



24 April 2026

OC260316

Hon Chris Bishop

Action required by:

Minister of Transport

Tuesday, 28 April 2026

FUEL RESPONSE: LAND TRANSPORT REGULATORY RELIEF OPTIONS

Purpose

This briefing responds to Cabinet's request for further information on fuel-related regulatory relief proposals [CAB-26-MIN-0120 refers]. It:

- attaches a Fuel Response Measures paper for your report-back to the Ministerial Economic Security and Supply Chains Group (MOG) for their meeting on 29 April 2026 (**Annex One, Fuel Response Measures – Land Transport Regulatory Proposals**), and
- provides you with additional background analysis and information to support the MOG briefing.

Key points

- You have been invited to report to the MOG on 29 April 2026 on progressing regulatory relief proposals for heavy vehicles and temporarily reducing speed limits. The attached MOG paper sets out:
 - **Proposals for temporary regulatory relief to start at Phase Two of the National Fuel Response Plan 2026**, focused on allowing heavier payloads and more direct and timely routes. These will support greater fuel efficiency and are provisionally estimated to save up to a maximum of 16.2 million litres of diesel over six months — equivalent to approximately 1.5 days of national supply. The cost in damage to infrastructure is estimated at \$153 million, which would not be fully recovered through Road User Charges (RUC).
 - **That you are considering accelerating selected permanent heavy vehicle productivity changes** that have already been consulted on, including removing permit requirements and aligning licence classes for heavier electric vehicles. These focus on reducing regulatory burden and supporting greater use of heavy electric vehicles. Separate advice seeking your decisions on these proposals is being finalised and will be with you shortly.
 - **Advice on additional options considered but not recommended** at Phase Two. Some proposals could be considered at a higher phase of the National Fuel Response Plan 2026 or as part of longer-term work.

- Proposals are targeted to specific vehicle cohorts and routes where safety and infrastructure risks can be managed.
- We have included monitoring and reporting requirements so they can be adjusted or withdrawn quickly if required, and so that temporary changes can inform the longer-term review of the Vehicle Dimensions and Mass Rule 2016 (VDAM).
- We have identified the following risks and mitigations associated with the temporary Phase Two proposals:

Risks	Mitigations
There is likely to be significant damage to roads from the additional axle loading – estimated at \$168 million	<ul style="list-style-type: none"> • Make the changes temporary • Require operators to provide data to inform evaluation • Apply appropriate RUC rates—though these would not fully cover the damage caused
The fuel saving benefits we have modelled are likely to be overstated due to data double-counting some vehicles, and may not eventuate if operators choose to carry more freight in the same number of trips rather than reducing trips	<ul style="list-style-type: none"> • Make the changes temporary • Require operators to provide data to inform evaluation
There is significant risk of damage to bridges	<ul style="list-style-type: none"> • Only allow heavier loads on parts of the network where the bridges have been assessed as able to take the added weight • More frequent monitoring by NZTA/Road Controlling Authorities (RCAs)
The higher weight limits mean the safety margin for bridges is narrower than usual, which increases the risks associated with operators illegally exceeding mass limits	<ul style="list-style-type: none"> • Consider temporarily increasing offences and penalties to deter non-compliance

- If you intend for the changes to be permanent, or wish to make changes to how RUC rates apply, we recommend lowering the amount of additional weight to reduce the damage to infrastructure and associated higher fiscal risk.
- We recommend you let us know of any changes required to the MOG paper, and/or provide it to the MOG as you see fit. If the MOG agrees to the package, we would:
 - issue drafting instructions for rule changes,
 - seek further policy decisions from you on overdimension vehicle access when the needed engineering assessments are available, and
 - provide you with a paper to take to Cabinet seeking agreement to introduce the rule changes via Order in Council.
- A rule amendment could be in place by 11 May 2026, and the temporary measures are expected to be ready to implement from the end of May. They would take effect upon a move to Phase Two of the National Fuel Response Plan 2026 and be in place for as long as fuel response measures are required. Practically this could mean the land transport rule

making the changes will automatically revoke on a specified date, unless they are revoked earlier by the Minister of Transport. We will advise you on the mechanisms for this in the upcoming Cabinet paper.

