2 - Public consultation from 25 February – 25 March 2026</b>					
Remove the need for a permit for HPMV rental service vehicles being repositioned for lease or hire	Commercial Rental Service Providers could more accurately and proactively plan driver availability, book ferry crossings, and 'round trip, or swap vehicle' scenarios that can reduce vehicle trips and kilometres travelled. Other operators would also benefit from more timely delivery of rental or lease stock, reducing downtime between trips. There would be a small saving for the one existing operator, by removing approximately \$2,500 in permit costs per year. The proposal would also reduce regulatory effort for NZTA by reducing the number of HPMV permits to process. NZTA issued 79 of these permits in 2025, with a processing target of 10 working days.	Officials do not expect this proposal to contribute to further road wear, as it removes an administrative process. These vehicles will still be subject to proforma requirements and be required to operate on the HPMV network.	Officials do not expect any safety issues from this proposal as the permits are primarily a tool to manage weight.	<p><b>92% support</b> Supportive submitters said that removing this permit requirement would improve timeliness of supply for operators.</p> <p><b>8% oppose</b></p>	Progress
Introduce three new load pilot vehicle signs: <ul style="list-style-type: none"> <li>• OVERSIZE LOAD AHEAD</li> <li>• OVERSIZE LOAD FOLLOWS</li> <li>• PREPARE TO STOP</li> </ul>			These signs would more adequately inform motorists about the oncoming over dimension vehicle or load, and what actions they may need to take in response.	<p><b>86% support</b></p> <p><b>14% oppose</b> A submitter suggested that other 'PREPARE TO STOP' signs require road users to stop within the lane, and that this could be hazardous for oncoming over dimension loads.</p> <p>Some submitters suggested fixing inconsistencies between sign design specifications in VDAM and the Land Transport Rule: Traffic Control Devices 2004.</p>	Progress, amending 'PREPARE TO STOP' to 'PREPARE TO PULL OVER' to better inform motorists.  Remove sign specifications from VDAM and retain those in TCD, to align requirements for load pilot vehicle signs.
Enable all load pilot vehicle signs to be 'reverse colour' for greater visibility during hours of darkness.	Exemptions for signs with the message in retroreflective material and not the background have been granted by NZTA for some reverse-colour signs, as early as 2016. These were limited to specific vehicles and were intended to assess their effectiveness in warning other road users. These exemptions have increased over time. Allowing reverse-colour specifications for retroreflective material would reduce regulatory effort for NZTA to continue to assess and issue Class exemptions.		Industry has suggested that reverse-colour signs could be easier to read for road users using high beam headlights.  NZTA's technical experts have advised that these signs may not have the expected visibility benefits.	<p><b>71% support</b></p> <p><b>29% oppose</b> Those not in support of these signs believed there was a lack of evidence that these signs improve visibility. One noted they do not reflect the Vienna Convention on Road Signs and Signals, best practice traffic sign design, or existing sign requirements.</p>	Do not progress, based on concerns about visibility.

**Annex 1: Heavy Vehicle Productivity – proposal analysis and recommendations**

Key: 

better than status quo	neutral impact	not applicable	worse than status quo
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Consultation proposal	Compliance costs	Road wear	Safety	Consultation feedback	Ministry recommendation
Remove forward-facing signs for rear pilot vehicles.	Removing the requirement for a forward-facing sign for a rear load pilot vehicle would remove a cost for operators to purchase and display the signs.		Officials do not expect any risks to safety as the benefit of displaying such a sign to oncoming traffic that has already passed the over-dimension vehicle is unclear.	<b>67% support</b> <b>25% oppose</b> Some submitters noted that the sign was useful to identify rear pilot vehicles, especially for oncoming traffic in side roads. Others noted that displaying the sign elsewhere on the vehicle could improve visibility.	Progress
Enable Class 1 driver licence holders to drive all zero emission vehicles with a gross laden weight of up to 7500kg, and exempt this from the Transport Service Licence requirement	Codifying the current Class exemption would give operators certainty to invest in heavier zero emission vehicles, knowing that their drivers would not require a Class 2 licence, a transport service licence, or be subject to work time and logbook regimes. This change would also reduce regulatory effort for NZTA and corresponds to an objective in the Government’s second emissions reduction plan, to remove regulatory barriers to uptake of zero emissions heavy vehicles.  This proposal meets the objective in the Government’s Second Emissions Reduction Plan, to remove regulatory barriers to uptake of heavy vehicles.	Zero emissions vehicles are heavier and cause more road wear than their internal combustion engine counterparts. It is difficult to quantify any increase with the information available. However, damage will be mitigated through the RUC paid for these vehicles. Battery electric versions of these vehicles are currently exempt from RUC, so any damage will be mitigated after 30 June 2027 when the exemption ends.	Codifying the current Class exemption would not have any safety implications. The current exemption itself also has limited implications for safety. Zero emission vehicles have extensive safety features and improved stability due to the low placement of batteries. For battery electric vehicles, NZTA has advised that this proposal would not compromise safety outcomes. NZTA also notes that there would be minimal noticeable difference when driving heavier battery electric vehicles from equivalent diesel vehicles.	<b>69% support</b> <b>31% oppose</b>	Progress
Enable class 2 and 2L licence holders to drive heavier electric buses	Codifying the current Class exemption would give operators certainty to invest in heavier electric buses without having to upskill their drivers to a Class 4 licence. Most new urban bus drivers start with a Class 2 licence only and the higher licence Class costs money and time to obtain. This would also help industry better address any future driver shortages, noting the industry has faced critical shortages in the recent past.  This proposal meets the objective in the Government’s Second Emissions Reduction Plan, to remove regulatory barriers to uptake of heavy vehicles.	Zero emissions vehicles are heavier and cause more road wear than their internal combustion engine counterparts. It is difficult to quantify any increase with the information available. However, damage will be mitigated through the RUC paid for these vehicles. Battery electric versions of these vehicles are currently exempt from RUC, so any damage will be mitigated after 30 June 2027 when the exemption ends.	This change would not have any safety implications as it is codifying a current exemption, which also had limited implications for safety. NZTA has advised that there is minimal noticeable difference for Class 2 and 2L drivers when driving heavier electric buses from equivalent urban-use buses. In 2025, inquiries were conducted with NZTA, Police, and industry representatives to identify any incidents resulting from the exemption. No crashes or minor collisions were reported where the holding of a Class 2 licence was considered a possible crash contributor.	<b>86% support</b> <b>14% oppose</b>  Submitters agreed that other zero emission vehicle types such as hydrogen fuel cell buses should be included in the scope.	Progress, and clarify scope to only include rigid buses within defined dimensions, and include other zero emission types.
Improve the overseas heavy vehicle licence conversion process	This would simplify the overseas heavy vehicle licence conversion pathway through allowing drivers to convert their licence by sitting approved courses. Currently, most		NZTA is currently investigating potential fraud and corruption in the driver licensing system, including potential fraudulent practices by heavy vehicle course providers in relation to	<b>87% support</b> <b>13% oppose</b>	Do not progress. This proposal could be revisited following

**Annex 1: Heavy Vehicle Productivity – proposal analysis and recommendations**

Key: better than status quo neutral impact not applicable worse than status quo

Consultation proposal	Compliance costs	Road wear	Safety	Consultation feedback	Ministry recommendation
	converters complete an approved course and then must apply to the Director of Land Transport for an individual exemption from the test requirement, which costs \$100. These exemptions are generally all approved. This change would save money for applicants and reduce administrative burden for NZTA.		overseas conversions. As the investigation is still in progress it cannot yet confirm the true extent of these issues. NZTA advises that this proposal has the potential to pose safety risks, including through unqualified heavy vehicle drivers operating on New Zealand roads and an increased crash likelihood.	Some submitters noted concerns about the regulation of approved courses and course providers and noted their support was conditional on these issues being resolved.	the findings of NZTA's fraud investigation.
<b>2019 Proposals - Targeted consultation in late 2025</b>					
Simplify progression from Class 2-5 licences	This would reduce wait time between licence periods and reduce some test costs. However, there is no evidence of wider benefits to productivity – e.g. from better utilisation of trucks that would otherwise be parked up, as the CBA only focuses on savings from licence fees. The CBA also notes that these changes are not likely to resolve driver shortage issues.		There is no existing evidence or explanation of the safety risks of this proposal. Officials expect that shortening progression timeframes would pose safety risks.	We received limited feedback from industry in targeted consultation on this proposal.	Do not progress regulatory changes to the system.  NZTA can make operational improvements to practical tests to assess perceptual and hazard recognition skills when driving in traffic.
Remove the accelerated licensing process (ALP)	Removing the ALP would save NZTA costs from administering a system or process that is not used. Only one person is currently in the programme.		We do not expect safety outcomes to change given the low uptake of the course.	In targeted engagement, industry representatives noted they did not have concerns about removing the ALP.	Progress
Remove the requirement for an endorsement to drive a special-type vehicle on the road	Any benefits from this proposal would come from removing the costs posed by the endorsement, including the course and application process - endorsement courses usually cost \$300-650 and applicants must also pay a \$62.10 fee for each endorsement. However, the Health and Safety at Work Act 2015 (HSWA) requires a person conducting a business or undertaking (PCBU) to provide "appropriate training or instruction for anyone operating one of these vehicles," meaning that these courses may still be used if these vehicles are to be driven on a road. Therefore, the benefits are unclear and may be limited.		Officials do not have specific information about the prevalence and risk of these vehicles on the road.  Police considers that they are common in rural areas and may be hazardous to drivers.  This proposal would allow individuals with limited or no road-based training to legally drive special vehicles on public road, which could pose a risk to other road users. WorkSafe would be responsible for ensuring that special-type vehicle drivers have the appropriate training to drive on the road under HSWA. However, WorkSafe inspectors have no power or training to stop a vehicle on a road.	We received limited feedback from industry in targeted consultation on this proposal. Police, which is currently responsible for enforcement, noted it does not support this proposal.	Do not progress
Standardise speed limits for tractors and special-type vehicles to 40 km/h)	Faster-moving tractors may improve the flow of traffic on open roads through reducing the speed difference between other traffic travelling at 100 km/h.		The vehicles affected by this change are rarely involved in crashes. The change may improve road safety slightly, as speed mismatch is a leading causal factor in on-road accidents for agricultural vehicles.	We received limited feedback from industry in targeted consultation on this proposal.	Progress

**Annex 1: Heavy Vehicle Productivity – proposal analysis and recommendations**

Key: better than status quo neutral impact not applicable worse than status quo

Consultation proposal	Compliance costs	Road wear	Safety	Consultation feedback	Ministry recommendation
Enable automatic renewal of general licences for some endorsement holders (through requiring photographs to be taken at all endorsement renewals)	Passenger, Driving Instructor, Testing Officer, and Dangerous Goods endorsement holders do not have a photograph taken when they renew their endorsement. They must renew their general licence separately. This proposal would require a photograph to be taken to automatically renew both licences. This proposal would save a small amount of time for this small amount of people, around every 10 years when their renewal is due. However, requiring a photo to be taken for all endorsements would pose upfront system change costs and possible ongoing compliance costs.			We received limited feedback from industry in targeted consultation on this proposal.	Do not progress



# Regulatory Impact Statement: Heavy Vehicle Productivity - Phase 1

<b>Decision sought</b>	Final policy decisions on phase one of proposals to simplify the regulatory framework for heavy vehicles
<b>Agency responsible</b>	Ministry of Transport and the New Zealand Transport Agency Waka Kotahi
<b>Proposing Ministers</b>	Minister of Transport
<b>Date finalised</b>	8 May 2026

## Briefly describe the Minister's regulatory proposal

As part of the Land Transport Rules Reform Programme (Rules Reform) announced by the Minister of Transport (the Minister) on 19 June 2025, the Minister is proposing a first tranche of changes to simplify the regulatory framework for heavy vehicles:

### 50MAX permits

- 1 50MAX trucks would no longer need special permits to operate.
  - Instead of permits, the rules they must follow would be written directly into the law that sets vehicle size and weight limits, the Land Transport Rule: Vehicle Dimensions and Mass 2016 (the VDAM Rule).
  - There would also be standard template documents that clearly spell out:
    - what technical specifications 50MAX trucks must meet, and
    - where they are allowed to operate (including any road access limits).
  - The introduction of new penalties for 50MAX non-compliance would mitigate the fact that existing permit-based penalties would no longer apply.
  - Adjustments to Road User Charges (RUC) types would ensure these vehicles continue to pay the same amount of RUC to meet the cost of road wear.