- For the heavier payloads proposals implementation would start with a core network of roads that will have already been assessed, and NZTA and local RCAs would continue to assess bridges to expand the network as appropriate.
- Officials have just become aware of a potential impact of the Rules Reform heavy vehicle productivity proposals on RUC settings that we are working through, and will update you on timing for that advice in your next weekly report.
- You will also receive advice on 28 April 2026 from the Ministry for the Environment on possible actions available under the Resource Management Act 1991 to address actions in the National Fuel Response Plan 2026 [26-BRF-01074 refers].

Recommendations

We recommend you:

- 1 **note** the analysis of regulatory proposals for temporarily enabling heavy vehicles to carry heavier payloads and changing speed limits, and the key risks and trade-offs

- 2 **either:**
 - **agree** to the proposals set out in the attached Fuel Response Measures briefing, (recommended) Yes / No

 - OR
 - **direct** officials to amend any proposals before the Ministerial Economic Security and Supply Chains Group (MOG) meeting on 29 April 2026 Yes / No

- 3 **agree** to refer the attached Fuel Response Measures briefing to the MOG ahead of the 29 April 2026 meeting and seek the MOG's agreement to the recommendations Yes / No

- 4 **note** you will receive advice on accelerating relevant proposals from your Heavy Vehicle Productivity Rules Reform programme alongside the fuel response measures once officials have resolved a potential interaction with RUC settings

- 5 **agree** to proactively release this briefing, alongside the Cabinet paper that agrees the rule amendments Yes / No



Laura Bender
 Acting Manager, Regulatory Reform
 Ministry of Transport
 24 / 04 / 2026

Hon Chris Bishop
 Minister of Transport
 / /

Minister's office to complete:

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Seen by Minister	<input type="checkbox"/> Not seen by Minister
<input type="checkbox"/> Overtaken by events	

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive Sector Strategy	s 9(2)(a)	✓
Laura Bender, Acting Manager, Regulatory Reform		

FUEL RESPONSE: REGULATORY RELIEF OPTIONS

Background

You have been invited to report back to the Ministerial Oversight Group (MOG) on 29 April with a package of regulatory proposals

- 1 The table below summarises the key proposals and decisions covered in the MOG paper, with a short rationale.

Description	Rationale
Temporary proposals to support Phase Two of the National Fuel Response Plan 2026	
<p>Proposal One: Temporarily increase gross vehicle mass limits for High Productivity Motor Vehicle (HPMV¹) permitted vehicles by four per cent (around two tonnes, capped at 62 tonnes) on approved HPMV routes, excluding unsuitable bridges.</p>	<p>These typically carry logs, bulk dairy, aggregate, and construction materials on the existing HPMV approved route network.</p> <p>More freight per trip reduces total trips; current fuel prices drive uptake.</p> <p>May save up to a maximum of 5.6 million litres of fuel at full uptake per six months (~0.5 days' national supply) at a cost of \$40m in infrastructure damage; actual fuel savings and costs depend on uptake and behaviour.</p>
<p>Proposal Two: Temporarily increase gross vehicle mass limits for 50MAX² permitted vehicles by 10 per cent (five tonnes, capped at 55 tonnes) on the 50MAX network, excluding unsuitable bridges.</p> <p>If further analysis of bridge capacity identifies significant restriction requirements for local bridges, the increase could be reduced to four per cent (two tonnes, capped at 52 tonnes).</p>	<p>These typically carry milk, logs, bulk agricultural goods, and general freight on the existing 50MAX network.</p> <p>More freight per trip reduces total trips; current fuel prices drive uptake.</p> <p>May save up to a maximum of 10.6 million litres of fuel at full uptake per six months (~1.0 days' national supply) at a cost of \$113m in infrastructure damage; actual fuel savings and costs depend on uptake and behaviour.</p>
<p>Proposal Three: Temporarily relax weekend, public holiday, and some route restrictions for over-dimension vehicles, including access to additional Auckland motorway sections and SH29 Takitimu Drive toll road, subject to engineering assessments.</p>	<p>More direct routes and off-peak travel can reduce journeys; minimal extra road wear. Fuel savings are hard to model and relates to small cohort of vehicles, but industry support is strong.</p>
Accelerate Land Transport Rules Reform proposals that will reduce compliance costs	
<p>Proposal Four: Accelerate four Heavy Vehicle Productivity proposals:</p> <ul style="list-style-type: none"> • remove the 50MAX permit requirement; 	<p>Cuts compliance for operators and NZTA. Supports longer-term fleet transition. Negligible short-term fuel impact.</p>

¹ Heavy vehicles that exceed general access mass limits include HPMV. These vehicles can be issued permits if they are assessed as having a safety performance rating that is equivalent to standard heavy vehicles. Operators are permitted to travel on specified routes.