### H plates

- 2 Removing the requirement for High Productivity Motor Vehicles<sup>1</sup> (HPMVs) to display H plates by amending the VDAM Rule.

### Minor and technical amendments

- 3 Incorporating a technical safety document, the Bolster Attachment Code (the Code), into the Land Transport Rule: Heavy Vehicles 2004 (the Heavy Vehicles Rule) by reference, rather than it being written in full in the Heavy Vehicles Rule.
  - The Code sets out the requirements for the safe attachment of log bolsters to heavy vehicles being used as logging trucks.
  - This would simplify updates, as any changes would only need to be approved by the Director of Land Transport (the Director), rather than requiring a Rule change process.

<sup>1</sup> High productivity motor vehicles are trucks above the current 44 tonne weight limit.

- This proposal has been exempted from impact analysis requirements by the Ministry for Regulation, on the basis that it would have no or only minor economic, social, or environmental impacts.
- 4 Removing an unused definition of “low volume vehicle” from the Heavy Vehicles Rule.
- This proposal has been exempted from impact analysis requirements on the basis that this proposal is for the removal of an already redundant legislative provision.

This Regulatory Impact Statement (RIS) provides an analysis of the first two proposals to support final policy decisions. These proposals form ‘phase one’ of work to simplify the regulatory framework for heavy vehicles. Proposals in phase two are detailed in a separate RIS.

## Summary: Problem definition and options

### What is the policy problem?

Road freight is a critical enabler of economic activity in New Zealand. Many sectors require road freight to support essential business activity, including the retail and wholesale, agriculture, forestry, dairy, manufacturing, and construction industries.

However, heavy vehicles are arguably subject to rules and regulations that have not kept pace with a changing transport system. Some of the current requirements may not always target regulatory effort to risk and can become obstacles to technological and safety advancements, change, and efficiency.

On 19 June 2025, the Minister announced a new programme of work to remove outdated and not fit for purpose regulatory requirements to reduce compliance costs and increase productivity. The work includes a commitment to consult on proposals to simplify the regulatory framework for heavy vehicles.

During informal consultation with subject matter experts, industry bodies, road controlling authorities (RCAs) and enforcement officers, the Ministry of Transport (the Ministry) and the New Zealand Transport Agency Waka Kotahi (NZTA) have identified several regulatory requirements that impose compliance costs. In particular:

- 50MAX trucks require special 50MAX permits to operate on routes that have been approved for 50MAX vehicles. 50MAX vehicles are a type of HPMV that can carry 6 more tonnes of freight than standard 44-tonne trucks by having an extra axle (totalling 9) to better distribute the additional load weight.
- Vehicles operating over 44 tonnes and/or overlength are required to display H plates. These plates were originally introduced when HPMVs were uncommon, to indicate that the vehicle is operating under permit conditions. However, the plates are no longer used for enforcement.

Without regulatory changes, these issues are expected to continue to impose compliance and administrative costs on the sector and government agencies.

### What is the policy objective?

The intended outcomes of these changes are to:

- reduce regulatory compliance costs
- manage safety risks
- manage wear on the road network, and
- ensure NZ Police (Police) can enforce the changes.

The success of the changes will be determined by their effects on:

- compliance costs
- road safety outcomes
- road network condition, and

- Police’s ability to enforce heavy vehicle requirements.

**What policy options have been considered, including any alternatives to regulation?**

NZTA has considered temporary operational solutions to the 50MAX permitting and H plate issues. However, as the policy problems identified arise from current legislative settings, legislative change is a more appropriate solution. Operational changes cannot fully eliminate current compliance costs and may create more burden for industry and government.

The ‘status quo’ option would retain regulatory requirements that may not be fit for purpose, ineffective, and burdensome for industry and government, including NZTA, Police, and local RCAs.

**What consultation has been undertaken?**

The Ministry and NZTA conducted targeted consultation with RCAs and industry in September 2025 and public consultation from October to December 2025. Officials also consulted Police following public consultation.

The heavy vehicle sector and Police were broadly supportive of the proposals. Feedback from RCAs was mixed, with some RCAs concerned about maintaining compliance with restrictions, while others felt any risks could be managed through current or new operational processes.

*50MAX permits*

The proposal to remove the 50MAX permit received overall support. Industry groups considered the permit requirement to be an administrative burden for what has become a standard vehicle. Some RCAs felt that removing permits would reduce front-end compliance checks and increase reliance on Police enforcement. We have not recommended changes to address these specific concerns, as they were not shared by Police.

Removing 50MAX permits will also require changes to penalties and RUC rates that are tied to these permits.

- In consultation, Police noted that removing permits for 50MAX vehicles would remove an enforcement lever. In response to this, officials have proposed introducing a new penalty, with the same offence and penalty levels, to replace the permit based one. This approach was supported by the Ministry of Justice’s Offences and Penalties vetting team (MOJ).
- Further, removing 50MAX permits would mean 50MAX operators would be re-licensed to different RUC types. To ensure 50MAX vehicles pay the same amount of RUC and continue to manage their road wear costs if permits are removed, officials have proposed adjusting RUC rates. Officials conducted targeted consultation with industry representatives on the proposed RUC adjustments, and these were fully supported.

*H plates*

In public consultation, the proposal to remove H plates received a mix of support. Some RCAs felt that H plates were a visible cue for Police enforcement. Industry groups felt that H plates are outdated and are not useful for enforcement. This was confirmed by Police, which no longer uses H plates to identify vehicles that may be operating on an HPMV permit. Officials have not recommended any changes to this proposal.

**Is the preferred option in the Cabinet paper the same as preferred option in the RIS?**

This RIS does not accompany a Cabinet paper. The Minister will assume delegated authority from Cabinet to make final policy decisions. The proposals set out in this RIS align with the high-level proposals approved by Cabinet on 4 June 2024 [ECO-MIN-0083 refers].

## Summary: Minister's preferred option

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### Costs (Core information)

The proposals aim to reduce regulatory burden and are therefore expected to have low costs. NZTA may face small up-front costs to develop proformas for 50MAX vehicles to include vehicle requirements and access restrictions. There will be a very small loss of revenue for retailers that sell H plates. These proposals are not expected to directly affect the condition of the state highways or the local road network managed by RCAs.

### Benefits (Core information)

The proposal to remove 50MAX permits will mostly benefit heavy vehicle operators by reducing the time spent applying for and renewing these permits. 50MAX operators with multiple vehicle types will also have more flexibility to mix vehicle loads. This proposal will also benefit NZTA by reducing administration time for a low-risk process, as 95 percent of 50MAX permits are approved.

The proposal to remove the H plate requirement will mostly benefit operators by eliminating the monetary costs and staff time spent purchasing, attaching, and maintaining these plates. It may have benefits for industry and Police by reducing the amount of time spent enforcing the incorrect or non-display of H plates, which has a high rate of successful appeals.

### Balance of benefits and costs (Core information)

**Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?**

Ministry and NZTA officials expect that the benefits of removing these regulatory requirements are likely to outweigh the costs. For 50MAX changes, any operational changes from NZTA or Police to adjust to the new proforma system are expected to be an improvement from the status quo. Removing H plates is likely to reduce costs to Police from following up on incorrect reports of HPMV non-compliance.

### Implementation

**How will the proposal be implemented, who will implement it, and what are the risks?**

Subject to Ministerial approval, the Ministry anticipates that the Amendment Rules and Regulations will be made by June 2026.

Current cost estimates for implementing both phases 1 and 2 are \$840,000, plus \$120,000 for changes to RUC types. NZTA advises that phases 1 and 2 can be implemented over a period of five months, starting in June 2026 and ending in November 2026.

The Government is considering accelerating the removal of 50MAX permits as part of its response to the closure of the Strait of Hormuz. NZTA has advised that this would not change implementation costs.

NZTA will fund implementation costs for Heavy Vehicle Productivity through its memorandum accounts. NZTA will be responsible for the implementation and ongoing operation of the changes for the roads that it controls, and the RCAs it provides permitting services for. RCAs which provide in-house permitting services (i.e. which do not outsource this function to NZTA) will be responsible for some implementation changes and the ongoing operation of the changes for the roads they control.

NZTA will develop a communications plan and engage with RCAs, industry, and Police to ensure an understanding of and compliance with the new requirements. Implementation costs are still being confirmed but will be determined prior to confirmation of final Rule amendments.

Officials do not expect any changes in compliance from making the changes.

### Limitations and Constraints on Analysis

Ministerial direction was to focus on the status quo and a regulatory change option. This left non-regulatory or more fundamental reform options out of scope.

The analysis draws on administrative data held by NZTA, relevant Australian research, and targeted consultation with the heavy vehicle industry, road controlling authorities, Police, and NZTA subject matter experts. While Australian research provides useful insights, its applicability to the New Zealand context may be limited in some areas.

Time constraints meant there was limited opportunity to undertake new, targeted research or more detailed quantitative analysis, and the assessment therefore relies primarily on existing evidence and stakeholder input.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:



Katrina Quickenden

Acting Director – Sector Strategy

8/5/26

### Quality Assurance Statement

Reviewing Agency: Ministry of Transport

QA rating: Meets

**Panel Comment:** A quality assurance panel with members from the Ministry of Transport has reviewed the Regulatory Impact Statement (RIS) prepared by the Ministry of Transport. The panel notes that this is a narrow and technical set of proposals, and that Ministers directed the scope of the options considered. The panel also considers that introducing the changes to penalties and RUC rates to the proposal following public consultation (but without re-consulting) is appropriate under the circumstances. Given this context, the panel considers that the information and analysis summarised in the RIS meets the Quality Assurance criteria for the purpose of informing Cabinet/Ministers' decisions.

## Section 1: Diagnosing the policy problem

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

Road freight plays a vital role in New Zealand's economic productivity. The Ministry projects that New Zealand's freight task will increase substantially to 366 million tonnes in 2042 (from 278.7

million tonnes in 2018).<sup>2</sup> However, heavy vehicles are subject to rules and regulations that arguably have not kept pace with modern regulation. These regulatory requirements may limit economic efficiency and productivity in the transport sector and to the wider economy.

Over the last year, Ministry and NZTA officials have consulted with heavy vehicle sector representatives, Police and RCAs to identify potentially burdensome and not fit for purpose regulatory requirements. Officials assessed these requirements and provided advice to Ministers on options to reduce regulatory burden and enable a more productive heavy vehicle sector.

### **What is the policy problem or opportunity?**

On 19 June 2025, the Minister announced the Rules Reform programme, intended to remove outdated and not fit for purpose regulatory requirements, with the aim of reducing compliance costs and increasing productivity. The programme includes a commitment to review the regulatory framework for heavy vehicles.

Without regulatory changes, these requirements will continue to impose unnecessary compliance costs on the sector and administrative burden on government agencies. There is an opportunity to reduce requirements and improve the system for all parties. The proposals in this RIS to remove 50MAX permits and H plate requirements are part of phase one of the Government's work to simplify the regulatory framework for heavy vehicles.

### **Removing 50MAX permit requirements, replicating existing permit-based penalties, and introducing new RUC rates**

#### **Background**

Since 2013, 50MAX vehicles have been an option for approved heavy vehicles to carry increased payloads on parts of the network that are economically important to New Zealand but cannot support the higher volume of freight on a conventional vehicle combination.

50MAX vehicles exceed the combination mass limits for general access to the network. However, they have one more axle than a conventional 8 axle 44 tonne combination. This extra axle means the overall truck load is spread further with either less or no additional wear on the road per tonne of freight than a conventional combination.

#### *50MAX vehicles have better safety outcomes*

50MAX vehicles operate under New Zealand's Performance Based Standards (PBS) framework, allowing them to exceed the standard 44-tonne weight limit by meeting specific performance and safety criteria. A 2025 Australian operation found that vehicles meeting the PBS framework were involved in 46 percent fewer major crashes per kilometre travelled than conventional heavy vehicles.<sup>3</sup> Another Australian study found that, from 2015 to 2019, PBS vehicles were involved in 60 percent fewer major crashes per 100 million kilometres travelled and 30 percent fewer major crashes per 10,000 vehicles than conventional heavy vehicles.<sup>4</sup> As 50MAX vehicles can carry more freight per trip, they may also decrease crash risk by reducing the number of heavy vehicle trips.

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<sup>2</sup> Transport Outlook: Future State, <https://www.transport.govt.nz/assets/Uploads/Report/TransportOutlookFutureState.pdf>

<sup>3</sup> National Heavy Vehicle Regulator.

*Review of Major Crash Rates for Australian Higher Productivity Vehicles: 2015 – 2019.* The Chartered Institute of Logistics and Transport

*Although 50MAX vehicles outperform standard heavy vehicles, they are subject to more requirements*

Despite the equal or better outcomes for safety and road wear, the VDAM Rule requires 50MAX operators to obtain a permit for their vehicles to operate on the network. These permits restrict 50MAX vehicle access to parts of the roading network where the infrastructure can support these vehicles.

Operators are required to apply for and obtain a 50MAX permit renewal every two years, and before their current permit expires. 50MAX vehicles also often require overlength permits and must display an H plate.

*There is an opportunity to remove the permit requirement for 50MAX vehicles and adopt more efficient regulatory practice*

The heavy vehicle sector considers there is no longer a need for 50MAX permits, and that the requirement to obtain and renew a permit creates a significant administrative and cost burden to the sector and government agencies. From August 2022 to July 2024, NZTA processed 13,503 permit applications from 1,486 operators. NZTA also considers that 50MAX permits could be removed but notes that the current risk of losing a permit may incentivise compliance with access restrictions.

### **The proposal**

Officials are proposing to remove permit requirements for 50MAX vehicles. This includes the mass permit which allows them to operate over 44 tonnes, and overlength permits, which allow them to operate at a length of 23 metres.

Instead, the Director would publish a list of standard proformas specifying vehicle design and safety requirements, and approved network maps detailing where 50MAX vehicles can and cannot go. 50MAX operators would still be subject to vehicle and route restrictions as determined by RCAs.

Drivers would be required to carry and present proforma documentation on request to assist enforcement officers to check vehicles at the roadside. This is expected to save time for enforcement officers and drivers. In public consultation, 59% of submitters supported this requirement.

### *Officials propose introducing new penalties*

In targeted engagement following public consultation, Police noted that the penalties for 'critical breach of a permit' (a \$2,000 infringement fee or \$5,000 on conviction) would no longer apply if the permit requirements were removed. Instead, 50MAX vehicles would only receive penalties for breaching the 'responsibilities of operators' (\$370 infringement fee/\$1,000 on conviction)<sup>5</sup> and overloading. This means that penalties for non-compliant 50MAX operators would be lower than the penalties for other heavy vehicle types. This could create a perverse incentive for vehicles operating above 50 tonnes to risk operating as 50MAX to avoid the critical breach of a permit penalties they would receive if they were operating on the appropriate permit.

Officials considered a range of options to address this. Shortlisted options included status quo, introducing penalties based on the Ministry's Effective Transport Financial Penalties Categorisation Tool, penalties directly comparable to those for breaching critical conditions of a permit, high

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<sup>5</sup> Operators would still risk losing their Transport Service Licence but this is usually the result of sustained non-compliance, rather than one instance.

penalties to send a deterrence signal, graduated penalties to reflect the severity of non-compliance, and vehicle immobilisation at the roadside.

However, changing 50MAX penalties in isolation would mean they are not proportionate to those for other heavy vehicle types. Taking a whole of system approach to reviewing penalties was out of scope of the direction of the current Rules Reform Programme. Instead, we propose to amend the Land Transport (Offences and Penalties) Regulations 1999 to introduce penalties for 50MAX vehicles that are directly comparable to those for breaching critical conditions of a permit.

The proposed penalties for 50MAX non-compliance are designed to be comparable to penalties for similar forms of non-compliance for other heavy vehicle types. Officials propose a \$2,000 fee or a \$5,000 fine for:

- the gross weight of a non-permitted vehicle exceeding 50t
- non-compliance with access restrictions specified in the 50MAX network map
- (if applicable) the gross weight of the vehicle exceeding the gross vehicle weight, gross combination weight, maximum towed weight or brake code weight limits.

50MAX vehicles would still be subject to penalties for ‘breaching responsibilities of operators’ (\$370 fee/\$1,000 fine) and graduated overloading fees.

The Ministry consulted MoJ on this proposal. MoJ supported the introduction of a new offence and penalties to replicate the existing permit-based ones.

*Officials propose adjusting RUC rates for 50MAX vehicles*

Road User Charges (RUC) require certain vehicle operators to pay for the distance they travel, ensuring users contribute to the cost of building and maintaining roads. Heavier vehicles pay higher RUC rates to reflect the greater damage they cause to roads. The Road User Charges Act 2012 requires vehicles operating on a permit, including 50MAX vehicles, to carry either a type H RUC licence (for regular operation) or an additional licence (for single trips).

Removing the permit requirement means 50MAX vehicles would be re-licenced as standard powered vehicle types. Officials expect that some vehicles would move to RUC types where the rates they pay would not cover the costs they are causing from wear on the road network. This is because there either isn’t an appropriate type, or operators may not select the right type.

We recommend minor adjustments that ensure that there are no changes to RUC rates that vehicles pay following permit removal. Our recommended changes are summarised in the table below:

<b>Change</b>	<b>New RUC type</b>
Restrict the definition of 408 to vehicles with eight axles	50MAX vehicles move to Standard type 14
Remove H94	Standard type 14
Remove H97	309
Remove H91	Standard type 19
Remove H30	Proposed new type “430”
Remove H33	Proposed new type “433”

Officials consulted industry representative groups on these proposed amendments. They received full support.

Officials consider that the proposed changes balance the objectives to reduce compliance costs, and manage road wear, while ensuring that Police have the tools to enforce non-compliance. This will prevent road safety risks and damage to road infrastructure.

*We anticipate that consequential amendments to fees, offences and penalties will be required*

Removing the permit requirement for 50MAX vehicles will mean that permit application fees will also be removed from the Land Transport (Regulatory Fees) Regulations 2023.

## Removing H plates

### Background

*H plates were intended to help police officers identify larger and heavier trucks operating on permits*



Under current Rules, H plates (pictured – not to scale) must be affixed to any HPMV operating under a permit.<sup>6</sup> H plates were intended to help police officers identify HPMVs operating under a permit, enabling Police to target HPMV permit enforcement to the right vehicles. When these display requirements were introduced in 2010, HPMVs were a relatively new and rare part of New Zealand’s heavy vehicle fleet.

The proportion of HPMVs in the New Zealand fleet has significantly increased since 2010. Between October 2022 to October 2024, NZTA had an estimated 43,530 successful HPMV permit applications that were subject to H plate requirements.<sup>7</sup>

*The meaning of an H plate has become unclear*

Considering the growth in HPMVs, it is unclear whether H plates still serve a purpose. Police have indicated that these plates now have negligible value for their enforcement activities. RCAs have indicated that H plates provide them with some visibility of the vehicles on their network that may be operating under a permit. However, they also noted that H plates do not indicate whether the vehicle is carrying a load.

Officials also received feedback regarding confusion about the meaning of H plates, and where and when they must be displayed. HPMVs usually have H plates displayed permanently on their vehicle, including during travel where the vehicle is not carrying a load and therefore not subject to a permit. In some cases, police officers and members of the public have assumed the presence of an H plate on an HPMV meant the vehicle was not allowed to be operating on that road. However, on further investigation, these HPMVs were often found to be compliant. From 2010 to mid-2025, 60 percent of H plate violations were waived or withdrawn and did not result in punitive action. While the reason behind their waiver or withdrawal is not available, these figures indicate significant confusion about H plate requirements.

In practice, it is difficult and inefficient for vehicle operators to remove and re-attach H plates every time their vehicles are loaded, unloaded, partially loaded, and/or combined with trailers. This is particularly burdensome for operators with larger, more diverse vehicle fleets, who may be

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<sup>6</sup> HPMVs are heavy vehicles that exceed a mass of 44,000kg and/or the maximum length of 19m for semi-trailers, 20m for full trailers and b-trains, or 22m for truck and trailers.

<sup>7</sup> As permits are issued with a term of 2 years, this is a good indicator for the number of HPMVs required to display H plates.

swapping trailers frequently to carry out different tasks. Most vehicles have the H plate permanently attached to the vehicle as a sticker, so it is often displayed even when the vehicle is operating without a load.

### The proposal

We propose amending the VDAM Rule to remove the requirement for HPMVs to display H plates.