² 50MAX is a common type of HPMV permit that allows these vehicles with nine axles to operate with a mass up to 50 tonnes.

Description	Rationale
<ul style="list-style-type: none"> remove the HPMV permit requirement for unladen rental vehicles repositioning between depots; allow Class 1 licences for heavier zero-emission light freight vehicles; and allow Class 2 licences for heavier electric buses. 	
Consider for later phases or ongoing work	
Allow drivers to travel below the speed limit without committing the offence of impeding traffic.	May support voluntary fuel-saving, but could increase unsafe overtaking. Police advise current discretion is sufficient.
Temporarily reduce open road speed limits to 80 km/h.	Would cut fuel use with safety/environment co-benefits, but industry raised scheduling/work-time concerns. Would require sign changes before enforcement.
Do not progress as part of Fuel Response Plan	
Longer trailer lengths and HPMV configurations; fuel-saving vehicle parts (e.g. super-single tyres).	Too complex/slow to implement; benefits a small share of the fleet relative to cost.
Priority lane access for heavy vehicles.	RCAs can progress locally. Benefits are hard to quantify; a national approach could cause safety and congestion issues and discourage efficient modes (e.g. buses).

We considered a wider range of payload increase options

- 2 These included larger mass increases and changes targeting a broader range of vehicle types, or specific commodities or vehicle types such as fuel tankers. While larger increases to payloads could theoretically lead to greater fuel savings, NZTA's initial bridge assessment indicates that a significant number of bridges would be unable to carry the additional load without significant damage. The restrictions necessary to protect the network would likely limit uptake of heavier payloads and therefore fuel savings. This is particularly acute at the boundary of state highways and local roads.
- 3 Extending mass increases to vehicles that currently do not require permits, such as smaller tankers and trucks used for delivery of manufactured goods, was also ruled out. This is because, in smaller vehicles such as these, the extra weight would be distributed over fewer axles, causing untenable bridge strain. This is also a small cohort compared to HPMVs, and includes many vehicles whose loading is limited by volume rather than mass, so benefits would be limited.
- 4 More targeted increases for specific vehicle types or types of payloads (fuel, other commodities) are unlikely to deliver material fuel savings. These options are also more complex to implement, as they require targeting increases to currently undefined cohorts and/or the development of bespoke routes or networks.

There are significant limitations and constraints to this analysis

- 5 There are significant limitations to this analysis given the compressed timeframe:
 - 5.1 actual bridge capacity — particularly on local roads — may not support the increased payloads once properly assessed in full;
 - 5.2 operator uptake may be lower than industry has indicated given the range of commercial factors influencing freight decisions;
 - 5.3 fuel savings may be negated if operators use productivity gains to increase freight activity rather than reduce trips; and
 - 5.4 network damage may be higher or lower than estimated depending on which routes the additional payloads travel.

We recommend current Road User Charges (RUC) settings apply, and that changes be temporary

- 6 We do not recommend exemptions from RUC. RUC is the primary mechanism for recovering road wear costs caused by heavier payloads. Exempting operators would transfer infrastructure costs from those benefiting to the public, and introduce significant fiscal risk.
- 7 Under current settings, operators taking up the additional payload allowances will automatically move into a heavier RUC bracket — for example, a nine-axle combination moving from 50 to 54 tonnes would see its RUC rate increase from \$389 to \$470 per 1,000 kilometres. We consider this appropriate. NZTA may need to define new RUC classes to reflect the additional weight allowances, which could be done by the end of May. We will signal this as a priority alongside the Rule changes.
- 8 If you wish to consider RUC exemptions, we recommend offsetting the fiscal and infrastructure risk by applying lower payload increases to limit additional network damage.
- 9 The temporary nature of the changes, alongside the requirement for operators to provide data, would also mitigate the additional infrastructure damage and inform future policy decisions about more permanent changes to vehicle dimension and mass settings.