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

The proposals to remove permitting requirements and H plates directly respond to the Government’s objective for the Rules Reform Programme, to reduce regulatory compliance costs. These specific proposals are also designed ensure that Police can enforce safety and access requirements to prevent safety risks and wear on the road network.

### What consultation has been undertaken?

The Ministry and NZTA carried out targeted and public consultation on these proposals. Targeted consultation included:

- Police
- RCAs
- Accident Compensation Corporation
- ShopCare Charitable Trust, and
- American International Group (AIG) New Zealand
- Heavy vehicle sector representatives, including:
  - National Road Carriers
  - Ia Ara Transporting New Zealand
  - Heavy Haulage Association
  - Crane Association of New Zealand

These stakeholders were largely supportive of the proposals. RCA feedback was mixed. Some RCAs felt that the removal of H plates may reduce visibility of HPMV movements. Some noted that H plates can be confusing as they do not indicate whether an HPMV is travelling laden and therefore subject to access restrictions. Industry organisations were generally in favour of removing H plates, due to their perceived ‘irrelevance’, and confusion about appropriate display and enforcement action.

Some RCAs felt that more frequently updates to 50MAX network maps and stronger enforcement against heavy vehicles operating in breach of permits would improve 50MAX compliance. NZTA will improve the 50MAX network map and is making further investments into Commercial Vehicle Safety Centres, which addresses this feedback.

### NZTA ran public consultation on the proposed changes from 29 October to 17 December 2025

A breakdown of public consultation feedback for the proposals in this RIS is in the table below:

Proposal	Submitter type	Number of submissions	Total	Overall views
Remove 50MAX permits	Individual	10	41	61% support 31% oppose 8% neutral or unclear
	Business or organisation	31		
Remove H Plates	Individual	11	43	42% support 49% oppose 8% neutral or unclear
	Business or organisation	32		

### **There was overall support for removing 50MAX permits**

61% of submitters, including most industry stakeholders, supported removing 50MAX permits, seeing them as an unnecessary administrative and financial burden that limits fleet flexibility.

31% of submitters, including most RCAs, opposed the proposal. These submitters cited concerns which are summarised below:

**Enforcement:** it would be difficult for Police to identify 50MAX vehicles and monitor their movements on the network. Some noted that removing the permit requirements could increase the risk that vehicles are non-compliant with access restrictions.

- Police did not share these concerns, and confirmed that requiring operators to carry and produce proforma documentation would make enforcement checks faster and easier.
- These concerns are also addressed through NZTA's investment in eight new Commercial Vehicle Safety Centres, alongside upgrades to its five existing sites. These roadside enforcement sites use technology to inspect vehicle weight, compliance with Road User Charges, logbook accuracy, and driver impairment, and will cover 46 percent of heavy vehicle kilometres travelled — improving the ability to monitor heavy vehicle movements across the network.

**Compliance:** Some submitters raised concerns about compliance without permits.

- Officials do not expect removing them to affect operator behaviour. The new offence and penalties for non-compliance, introduced as a result of feedback from Police, mean operators face the same penalties for non-compliance with access restrictions and weight limits as they do currently.
- The current requirements for these vehicles will remain, just in the VDAM Rule instead of permit conditions. The introduction of a new penalty for critical 50MAX non-compliance will replicate the critical breach of a permit offence that these vehicles are currently subject to.

**Road wear:** We note concerns from RCAs about any increased damage to their road networks increasing their demand for additional funding for road maintenance and renewals.

- As discussed above, officials do not expect compliance to change. The recommended RUC amendments will also ensure vehicles continue to contribute toward the costs associated with improving and maintaining the land transport network.

Given the existing mitigations discussed above, we have not recommended any changes to the proposal, other than a new offence and penalties to replicate the existing permit-based offence and penalties and adjustments to RUC rates. These were introduced following public consultation, so they have not been publicly consulted on. However, penalties will not change from status quo, and MoJ is also comfortable with the approach. Adjustments to RUC types will retain the same rates, and were fully supported by industry representatives.

### **Removing H plates was supported by Industry and Police**

Removing H plates was supported in 42% of submissions, including most businesses and industry associations and some individuals. Submitters in support felt that H Plates no longer serve their intended purpose to identify HPMVs and they have become an unnecessary compliance burden for operators. Both industry submitters and Police noted that the requirement has caused confusion from members of the public and traffic control workers who don't understand what the sign means.

49% of submitters opposed removing H plates. This includes all RCAs, and a minority of businesses or industry associations and individuals. These submitters cited concerns that:

**Enforcement:** it would be difficult for Police to identify HPMVs and monitor their movements on the network. Some noted that removing H plates could limit Polices ability to ensure that vehicles are compliant with access restrictions.

- Police did not share this concern. It noted that H plates are no longer used to identify vehicles operating on an HPMV permit, and that confusion among the public has caused extra work for Police when vehicles were compliant.
- Given that Police are responsible for on-road enforcement, its support carries significant weight in assessing the ongoing value of the requirement. Since Police have said that H plates are no longer used for enforcement, officials consider that H plates no longer serve a purpose and can be removed.

#### **Other proposals received 100% support**

The minor and technical proposals that were exempted from impact analysis (to remove an unused definition of 'low volume vehicle' from the Heavy Vehicles Rule and incorporate the Code by reference) both received 100% support.

## **Section 2: Assessing options to address the policy problem**

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

The Government sets requirements for heavy vehicles to maintain road safety and the condition of the road network. The regulatory system should balance these matters with the need for heavy vehicle operators to operate efficiently and be productive. Therefore, these factors have shaped the following assessment criteria:

1. **Compliance costs** – the reduction in compliance costs for operators and NZTA
2. **Road wear** – the effect on wear to road infrastructure
3. **Enforcement** – the effect on Police's ability to enforce the requirements for heavy vehicles
4. **Safety** – the effect on the safety of road users

### **What scope will options be considered within?**

The Government Policy Statement on land transport 2024 includes a commitment to review the vehicle regulatory system to reduce regulatory burden and ensure that rules are fit-for-purpose. In June 2025, Cabinet agreed to the direction for the Rules Reform programme [ECO-25-MIN-0083 refers]. The Minister directed officials to explore the specific proposals in this RIS as phase one of the wider Rules Reform programme. These proposals have been refined through feedback from targeted engagement and public consultation, and discussions with Ministry and NZTA officials.

As the policy problems identified arise from current regulation, regulatory change is a more appropriate solution than operational changes. The proposals are limited to changes that can be made through amendments to VDAM Rule, the Heavy Vehicles Rule, the Road User Charges Regulations 2012, the Road User Charges (Rates) Regulations 2015, and the Land Transport (Offences and Penalties) Regulations 1999.

### **What options are being considered?**

#### **Option One – Status Quo**

- 50MAX vehicles will require mass and overlength permits.

- Vehicles operating on an HPMV permit will be required to display H plates.

### **Option Two – Regulatory Change**

This option would:

- remove the requirement for 50MAX permits and shift all current permit requirements for these vehicles into the VDAM rule. Drivers would be required to carry proforma documentation specifying vehicle design and safety requirements, and present these to enforcement officers if requested. 50MAX vehicles would still be subject to access restrictions determined by RCAs in the 50MAX network map. A new offence and associated penalties would be introduced to replicate the existing enforcement lever of ‘critical breach of a permit’. There would be some changes to RUC rates to ensure 50MAX vehicles contribute the same amount toward the costs associated with improving and maintaining the land transport network.
- remove the requirement for HPMVs to display H plates.

### **How do the options compare to the status quo?**

Removing the H plate and 50MAX permit requirements is the highest-ranking option. Removing 50MAX permits would reduce administrative costs for industry and NZTA. Industry and Police would benefit from not having to enforce the display of H plates. RCAs would retain their ability to impose access restrictions to manage wear on the road network, and RUC rates would be adjusted to ensure that 50MAX vehicles contribute the same amount toward the costs associated with improving and maintaining the land transport network. Officials expect these changes to contribute to a more permissive, outcomes-focussed regulatory environment for road transport.

For reasons discussed prior in this RIS, both the proposed changes are not expected to risk road safety and road wear. These criteria are not further analysed in this RIS.

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

Option Two: Regulatory Change is likely to have the greatest benefits for operators and for NZTA. The regulatory system will be more fit-for-purpose and compliance costs will be reduced. As permit fees are set on a cost-recovery basis, the loss of revenue is unlikely to affect NZTA. Removing the H plate requirement will simplify the requirements for HPMVs and Police. Operators may find that inappropriate enforcement activity is reduced.

A further breakdown of benefits to enforcement and reduced compliance costs is provided in the table on the next page. The ratio of benefits to costs is not expected to change over time.

*There may be a risk that changing the regulations could affect compliance*

Clause 5.2(4) of the VDAM Rule allows RCAs (or NZTA where RCAs have delegated their permitting responsibilities) to consider the applying operator’s previous breaches of permit conditions and other ‘traffic offending’ history when deciding whether to issue an operator with a permit. Removing the permit requirement for 50MAX could reduce the ability for RCAs to prevent operators with previous breaches or a history of other traffic offences from operating on their network.

However, we do not expect that compliance will change from the proposed changes. We expect any risks will be mitigated by Police enforcement and the expansion of the CVSC network. In extreme cases of non-compliance, NZTA could revoke operators’ Transport Service Licences.

**Is the Minister’s preferred option in the Cabinet paper the same as the agency’s preferred option in the RIS?**

The proposals set out in this RIS and consultation document align with the high-level proposals approved by Cabinet in June 2025. This RIS does not accompany a Cabinet paper as Cabinet has delegated the Minister of Transport authority to make final policy decisions.

	Status Quo	Regulatory Change
<b>50MAX permits</b>		
<b>Compliance costs</b>	<p style="text-align: center;">0</p> <p>The 50MAX permit requirement poses administration costs to NZTA, operators, and RCAs, but 95 percent of applications are approved.</p> <p>From August 2022 to July 2024, NZTA processed 13,503 permit applications from 1,486 operators.</p> <p>From September 2023 to 2024, NZTA's average application processing time was 7 working days. Around 95 percent of these applications were approved.</p> <p>Permit requirements also impose a cost to the sector:</p> <ul style="list-style-type: none"> <li>• The fee for new permit applications is \$32.13 and the permit renewal application fee is \$16.31.</li> <li>• From August 2022 to July 2024, there were 8,003 new applications and 5,500 renewals.</li> <li>• This amounts to a cost to the sector of \$346,841.39 over the 2-year period.</li> <li>• In addition to application fees, operators face additional costs, for example, the time cost of administrators.</li> </ul> <p>50MAX permit requirements may have a small cost to productivity as operators spend time and money applying for permits. Time delays between applying for a 50MAX permit and it being granted may also limit productivity for operators, as they cannot operate a vehicle at mass during this period.</p>	<p style="text-align: center;">++</p> <p>Removing the 50MAX permit would remove annual direct costs to the sector of around \$173,420. It would also allow operators more flexibility with their vehicle fleet. For example, in the case of a breakdown, a vehicle's load could be redistributed onto other vehicles.</p> <p>Removing 50MAX permits would reduce administration burdens for NZTA, allowing it to focus administrative work on higher-risk heavy vehicle operators.</p> <p>The Castalia report found a benefit to cost ratio of 17.4:1 from removing 50MAX permitting but retaining route restrictions and proforma requirements (as proposed in this RIS). The report assumed that permitting would still be required on 50MAX trucks using rural roads.</p> <p>Compliance costs for higher productivity 50MAX vehicles will be reduced. Removing 50MAX permits will free up industry and government time to pursue more productive work.</p>
<b>Enforcement</b>	<p style="text-align: center;">0</p> <p>The permit requirement for 50MAX vehicles enables RCAs to impose conditions on where these vehicles can travel, preventing their use on infrastructure that may not be able to support the heavier overall vehicle weight.</p>	<p style="text-align: center;">0</p> <p>The requirements for 50MAX vehicles would be moved into the VDAM Rule. Operators would be required to carry and produce proforma documentation to make it faster and easier for enforcement officers to confirm the requirements for their vehicle. 50MAX vehicles would still be subject to access restrictions as set out in the currently used 50MAX network map. Cumulatively, Police would retain its ability to enforce these vehicles to prevent safety risks and damage to the road network.</p>
<b>H plates</b>		
<b>Compliance costs</b>	<p style="text-align: center;">0</p> <p>From October 2022 to October 2024, an estimated 43,530 vehicles had successful HPMV permit applications, making them subject to H plate requirements. Of these successful applications, around 14,300 were new. This is an annual cost to the sector of about \$429,000.</p> <p>Operators also bear costs from inappropriate enforcement. NZTA has received anecdotal information from industry about incorrect enforcement of H plates. For example, when a HPMV is travelling unladen on a road not normally available for general access. A total of 433 H plate offences were recorded between mid-2010 to late-2025. Of these, 257 offences (60 percent) were either waived or withdrawn.</p> <p>Without removing the requirement to display H plates, we would expect continued cases of incorrect enforcement into the future. This imposes avoidable costs on operators who are compliant.</p> <p>The H plate requirement may have a small cost to productivity as operators spend time and money ensuring they comply with requirements.</p>	<p style="text-align: center;">+</p> <p>Removing the H plate requirement would save a minimum of \$429,000 to the sector annually in H plate costs. The sector would also not have to spend time purchasing, attaching, or maintaining the plates.</p> <p>Removing H plate requirements reduce compliance costs for industry, enabling them to pursue more productive work.</p>
<b>Enforcement</b>	<p style="text-align: center;">0</p> <p>Police considers that H plates do not serve their intended purpose of helping to enforce the requirements for HPMVs to prevent road damage or crashes.</p>	<p style="text-align: center;">+</p> <p>Removing H plates could prevent confusion from the public and unnecessary reports to Police.</p>

**What are the direct marginal costs and benefits of the preferred option?**

Direct costs of the preferred option			
Affected groups	Comment	Impact	Evidence Certainty
NZTA as a regulator	NZTA as a regulator may have to scale their existing online proforma regime to include the requirements and access restrictions for 50MAX vehicles. Technology for commercial vehicle safety testing like weigh-in-motion may need updates to reflect the removal of permitting requirements for 50MAX.	Low/Medium – NZTA already provides proforma designs online.	High
RCAs, including NZTA as RCA	NZTA as an RCA and regulator may need to change current methods of monitoring HPMVs using the network following the removal of H plates and 50MAX permitting requirements. All RCAs may need to work to establish more regular updates to its approved network for 50MAX, to enable faster notification of any route restrictions for 50MAX operators.	Medium – some changes to existing monitoring systems and processes may be required to support the changes to permit requirements for 50MAX and H plates.	Medium
Police	Police may need to work with RCAs and NZTA as a regulator and RCA to support changes to enforcement needed as a result of the proposed changes for 50MAX permitting and H plates.	Medium/Low – Police may need extra training for any additional information that is incorporated into 50MAX proforma documentation.	High
Retailers	There will be a negligible loss of revenue for retailers who sell H plates.	Low – retailers are generally large and sell other products. H plates are relatively inexpensive at around \$30 each.	Medium
<b>Total monetised costs</b>			—
<b>Non-monetised costs</b>		Low	High
Direct benefits of the preferred option			
Affected groups	Comment	Impact	Evidence Certainty
Heavy vehicle operators	Operators will see reduced compliance costs from the removal of H plate and 50MAX permit requirements. Inappropriate enforcement may be reduced.	Medium - H plates and 50MAX permit fees have an annual monetary cost to the sector of approximately \$550,420 or higher. Low - a total of 433 H plate offences were recorded from 2010 to mid-2025.	High Low
NZTA as a regulator	Changes to permitting requirements will reduce administrative burden to NZTA.	High – from August 2022 to July 2024, NZTA processed 13,503 permit applications. From September 2023 to 2024, the average application processing time was 7 working days.	High
RCAs, including NZTA as an RCA	Reduced confusion from members of the public regarding the meaning of H plates, and less time spent resolving possible non-compliance with display requirements.	Low – NZTA is aware of confusion from the public about the meaning of H plates.	Medium – it is unclear how much resource is spent following up with H plate vehicles who are the subject of public queries.
Police	Simplified permitting requirements may be easier for Police to enforce.	Low – enforcement of H plates is infrequent. In a 15-year period, only 433 infringements were issued, and 60 percent were waived or overturned.	High
<b>Total monetised benefits</b>		\$550,420	High
<b>Non-monetised benefits</b>		Medium	High

## Section 3: Delivering an option

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### How will the proposal be implemented?

Subject to Ministerial approval, the Ministry anticipates that the Amendment Rules and Regulations will be signed by June 2026, alongside any changes from phase 2 of Heavy Vehicle Productivity. This is subject to change as the Government confirms details regarding regulatory relief to allow the heavy vehicle industry to reduce its fuel consumption in response to the closure of the Strait of Hormuz.

#### Implementation details

Current cost estimates for implementing both phases 1 and 2 are \$840,00, plus \$120,000 to implement RUC type changes. We expect that NZTA will fund implementation costs for Heavy Vehicle Productivity through its memorandum accounts.

NZTA advises that it will take approximately five months to implement phases 1 and 2, starting in June 2026 and ending in November 2026.

In this time, NZTA will:

- develop a new proforma regime and update internal reference materials, digital systems, processes and external industry stakeholders.
- make changes to the software system used for permitting and RUC
- update the Commercial Vehicle Safety Programme (CVSP) system to ensure it will continue to operate smoothly once 50MAX permits have been voided
- plan and support transitional arrangements for RUC type changes.

NZTA will also improve the geospatial map for 50MAX access to clearly indicate where 50MAX vehicles can and cannot go (it currently indicates where they cannot go) and set up processes with 68 RCAs to update their road networks in this map. This is currently estimated to take approximately 18 months to complete. In the meantime, users can refer to the existing map.

NZTA will develop a communications plan to support implementation. This will include:

- notifying RCAs and the industry of all changes through normal channels, including its website, media releases, email list and industry newsletters
- updating existing information on the NZTA website and Vehicle Inspection Requirements Manuals to reflect any changes to permitting requirements for 50MAX, and
- supporting the provision of internal training for compliance officers, and external training for Police involved in commercial vehicle safety testing.

#### Ongoing management of the changes

NZTA will be responsible for the ongoing operation of the changes, due to its role as road transport regulator and as RCA for state highways.

RCAs who provide their own permit services will remain responsible for changes such as communicating the changes to local operators and making internal operational policy changes.

Police will retain responsibility for roadside enforcement.

### How will the proposal be monitored, evaluated, and reviewed?

The success of the changes will be measured by effects on compliance costs, road safety outcomes, road network condition and Police's ability to enforce heavy vehicle requirements. Regulated parties and other stakeholders will be able to raise any concerns about these with NZTA and the Ministry through existing channels.



# Regulatory Impact Statement: Phase 2 of Heavy Vehicle Regulatory Changes

<b>Decision sought</b>	Final policy decisions on Phase 2 of proposals to simplify the regulatory framework for heavy vehicles
<b>Agency responsible</b>	Ministry of Transport and the NZ Transport Agency Waka Kotahi
<b>Proposing Ministers</b>	Minister of Transport
<b>Date finalised</b>	22 April 2026

## Briefly describe the Minister's regulatory proposal

As part of the Land Transport Rules Reform Programme announced by the Minister of Transport (the Minister) on 19 June 2025, the Minister is progressing a second set of proposals to simplify the regulatory framework for heavy and special vehicles. This follows Phase 1 of Heavy Vehicle Productivity, which was publicly consulted on from October to December 2025. This Regulatory Impact Statement (RIS) provides an analysis of the below proposals to support final policy decisions:

- **Proposal 1:** Remove the need for a High-Productivity Motor Vehicle (HPMV)<sup>1</sup> dimensions permit for vehicle rental service providers when transferring unladen truck and trailer stock between depots or to customers
- **Proposal 2:** Permanently enable Class 1 drivers to drive zero emissions light heavy vehicles<sup>2</sup> weighing up to 7,500kg instead of the current weight limit of 6,000kg
- **Proposal 3:** Permanently enable drivers of electric public transport service buses (with more than two axles) and a gross laden weight of up to 22,000kg to be driven on a Class 2 or 2L driver licence rather than a Class 4 or 4L.

Two other proposals are being progressed but have been exempted from impact analysis requirements:

- Proposals to improve load pilot signage requirements and to allow overseas heavy vehicle drivers to convert their licence by undertaking an approved course were exempted on the basis that there are no or only minor economic, social, or environmental impacts.
- Proposals to simplify heavy vehicle driver licensing that were publicly consulted on in 2019 have been revisited by officials. Any recommended changes are exempt on the basis that they have already been addressed by existing impact analysis. This analysis is available on the Ministry's website:

<sup>1</sup> Vehicles exceeding the standard thresholds for length and mass are classified as High Productivity Motor Vehicles (HPMVs) and require HPMV permits for use on public roads. These permits are vehicle-based and are valid for two years.

<sup>2</sup> Light heavy vehicles include small urban trucks that are often used for commercial purposes like courier services or trades, but fall below the heavy vehicle threshold of a 3500kg Gross Vehicle Mass.

## Summary: Problem definition and options

### What is the policy problem?

Road freight is a critical enabler of economic activity in New Zealand. However, heavy vehicles are arguably subject to rules and regulations that have not kept pace with a changing transport system. Some of the current requirements may not always target regulatory effort to risk and can become obstacles to decarbonisation of the fleet.

On 19 June 2025, the Minister announced a new programme of work to remove outdated and unfit for purpose regulatory requirements. This work includes simplifying the regulatory framework for heavy vehicles. Working with industry, the Ministry of Transport (the Ministry) and the NZ Transport Agency Waka Kotahi (NZTA) have identified regulatory requirements that appear to impose disproportionate compliance costs. In particular:

- **Proposal 1:** Heavy vehicle operators, including rental service operators, are required to obtain HPMV permits for new truck and trailer combinations that exceed general mass or length limits, to manage wear on the road network. The processing time for these permits is up to 10 working days. This constrains the ability of rental service operators to make planning decisions that could improve their productivity, even though they are travelling unladen and are therefore not as heavy.
- **Proposals 2 and 3:** The Director of Land Transport has issued Class exemptions to allow some zero-emissions heavy vehicles to be driven with the same licence Class as their diesel equivalents. This is because the heavier weight of zero-emissions technology means operators cannot carry the same payload without exceeding the weight limit for their licence, despite these vehicles having extensive safety features and the same handling. These exemptions are time-bound which creates uncertainty for operators to invest in zero emissions versions of heavy vehicles.