Implementation

- 10 We note enforcement capacity as a risk: consultation identified a shortage of weighbridges and safe stopping locations. With rising fuel costs increasing the financial incentive for overloading, a credible enforcement plan will be important. We are working with Police and NZTA on this and will advise you on possible temporary increases to penalties for overloading to complement the mass increases. The proposed requirement to report on use of additional payload allowances could deter overloading in addition to supporting the longer-term review of requirements.
- 11 NZTA has signalled that the recommended temporary options will be able to be implemented from the end of May (triggered by a move to Phase Two) with minimal impact and can be

managed within current resourcing assuming these are temporary changes for a short time (up to 90 days). Other implementation considerations outlined in the MOG paper include:

- 11.1 possible funding for RCAs to do initial bridge assessments;
- 11.2 resourcing and cost trade-offs for NZTA and RCAs to do ongoing assessment and management of bridge capacity, depending on how long the temporary measures are in place;
- 11.3 NZTA may need to define new RUC classes to reflect the additional weight allowances before the changes take effect, which can be done by the end of May; and
- 11.4 enforcement considerations, including IT changes.

Consultation

12 Targeted engagement with industry, Police, RCAs, Maritime New Zealand, KiwiRail, and Bluebridge Strait Shipping was conducted on 20 April 2026. Key themes from consultation included:

- 12.1 broad industry support for payload increases, with preference for more modest increases as more achievable at pace and less stressful on infrastructure;
- 12.2 RCAs and others raised concerns about pavement wear and bridge loading;
- 12.3 Some stakeholders raised safety concerns. Notably, Police raised safety concerns about general access limit increases for vehicles not subject to modern braking requirements, and flagged enforcement capacity as a risk;
- 12.4 strong support for relaxation of over-dimension travel time restrictions, with RCAs noting they already approve equivalent exemptions routinely; and
- 12.5 some operators flagged that a portion of the permitted fleet may require re-certification before accessing higher limits, which could affect how quickly uptake occurs.

Next steps

- 13 These changes would be made by amending the Land Transport Rule: Vehicle Dimensions and Mass 2016 through an Order in Council process, on your recommendation as Minister of Transport.
- 14 Subject to MOG's agreement, officials will move quickly to give effect to the recommended measures.

Action	When	Lead
Minister of Transport report back to MOG	Wednesday 29 April	Minister of Transport
Drafting instructions issued (subject to ministerial decisions)	Thursday 30 April	Officials
Cabinet paper lodged	Thursday 7 May	Officials
Cabinet and Executive Council	Monday 11 May	Minister of Transport
Announcement	Week of 11 May	Minister of Transport
Bridge capacity assessment.	By end of May for core state highway and local road networks. After May for some local networks	NZTA and other RCAs
Temporary changes take effect	When National Fuel Response 2026 Phase Two triggered (Ready from end of May 2026)	NZTA
Permanent heavy vehicle productivity changes take effect	From mid-June	NZTA



1 May 2026

OC260354

Hon Chris Bishop

Action required by:

Minister of Transport

Monday, 4 May 2026

FURTHER ADVICE ON FUEL RESPONSE REGULATORY RELIEF OPTIONS

Purpose

To provide you with further advice on options for cost recovering the additional damage expected because of the proposed heavy vehicle regulatory relief. It also provides you with a draft Cabinet paper and seeks agreement to start limited consultation ahead of Cabinet on 11 May.

Key points

- Following your feedback, we investigated ways in which the expected additional damage of heavier payloads could be cost recovered and have outlined options in Annex 1.
- Current Road User Charges (RUC) settings would recover some costs (we estimate around \$22 million in additional RUC revenue), but not the full additional maintenance cost of \$153 million.
- Targeted and temporary changes are constrained in their ability to recover costs, and they come with material implementation risks. They would also add complexity, which increases the risk of non-compliance, with additional enforcement effort likely to be required.
- As a result, we consider the revenue shortfall is better addressed through future opportunities to recover costs, such as a comprehensive review of RUC rates as part of the RUC transition, or by revisiting the upcoming fuel excise duty and RUC increases.
- We have provided a timeline and a draft Cabinet paper for decisions on 11 May (Annex 2). Given the expected costs significantly outweigh the fuel savings at current prices, we recommend you seek Cabinet agreement to not progress the proposed regulatory relief changes to support Phase 2.