Without regulatory changes, these issues are expected to continue to impose costs on industry and government agencies.

### What is the policy objective?

The intended outcomes of the changes are to:

- enable productivity improvements
- reduce regulatory effort for government agencies
- not adversely affect road safety.

Reviewing licence requirements for zero emissions heavy vehicles also meet the objective in New Zealand's second emissions reduction plan, to remove regulatory barriers to support uptake of zero emissions versions of heavy vehicles.

### What policy options have been considered, including any alternatives to regulation?

The range of options was constrained by Cabinet and Ministerial approval of the direction of the Minister's wider Rules Reform programme. Cabinet approved a package of changes for public consultation based on a set of specific rule changes identified during targeted engagement with NZTA and industry. This limited the scope for non-regulatory or more fundamental reform options.

For Proposal 1, to remove permit requirements for rental service HPMVs travelling unladen for delivery to customers or between depots, legislative change is a more appropriate solution. Any operational improvements made by NZTA to increase the length of a permit or process requests faster would still pose delays. The intention behind Proposals 2 and 3 is to standardise the current

exemptions provided by the Director in Land Transport Rules. As a result, the analysis focused on the status quo and a single regulatory change option. The 'status quo' option would retain the use of permit requirements and Class exemptions that may be unfit-for-purpose and cause uncertainty for industry.

**What consultation has been undertaken?**

The Ministry and NZTA have consulted with representatives of the heavy vehicle sector<sup>3</sup> on options to improve the heavy vehicle regulatory framework over several years. In November and December 2025, the Ministry and NZTA undertook further targeted consultation with industry and local government agencies about the proposals in this RIS. These discussions involved a range of internal NZTA subject matter experts, key bodies representing the heavy vehicle sector, and Road Controlling Authorities (RCAs).

Following the targeted consultation in late 2025, NZTA consulted the public on the proposals from 25 February to 25 March 2026. All proposals received overall support:

Proposal	Total submissions	Overall views
Remove HPMV permits for rental service vehicles travelling unladen	12	11 support 1 oppose
Enable Class 1 drivers to drive zero emissions light heavy vehicles weighing up to 7,500kg	16	11 support 5 oppose
Enable Class 2 drivers to drive electric buses weighing up to 22,000kg	14	12 support 2 oppose

Some submitters made suggestions to change the proposals. These were largely out of scope of the changes or contrary to advice from NZTA's technical experts, so officials have not recommended any changes to the proposals.

**Is the preferred option in the Cabinet paper the same as preferred option in the RIS?**

Cabinet has delegated authority to make final policy decisions to the Minister. The proposals set out in this RIS align with the high-level proposals approved by Cabinet in June 2025 when it agreed the scope and direction of the Land Transport Rules Reform Programme.

**Summary: The Preferred Option – Regulatory Change**

**Costs (Core information)**

The proposals aim to reduce regulatory burden and are expected to have low costs.

- Proposal 1 is deregulatory and will reduce costs for industry and NZTA, with no expected safety risk. NZTA may need to work with Police to support any necessary changes to enforcement from the proposed removal of permits for unladen rental service vehicles.
- Proposals 2 and 3 codify current temporary exemptions granted by the Director of Land Transport and are not expected to pose safety risks. Any increased wear on the road network from higher uptake of heavier zero emissions vehicles will be mitigated by increased funding from Road User Charges.

**Benefits (Core information)**

- For Proposal 1, NZTA and rental service providers would avoid the permitting process for vehicles travelling unladen between depots or being delivered to customers. The rental service providers would also have more certainty and flexibility to plan vehicle movements as they would no longer have to wait up to 10 working days for a permit to be issued.

<sup>3</sup> including Ia Ara Transporting New Zealand, Heavy Haulage Association, National Road Carriers, and the Bus and Coach Association.

- Proposals 2 and 3 mean industry would have more certainty to invest in these vehicles. Reducing barriers to uptake of electric heavy vehicles is also an action in New Zealand's second emissions reduction plan.

### Balance of benefits and costs (Core information)

Ministry and NZTA officials expect the benefits to outweigh the costs. Any operational changes from NZTA to adjust to the new system are expected to be an improvement from the status quo.

### Implementation

Current cost estimates for implementing both phases 1 and 2 are \$840,000. NZTA advises that it will take approximately six months to implement phases 1 and 2, starting in May 2026 and ending in November 2026.

The Government is considering whether to accelerate some of these proposals as part of its response to the closure of the Strait of Hormuz. NZTA does not expect that implementation costs would change for accelerated proposals.

NZTA will fund implementation costs for Heavy Vehicle Productivity through its memorandum accounts.

### Limitations and Constraints on Analysis

The analysis draws on administrative data held by NZTA, safety advice from NZTA's technical specialists, and targeted and public consultation.

The Rules Reform programme is a series of rolling consultations and rule changes. In June 2025, Cabinet agreed the scope and direction of the programme, limiting the ability to explore a range of non-regulatory options. Time constraints meant there was limited opportunity to undertake new, targeted research or more detailed quantitative analysis, and the assessment therefore relies primarily on existing evidence and stakeholder input.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:



Katrina Quickenden  
Acting Director – Sector Strategy  
21/04/2026

### Quality Assurance Statement

Reviewing Agency: Ministry of Transport

QA rating: Meets

**Panel Comment:** A quality assurance panel with members from the Ministry of Transport has reviewed the Regulatory Impact Statement (RIS) prepared by the Ministry of Transport. The panel considers that the information and analysis summarised in the RIS meets the Quality Assurance criteria for the purpose of informing Cabinet/Ministers decisions. The RIS provides useful context about how the proposal was developed including the industry consultation, and the limitations and constraint of the options and analysis.

## Section 1: Diagnosing the policy problem

## **What is the context behind the policy problem?**

Road freight plays a vital role in New Zealand's economic productivity. The Ministry of Transport (the Ministry) projects that New Zealand's freight task will increase substantially to 366 million tonnes by 2042 (from 278.7 million tonnes in 2018). Some heavy vehicle rules have not kept pace with current operations and technology, creating avoidable compliance costs and uncertainty.

Over the last year, Ministry and NZ Transport Agency Waka Kotahi (NZTA) officials have consulted with heavy vehicle sector representatives, Police and Road Controlling Authorities (RCAs) to identify potentially burdensome and unfit for purpose regulatory requirements. Officials assessed these requirements and provided advice to Ministers on options to reduce regulatory burden and enable a more productive heavy vehicle sector. This RIS discusses three changes that would affect rental service providers and some zero emissions heavy vehicles.

*Proposal 1. Rental service providers are subject to permit requirements that are not practical for their business*

High Productivity Motor Vehicles (HPMVs) are heavy vehicles that exceed the standard mass limits of 44 tonnes or length limit of 20 metres. NZTA requires these vehicles to obtain permits to operate on the road, so that it can manage risks of damage to the road network, largely road wear from the heavier weight.

As HPMV truck and trailer combinations being hired or leased are delivered to customers or moved between depots unladen, the permit requirement has limited benefit. There is a processing time of up to 10 business days for each permit, which imposes significant delays to rental service providers. Heavy vehicle rental service providers often operate in time-critical environments, where trailers must be repositioned quickly to meet customer demand or maintain fleet balance across regions. This makes it challenging for operators to plan driver availability, book ferry crossings, and plan 'round trip, or swap vehicle' scenarios that reduce the number of trips required.

*Proposals 2 and 3. Current licence thresholds mean light commercial vehicle and bus operators must decrease their productivity or incur additional costs to use zero emissions heavy vehicles*

Heavy vehicles make up less than 4% of New Zealand's vehicle fleet, but account for roughly a quarter of road transport emissions. High upfront costs and the unknown total cost of ownership are the main barriers to industry uptake of zero and low-emissions heavy vehicles.

The inclusion of batteries or other technologies in zero emissions light commercial vehicles and electric buses increases their gross laden weight, generally without changing other key vehicle dimensions such as length or the number of axles. This increased weight means that commercial vehicle operators must reduce their payloads and therefore productivity to keep their gross laden weight below 6,000 kg, as this is the weight limit that can be driven on a Class 1 licence.<sup>4</sup>

Alternatively, they may pay for their drivers to obtain a Class 2 licence, which incurs one-off licensing and training costs and ongoing compliance costs, such as logbook requirements.

Electric bus operators have restricted operational flexibility as most new urban bus drivers start with a Class 2 only and attaining any higher licence Class costs money, time, and extra training to obtain.

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<sup>4</sup> Driver licence limits are set by weight to reflect the varying levels of skill, experience, and vehicle control required for different vehicle sizes.

If NZTA does not reissue the Class exemption, urban bus drivers would need a Class 4 licence to drive electric buses.

Both issues have been mitigated through operational workarounds such as Class exemptions. However, this creates administrative work for NZTA and uncertainty for industry. Industry representatives and the Government's second emissions reduction plan have identified the impact of licence requirements as a regulatory barrier to uptake of zero emissions heavy vehicles.

### **What is the policy opportunity?**

On 19 June 2025, the Minister announced the Land Transport Rules Reform programme, which includes a commitment to consult on proposals to simplify the regulatory framework for heavy vehicles.

This RIS includes three proposals:

- **Proposal 1:** Remove the permit requirement for new high-productivity (HPMV) rental stock travelling unladen between depots or to customers, given they meet other specified requirements.
- **Proposal 2:** Permanently enable Class 1 drivers to drive zero emissions light heavy vehicles<sup>5</sup> weighing up to 7,500kg instead of the current weight limit of 6,000kg.
- **Proposal 3:** Permanently enable drivers of electric public transport service buses (with more than two axles) and a gross laden weight of up to 22,000kg to be driven on a Class 2 or 2L driver licence, rather than a Class 4 or 4L.

#### **Proposal 1. Remove the need for a High-Productivity Motor Vehicle (HPMV) dimensions permit when transferring an unladen rental truck and trailer combination between depots or to customers**

Clause 3.2(4) of the Land Transport Rule: Vehicle Dimensions and Mass 2016 (VDAM) provides that some<sup>6</sup> unladen heavy motor vehicles may operate without an HPMV permit if they are travelling from the manufacturer to a customer or a vehicle compliance certifier. These vehicles are unladen as they are not yet in commercial use. One Rental Service Provider currently uses over-dimension permits to move rental stock. In 2025, NZTA issued 79 permits to this provider.

Officials consider that this sets a logical precedent to remove the requirement for rental service providers to hold a permit to deliver unladen combinations between depots and to customers, because they are also travelling empty. This is as long as they meet proforma specifications and are not delivering for reward or transferring goods in addition to the rental stock.

Ultimately, there is an opportunity to improve the timeliness of vehicle rental supply and ease logistical challenges. This would also benefit businesses that lease heavy vehicles through reducing downtime between the lease agreement and delivery. The change would allow operators to plan driver availability, book ferry crossings, and plan vehicle-swap scenarios that reduce the number of vehicle movements required to operate, further reducing costs to operators.

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<sup>5</sup> Light heavy vehicles include small urban trucks that are often used for commercial purposes like courier services or trades, but fall below the heavy vehicle threshold of a 3500kg Gross Vehicle Mass.

<sup>6</sup> Heavy motor vehicles that do not comply with section 6, a dimension requirement in Schedule 2 that is listed in 5.9(5), and is not longer than 23 m overall length.

## **Proposal 2. Enabling Class 1 driver licence holders to drive heavier zero emission vehicles**

The Driver Licensing Rule requires Class 1 licence holders to (generally) only drive vehicles with a gross laden weight of not more than 6,000 kg. This includes some light commercial (e.g. freight) vehicles.

Batteries or other technologies in zero emissions light commercial vehicles increases the gross laden weight of many of these vehicles to above 6,000 kg, generally without changing other key vehicle dimensions such as length or the number of axles. For many commercial vehicle operators, purchasing zero emissions light commercial vehicles poses indirect costs as they either need to reduce payloads to keep their gross laden weight below 6,000 kg or pay for their drivers to obtain a Class 2 licence. This incurs ongoing compliance costs, such as logbook requirements.

This has been identified as a regulatory barrier to uptake of zero emissions heavy vehicles by industry and in New Zealand's second emissions reduction plan. Industry groups and heavy vehicle operators have advocated for increasing the weight threshold to allow battery electric vehicles to be driven on a Class 1 licence.

In early 2025, following public consultation, the Director of Land Transport issued a Class exemption for two years allowing battery electric vehicles up to 7,500kg to be operated on a Class 1 licence. Electric vehicles covered by this exemption must be in the same model range as a diesel equivalent, have the same braking system, carry batteries integrated within the chassis, and not exceed the dimensions of the largest diesel version in the up to 6,000 kg range.

Officials propose permanently enabling Class 1 drivers to drive electric and other zero emission vehicles weighing 6,000 – 7,500kg, to allow operators to use these vehicles without having to reduce their maximum payload compared to similar diesel vehicles. This supports long term decarbonisation of the light commercial vehicle fleet and reduces a compliance cost on industry. For battery electric vehicles, NZTA advise that this proposal would not compromise safety outcomes. Broadening the scope to include other zero emission vehicles will enable the uptake of alternative motive powers such as hydrogen fuel cell electric vehicles and aligns with the approach taken in other jurisdictions such as the United Kingdom.<sup>7</sup>

Additionally, to realise the full benefits of the proposal, officials are proposing to exempt Class 1 drivers of zero emission vehicles between 6,000 – 7,500 kg from the requirement to hold a transport service licence. This requirement poses costs that may otherwise limit the benefits of this proposal. Costs associated with applying for a transport service licence range from \$439 - \$583.80, plus vetting fees, and a yearly fee of \$120.12 per vehicle (for a Goods Service Licence).

## **Proposal 3. Enabling Class 2 and 2L driver licence holders to drive heavier electric buses**

Holders of a Class 2 or 2L driver licence are only allowed to drive rigid vehicles with more than two axles, including buses, with a gross laden weight of not more than 18,000 kg.

Due to improving availability, range, ease of recharging and cost, electric buses are becoming increasingly viable for urban services to replace diesel fuelled buses. However, electric buses have increased weights from the batteries they carry to ensure adequate range between charges. This added weight places electric buses in the 18,000 – 22,000 kg weight categories, which require a Class 4 licence to drive. This restricts operational flexibility as most new urban bus drivers start with a

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<sup>7</sup> [The Motor Vehicles \(Driving Licences\) \(Amendment\) \(No. 2\) Regulations 2025](#) allow full (Category B) licence holders in the UK to drive heavier zero-emission vehicles and vehicle and trailer combinations. The regulations define a zero emission vehicle as “a vehicle without an internal combustion engine, or with an internal combustion engine that has emissions of CO<sub>2</sub> of zero grams per kilometre”

Class 2 only. Attaining any higher licence Class costs money and time to obtain and many urban areas continue to be short of drivers.

In March 2023, the Director issued a Class exemption to allow Class 2 or 2L driver licence holders to drive electric public transport service buses (with more than two axles) and a gross laden weight of up to 22,000kg. A new three-year exemption was granted by the Director in 2025. The inclusion of Class 2L licences allows drivers to train in electric-powered buses.

Officials propose making this change permanent in the Driver Licensing Rule to give operators confidence in the requirements for their drivers, to better enable longer-term business planning and investment into electric vehicles to help contribute to the Government's emissions reduction goals while posing minimal safety risk.

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

The objectives of the proposals are to:

- enable productivity in the heavy vehicle sector
- reduce regulatory effort for government agencies
- not adversely affect road safety.

Proposals 2 and 3, allowing zero emission vehicles weighing up to 7,500kg to be driven on a Class 1 licence and heavier electric buses to be driven on a Class 2 and 2L licence, also aim to meet the objective in the Government's second emissions reduction plan to review the regulatory system for barriers to uptake of zero emission heavy vehicles.

There is a chance that the proposals increase uptake of zero emissions heavy vehicles and trips being made by rental service providers. These proposals may increase uptake of zero emissions vehicles, which are heavier and cause more road wear than their internal combustion engine equivalents. It may also increase the number of trips made by rental service providers. Both these changes would contribute to wear on the road. We have not analysed road wear for this proposal as any increased uptake will be mitigated by the Road User Charges these vehicles pay. Damage from electric vehicles will be mitigated after 30 June 2027 when those with a gross laden weight of more than 3500kg are no longer exempt from Road User Charges.

### **What consultation has been undertaken?**

The Ministry and NZTA have consulted with representatives of the heavy vehicle sector on options to reform the heavy vehicle regulatory framework over several years.<sup>8</sup> This consultation and subsequent Ministerial decisions informed the initial identification, longlisting, and prioritisation of potential interventions.

In November and December 2025, the Ministry and NZTA undertook further targeted consultation with industry and other government agencies about the proposals in this RIS. These discussions involved a range of internal NZTA subject matter experts, key bodies representing the heavy vehicle sector, Police, and RCAs.

Following targeted consultation in late 2025, NZTA consulted the public on the proposals from 25 February to 25 March 2026. Submissions categorised as being on behalf of a business or organisation

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<sup>8</sup> Representatives included Ia Ara Transporting New Zealand, Heavy Haulage Association, National Road Carriers, Rural Contractors, the Bus and Coach Association, and Federated Farmers.

included those from businesses, industry associations and groups (industry), local council and other Road Controlling Authorities (RCAs). A breakdown of submissions for the proposals in this RIS is in the table below:

Proposal	Total submissions	Overall views
1. Remove HPMV permits for rental service vehicles travelling unladen	12	11 support 1 oppose
2. Enable Class 1 drivers to drive zero emissions light heavy vehicles weighing up to 7,500kg	16	11 support 5 oppose
3. Enable Class 2 drivers to drive electric buses weighing up to 22,000kg	14	12 support 2 oppose

*Proposal 1. Removing HPMV permits for rental service vehicles travelling unladen*

This proposal received 92% support. One business felt it would improve efficiency and reduce compliance costs for industry and NZTA and would better enable rental companies to move HPMV equipment when required for routine maintenance, breakdowns and motor accidents.

One industry group suggested that permits could be issued at an operator level, where permitted operators could make any trips, and the risk of losing the permit would retain a compliance lever. However, the original proposal better meets the policy objective to reduce regulatory effort for NZTA.

One industry group suggested that this should apply to vehicles for sale. However, permits apply to specific vehicle combinations, and these vehicles are typically sold as individual truck or trailer units.

One business opposed the proposal. It felt that the benefits may be small, as operators renting or leasing vehicles would still have to obtain a permit. However, the policy intent was to remove the administrative HPMV permit process for unladen vehicles that are being repositioned for hire. Operators renting or leasing these vehicles are likely to be carrying a load and would therefore still require a permit.

This submitter also felt that the proposal in Phase 1 of Heavy Vehicle Productivity to remove 50MAX permits meant this proposal was not necessary. However, this proposal aims to remove the permit requirement for any unladen rental service HPMVs being repositioned, not just 50MAX vehicles.

Some industry organisations suggested that any operators found in breach of the conditions in the rule have that exemption revoked for future rentals or sales of HPMV combinations. However, this goes against the objective of reducing regulatory effort for NZTA.

Therefore, officials have not recommended any changes to the proposal.

*Proposal 2. Enabling Class 1 drivers to drive zero emissions light heavy vehicles weighing up to 7,500kg*

This proposal received 69% support. Those in support felt it was a practical change to reduce disincentives to invest in and operate zero emissions vehicles.

Submitters who opposed the proposal had a range of concerns. Officials also received comments from consultation with Police. Officials' responses to these are in the table below.

<b>Topic</b>	<b>Submitter or stakeholder comment</b>	<b>Officials' response</b>
<b>Scope</b>	Three of the five submitters who opposed the proposal commented that it should be for all vehicles, regardless of propulsion type.	The proposal is limited to bringing a current class exemption into the rules and is not a review of licence weight thresholds.
<b>Safety</b>	Some submitters had concerns that the change would pose safety risks.	Officials do not expect any safety risks from the change. There is a safety analysis of this policy in the table on page 12.
<b>Payload penalties</b>	Some submitters were concerned that the proposal would create a payload penalty for drivers of diesel vehicles who can only operate up to 6,000kg gross vehicle mass (GVM) on a Class 2 drivers' licence.	The increased weight threshold for battery-electric vehicles is set to compensate for the increased battery weight, so that both vehicle types can carry similar payloads.
<b>TSL regime</b>	A stakeholder was concerned that Class 1 drivers do not have knowledge of the Transport Service Licence (TSL), which is required to operate a vehicle weighing 6,000 kg or more. The TSL regime and associated work time and logbook requirements that are covered in the Class 2 licence test.	The proposal already includes a provision to exempt these drivers from the TSL requirement, to reflect that these vehicles can be driven on a Class 1 licence.
<b>Enforcement</b>	Police noted there may be issues with enforcement determining propulsion types.	NZTA will work with Police to support training for officers on the new requirements.

*Proposal 3. Enabling Class 2 drivers to drive electric buses weighing up to 22,000 kg*

This proposal received 86% support. Submitters that supported the proposal noted that most new urban bus drivers begin with a Class 2 licence. They felt that requiring a Class 4 licence due to the added weight of batteries restricts the available workforce and complicates the decarbonisation of public transport.

One submitter in support felt that the proposal must be supported by a Class 2 endorsement featuring a practical test or approved course. However, there is no current Class 2 endorsement, and introducing one is out of scope of these changes. Drivers must already complete a practical test or approved course to gain their Class 2 licence.