Recommendations

We recommend you:

- | | | |
|---|---|----------|
| 1 | Note that we have updated the draft paper on regulatory relief and done further work on potential cost recovery options, | Yes / No |
|---|---|----------|

- 2 agree to not progress an additional temporary cost recovery mechanism for heavier payloads, if the proposals progress (*Recommended*),
- OR**
- 3 direct officials to progress work on a temporary cost recovery mechanism to be stood up alongside the regulatory relief options, Yes / No
- 4 indicate your preferred approach for the Cabinet paper:
- 5 Option 1 (Green highlighted in the Cabinet paper): Recommending not proceeding with the changes (*Recommended*), Yes / No
- OR**
- 6 Option 2 (Blue highlighted in the Cabinet paper): Recommending proceeding with the changes, Yes / No
- 7 agree to start limited ministerial and departmental consultation on the attached draft Cabinet paper and to seek late lodgement, and Yes / No
- 8 agree to proactively release this briefing, alongside the release of the Cabinet paper . Yes / No



Paul O'Connell
Deputy Chief Executive, Sector Strategy
1 / 5 / 2026

Hon Chris Bishop
Minister of Transport
..... / /

- Minister's office to complete:
- Approved Declined
- Seen by Minister Not seen by Minister
- Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓
Laura Bender, Acting Manager, Regulatory Reform		

FURTHER ADVICE ON FUEL RESPONSE REGULATORY RELIEF OPTIONS

- 1 You are due to report back to the Ministerial Oversight Group on options for heavy vehicle regulatory relief. We discussed the draft report back paper with you on Tuesday, 28 April and on Thursday, 30 April where you sought further information on infrastructure costs and options to recover these costs.
- 2 We have investigated ways in which the expected additional damage of heavier payloads could be cost recovered. These are outlined in Annex 1 with a high-level assessment of their speed, likelihood of recovering costs, and risks. Key trade-offs are summarised below.

Current RUC settings will recover some but not all the additional costs

- 3 Operators' decisions to take up the additional payload allowance will be influenced by a range of factors, including how much any additional RUC will cost or any other charge. Higher cost recovery increases the likelihood that operators will choose not to take up the additional payload, thereby limiting potential fuel savings and discouraging freight transport.
- 4 Under the status quo, we estimate an additional \$22 million¹ in RUC revenue because operators would be required to purchase heavier, more expensive RUC licences. In the absence of targeted cost recovery, the proposed changes would therefore lead to a potential shortfall in revenue that would be needed to cover the additional maintenance required (estimated at \$131 million net, after accounting for the additional RUC paid).

s 9(2)(g)(i)

5

6

7

Targeted changes may inadvertently encourage less efficient, more damaging vehicles

- 8 The RUC system operates based on apportioning planned or realised programmes of work across all vehicles, in proportion to the costs that the vehicles generate. As such, it is virtually impossible for the system to accommodate significant one-off increases for discrete cohorts without creating anomalies.

¹ Modelled on the same uptake assumptions as the fuel savings including 100% uptake over a six-month period

- 9 There is a high risk that a targeted increase would distort the relative cost between vehicle types/combinations, potentially creating a perverse incentive whereby less efficient, more damaging vehicles are relatively cheaper, due to their RUC rates lagging behind².

Temporary changes are constrained in their ability to cost recover

- 10 Targeted and temporary changes are likely to be limited in their ability to recover costs as they add complexity to requirements. We expect there would likely be high rates of non-compliance as operators could be confused about or deliberately avoid requirements. For example, some operators could afford to pre-purchase large amounts of RUC before any changes take effect, and risk non-compliance with the new charges. There may be incentives to do this, as enforcement to catch this non-compliance would require targeted activities, such as vehicle fleet audits undertaken by The New Zealand Transport Agency (NZTA) or increased roadside checks by Police.

The revenue shortfall is better addressed through future revenue reviews and increases

- 11 We think that the potential for recovering costs through a temporary scheme is unlikely to justify the work required to set it up, the associated risks, and administrative costs. There are future opportunities to recover the additional cost of heavier payloads, for example, through a comprehensive review of RUC rates as part of the RUC transition or by revisiting fuel excise duty (FED) and RUC increase decisions before implementing the increases set out in the Government Policy Statement on Land Transport 2024³.
- 12 The heavier payloads would lead to additional maintenance works that are not currently planned for. As such, NZTA and other Road Controlling Authorities would face a shortfall in funding until these costs are recovered. NZTA and other Road Controlling Authorities would need to sequence their maintenance programmes to align with available funding and overall capacity to deliver, which may exacerbate maintenance issues in the medium-term.

If agreed at Cabinet on 11 May, regulatory relief changes would be in place by early June

- 13 You verbally agreed to seek decisions by taking a paper directly to Cabinet on 11 May. We have provided a draft Cabinet paper that includes two alternative approaches and request you indicate your preferred approach.
- 14 We recommend you seek Cabinet agreement not to progress the proposed regulatory relief changes to support Phase 2 of the fuel response plan. As indicated by our original analysis and confirmed by recent peer review by the Ministry for Regulation, the expected costs of the changes are expected to significantly outweigh the benefits of fuel savings. At current prices it would be more economical to purchase additional diesel stock directly. If there is a significant increase in the price of diesel (likely at Phase 3 or Phase 4), the relative cost-effectiveness of these proposals may improve.

² Most RUC rates are likely to be under recovering to varying degrees, given they have not been adjusted since 2020

³ Ministry of Transport modelling indicates that each additional 1 cent increase to FED, and the equivalent increase to RUC rates, generates approximately \$50 million per year.

- 15 The analysis undertaken to assess temporary changes will feed directly into the existing review of the Land Transport Rule: Vehicle Dimensions and Mass 2016.
- 16 Subject to your feedback on the approach, we propose a limited period of consultation for the Cabinet paper combined with seeking late lodgement.

Action	Date
Draft paper provided	Friday 1 May
Start limited ministerial and departmental consultation	Monday 4 May - Wednesday 6 May
Policy Cabinet paper lodged	Friday 8 May
Policy decisions	Monday 11 May (Cabinet)
Drafting instructions issued	Tuesday 12 May
Rule amendment Cabinet paper lodged	Thursday 21 May
Cabinet and Executive Council	Monday 25 May
Announcement	Week of 25 May
Bridge capacity assessment.	By early June for key state highway and local road routes. After June for some local networks.
Temporary changes take effect	When National Fuel Response 2026 Phase Two triggered (Ready from early June 2026)
Permanent heavy vehicle productivity changes take effect	From early July