One submitter suggested that this proposal should broadly apply to all zero-emission rigid 3-axles buses and trucks weighing up to 22,000 kg. However, the scope of the proposal is limited to bringing a current class exemption into the rules.

One submitter opposed this proposal. They felt it should extend to all heavy vehicles that require a Class 4 licence, regardless of propulsion, and not just buses. However, such a change would effectively expand Class 2 weight thresholds by 7,000 kg. This is likely to pose safety risks and is not in scope of the proposed changes.

Therefore, officials have not suggested any changes to the proposal.

## Section 2: Assessing options to address the policy problem

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All proposals will be assessed against their benefits for productivity and regulatory effort for NZTA, as outlined in Table 1.

*Table 1. Assessment criteria for all proposals*

Criteria	Explanation
Productivity	The effect of the changes on productivity for industry.
Safety	The effect of the changes on road safety outcomes.
Regulatory effort	The effect of the changes on administrative and regulatory burden for government agencies.

Proposals 2 and 3 to review licence requirements for zero emissions heavy vehicles will also be assessed against the criteria of emissions, as outlined in Table 2.

*Table 2. Further assessment criteria for licence requirements for zero emissions heavy vehicles*

Criteria	Explanation
Emissions	Whether the changes meet the objective in the <a href="#">Government's section emissions reduction plan</a> to reduce barriers to uptake of zero emissions heavy vehicles.

### What scope will options be considered within?

The proposals in this RIS have been informed by sector engagement and previous policy work by the Ministry and NZTA. As the policy problems identified arise from current legislation, legislative change is deemed a more appropriate solution than operational changes. Two of the proposals aim to codify existing class exemptions into the rules, to remove regulatory barriers to uptake of zero emissions vehicles. As a result, the analysis focused on the status quo and a single regulatory change option.

### What options are being considered?

#### Option One – Status Quo

- Rental service providers would still have to gain permits for new HPMV truck and trailer combinations travelling unladen between depots or to customers.
- Industry would face uncertainty about the licence requirements to drive some zero emissions light heavy vehicles, creating a barrier to uptake.

#### Option Two – Regulatory Changes

- Rental service providers would no longer need to apply for and receive an HPMV permit to transfer unladen rental vehicles between depots or to customers.
- Class 1 drivers would be able to drive zero emission versions of their diesel equivalents that weigh up to 7,500kg.
- Class 2 and 2L drivers would be able to drive electric versions of equivalent diesel public transport service buses that weigh up to 22,000 kg.

Table 3. Assessment of proposals against criteria

	Productivity	Safety	Regulatory effort	Emissions
1. Remove the need for a HPMV permit when transferring an unladen rental truck and trailer combination between depots or to customers	+ (compared to status quo) The direct monetary benefit of removing permitting costs for rental service providers is low at approximately \$2,500 per year, and for one operator. However, operators would no longer have to apply for and wait for a permit and could more accurately and proactively plan driver availability, book ferry crossings, and 'round trip, or swap vehicle' scenarios that act to reduce vehicle trips and kilometres travelled. Other operators would also benefit from more timely delivery of rental or lease stock. This could reduce downtime between trips, increasing productivity for the sector.	0 Officials do not expect any change to safety from this proposal as the permits are primarily a tool to manage weight. These vehicles will still be subject to usual enforcement activity to ensure they are meeting their other requirements, including safety-related design requirements. There is a chance that the change reduces overall distance travelled by removing unnecessary vehicle trips from the road network. However, if there is less downtime between hiring a vehicle and its delivery, operators may make more vehicle trips. This cannot be quantified with the information available.	+ The proposal would reduce regulatory effort for NZTA by reducing the number of HPMV permits to process. The number of HPMV permits issued for rental service activities has generally been increasing since each year since 2017, with 79 issued in 2025. NZTA aims to process these applications within 10 business days. We do not expect that this would impose a higher enforcement burden on Police given the small number of permits that are currently issued.	
2. Permanently enable Class 1 driver licence holders to drive heavier zero emission vehicles in the Rule	+ Codifying the current Class exemption would give operators certainty to invest in heavier zero emission vehicles, knowing that their drivers would not require a Class 2 licence, a transport service licence, or be subject to work time and logbook regimes. <sup>9</sup> If operators increase their uptake of zero emissions vehicles, they would also benefit from the generally lower running cost of zero emissions vehicles.	0 Codifying the current Class exemption would not have any safety implications. The current exemption itself also has limited implications for safety. Zero emission vehicles have extensive safety features and improved stability due to the low placement of batteries. These features help to reduce the likelihood of a crash occurring. However, the slightly higher mass and the fact that battery electric vehicles on fire are harder to extinguish would mean the outcome of a crash could be worse. For battery electric vehicles, NZTA has advised that this proposal would not compromise safety outcomes. NZTA also notes that there would be minimal noticeable difference when driving heavier battery electric vehicles from equivalent diesel vehicles.	+ NZTA would not have to reconsider this Class exemption ahead of its expiry.	+ This proposal meets the objective in the Government's second emissions reduction plan, to review the regulatory system for barriers to uptake of zero emission heavy vehicles, in particular, the impact of licence categories.
3. Permanently enable Class 2 and 2L driver licence holders to drive heavier electric buses in the Rule	+ Codifying the current Class exemption would give operators certainty to invest in heavier electric buses without having to upskill their drivers to a Class 4 licence. Most new urban bus drivers start with a Class 2 licence only and the higher licence Class costs money and time to obtain. This would also help industry better address any future driver shortages, noting the industry has faced critical shortages in the recent past. If operators increase their uptake of zero emissions vehicles, they would also benefit from the generally lower running cost of zero emissions vehicles.	0 This change would not have any safety implications as it is codifying a current exemption, which also had limited implications for safety. NZTA has advised that there is minimal noticeable difference for Class 2 and 2L drivers when driving heavier electric buses from equivalent urban-use buses. In 2025, inquiries were conducted with NZTA, Police, and industry representatives to identify any incidents resulting from the exemption. No crashes or minor collisions were reported where the holding of a Class 2 licence was considered a possible crash contributor.	+ NZTA would not have to reconsider this Class exemption ahead of its expiry.	+ This proposal meets the objective in the Government's second emissions reduction plan, to review the regulatory system for barriers to uptake of zero emission heavy vehicles, particularly the requirements of licence Classes.

<sup>9</sup> There are restrictions placed on how long the driver of a commercial or heavy motor vehicle may work before taking rest.

### Direct costs of the preferred option

Affected groups	Comment	Impact	Evidence Certainty
<b>Proposal 1: Removing the requirement for a permit for HPMV rental vehicles repositioning between depots or to customers</b>			
Police	Police may need to make changes to enforcement as a result of the proposed changes to rental stock permitting.	Medium/Low – Police may need to work with RCAs and NZTA as a regulator to support extra training for compliance officers.	High
NZTA as regulator	NZTA may need to work with Police to support any necessary changes to enforcement with the proposed removal of permits.	Low – this is a relatively small proportion of heavy vehicle movements.	Low
<b>Proposals 2 and 3: Reviewing licence requirements for zero emissions heavy vehicles</b>			
RCAs, including NZTA as RCA	Any higher uptake and use of heavier zero emission vehicles means NZTA may incur additional costs to repair increased damage to the state highway network.	Unknown – this is expected to be fully mitigated after 1 July 2027 when heavy electric vehicles with a gross laden weight over 3.5 tonnes are no longer exempt from paying Road User Charges.	Medium
<b>Total costs</b>		<b>Low/Unknown</b>	<b>Medium</b>

### Direct benefits of the preferred option

Affected groups	Comment	Impact	Evidence Certainty
<b>Proposal 1: Removing the requirement for a permit for HPMV rental vehicles repositioning between depots or to customers</b>			
Operators	Rental service providers would have increased certainty and flexibility that could reduce the amount of vehicle trips.	Medium – this depends on what proportion of their rental fleet are HPMVs.	Medium
	Removal of permitting costs for rental service providers.	Low – rental service providers spent \$2,500 on permits in 2025. The number of permits issued has increased each year since 2021 and could be expected to increase further.	High
NZTA as regulator	NZTA would avoid administering the permit process for rental service providers.	Medium – in 2025, NZTA issued 79 permits and aims to process these within 10 business days. The number of permits issued has been increasing since 2021.	High
<b>Proposal 2: Enabling Class 1 driver licence holders to drive heavier zero emission vehicles</b>			
Operators	Operators would have certainty to invest in zero emission vehicles weighing up to 7,500kg	Medium – operators will be able to invest in these vehicles with certainty that they will have to reduce payloads to keep their gross weight within the Class 1 licence threshold or upskill their drivers to a Class 2 licence in the future. Costs associated with a Class 2 licence are \$117.30 in licensing fees, the costs of completing approved course (typically from \$800 to \$1,400) or waiting 6 months before applying for their full licence, and costs from work time and logbook regimes. Costs associated with applying for a transport service licence range from \$439 - \$583.80, plus vetting fees, and a yearly fee of \$120.12 per vehicle (for a Goods Service Licence).	High
<b>Proposal 3: Enabling Class 2 and 2L driver licence holders to drive heavier electric buses</b>			
Operators	Public transport service operators would have certainty to invest in electric buses	High – public transport operators can invest in electric buses knowing which licence Classes they can be driven on into the future. This would also help industry better address any future driver shortages.	High
<b>Proposals 2 and 3: Reviewing licence requirements for zero emissions heavy vehicles</b>			
NZTA as regulator	NZTA would not need to reconsider Class exemptions for the proposals relating to zero emissions vehicles.	Low – it is difficult to quantify the costs to NZTA of this process.	Low
<b>Monetised benefits</b>		\$2,500	
<b>Non-monetised benefits</b>		<b>Medium</b>	

## Section 3: Delivering an option

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### **How will the proposal be implemented?**

Subject to Ministerial approval, the Ministry anticipates that final Rule amendments will be signed in June 2026, alongside any changes agreed to in Phase 1 of Heavy Vehicle Productivity.

### **Implementation**

NZTA will be responsible for the implementation of the changes as the road transport regulator.

NZTA will develop a communications plan to support implementation. This will include:

- notifying RCAs and the industry of any changes through normal channels, including its website, media releases, email list and industry newsletters
- updating existing information on the NZTA website and any manuals to reflect any changes
- supporting the provision of internal training for compliance officers, and external training for Police

Police may need to work with RCAs and NZTA as a regulator and RCA to support extra training for compliance officers.

### **Costs**

Current cost estimates for implementing both phases 1 and 2 are \$840,000. NZTA advises that it will take approximately six months to implement phases 1 and 2, starting in May 2026 and ending in November 2026. This is subject to change as more details are confirmed about regulatory relief to allow the heavy vehicle industry to reduce its fuel consumption in response to the closure of the Strait of Hormuz.

NZTA will fund implementation costs for Heavy Vehicle Productivity through its memorandum accounts.

### **Ongoing management of the changes**

Police will retain responsibility for roadside enforcement.

### **How will the proposal be monitored, evaluated, and reviewed?**

The Ministry and NZTA are responsible for monitoring the transport sector. Regulated parties and other stakeholders will be able to raise concerns with NZTA and the Ministry through existing channels.