ANNEX 1 OPTIONS FOR COST RECOVERY

Option	Status Quo	Option 1: Temporarily increase Road User Charges by Order in Council	Option 2: Temporarily increase Road User Charges through primary legislation	Option 3: Introduce temporary bands to capture vehicles operating at heavier payloads	Option 4: Introduce a temporary charge	Option 5: Capture costs in the next comprehensive review of Road User Charges
Description	Rely on the existing payload bands that increase in cost as payload increases.	Implement a temporary uplift to existing RUC rates by amending the Road User Charges (Rates) Regulations (secondary legislation made by Order in Council) to increase charges for targeted vehicle types/weight bands.	Use an Act of Parliament to temporarily uplift RUC rates (or provide a bespoke temporary charging power), rather than relying on amending rates regulations.	Create new RUC bands (vehicle type/weight band entries) specifically for vehicles operating under the temporary heavier-payload scheme, with a calibrated per km rate.	Create a new time-limited charge under Section 168 of the Land Transport Act 1998 outside of the Road User Charges system ⁴ . Processes and systems would need to be established for revenue collection.	Defer cost recovery and incorporate the incremental damage costs into the next full RUC rate review, rather than implementing a temporary mechanism now.
Speed	Immediate – Operators purchase heavier licences as required.	Weeks – Requires regulations to be drafted and agreed at Executive Council but can only come into effect 42 days after publication. As a result, the change may come into effect during or after the temporary increase to mass limits.	Weeks to months – Requires a Bill to be drafted and passed in the House (likely under urgency) but can come into effect as soon as the Bill receives royal assent. As a result, the change may come into effect during or after the temporary increase to mass limits.	Weeks to months – Requires a Bill to be drafted and passed in the House (likely under urgency) but can come into effect as soon as the Bill receives royal assent. As a result, the change may come into effect during or after the temporary increase to mass limits.	Months – Requires a new system to be designed and agreed either through regulations or primary legislation. As a result, the change may come into effect during or after the temporary increase to mass limits. However, it avoids the 42 day notice period requirement for changes to RUC rates.	Months to years – Requires evidence of actual maintenance requirements to be collected to inform cost allocation and a revised set of rates, which then would then need to be agreed.
Ability to recover	Low – Current rates are too low to meet the additional maintenance required to repair expected damage.	Low to medium – Existing heavy RUC vehicle licences remain valid for one month after change. The temporary nature of the change combined with limited ability to enforce likely to lead to inadvertent or deliberate non-compliance thereby limiting ability to recover costs.	Low to medium – Existing heavy RUC vehicle licences likely to remain valid for one month after change. The temporary nature of the change combined with limited ability to enforce likely to lead to inadvertent or deliberate non-compliance thereby limiting ability to recover costs.	Low to medium – Creates additional complexity in the system, as H licences already allow for overweight vehicles costs to be recovered. We consider this would exacerbate the risk of inadvertent or deliberate non-compliance.	Low to medium – Likely to lead to high rates of inadvertent or deliberate non-compliance. The temporary nature of the change combined with limited ability to enforce likely to lead to inadvertent or deliberate non-compliance thereby limiting ability to recover costs.	Medium to high – Provides certainty on required maintenance and the permanent increase makes non-compliance or avoidant behaviour less likely. However, timing and size of increases are subject to uncertainty.
Risk of challenge	-	High – Adverse review by the Regulations Review Committee likely under Standing Order 327 2(a) ⁵ and (c) ⁶ because the increase is not based on planned or realised maintenance, which differs from the approach to date. Judicial Review is likely as the increase would disrupt proportionality with RUC payable by other types of RUC vehicles and be inconsistent with the purpose in Section 3 of the Road User Charges Act 2012.	Low – Relies on primary legislative pathway.	Low or High – Depends on the legislative pathway as described for Options 1 and 2.	s 9(2)(g)(i)	Low – This is the typical process for making changes to RUC.

⁴ The charge is likely to be identified as land transport revenue to be paid into the National Land Transport Fund meaning the regulations would be confirmable under Section 167(4) of the Land Transport Act 1998.

⁵ That the secondary legislation is not in accordance with the general objects and intentions of the enactment under which it is made.

⁶ That the secondary legislation appears to make some unusual or unexpected use of the powers conferred by the enactment under which it is made.

IN CONFIDENCE

**ANNEX 2 DRAFT CABINET PAPER: FUEL RESPONSE MEASURES – LAND TRANSPORT
REGULATORY PROPOSALS**



13 May 2026

OC260394

Hon Chris Bishop

Action required by:

Minister of Transport

Thursday, 14 May 2026

FUEL RESPONSE REGULATORY RELIEF CABINET PAPER

Purpose

This briefing seeks your agreement to outstanding policy decisions on land transport regulatory relief proposals, and provides you with a draft Cabinet paper to lodge for Cabinet on 18 May 2026.

Key points

- On Friday 8 May the Ministerial Economic and Security Supply Chains Group (MOG) agreed to transport-related regulatory relief measures as part of the National Fuel Response Plan 2026 [CAB-26-MIN-0164 refers]. Following discussion at Cabinet on Monday 11 May, the Minister of Transport and the Minister for Regulation were invited to submit a Cabinet paper outlining the full suite of regulatory relief proposals being progressed.
- There are some detailed policy decisions that need to be made, beyond what the MOG agreed, to support rule drafting. These relate to the proposals to temporarily relax travel time and access restrictions for heavy vehicles at Phase Two, and reduce certain speed limits at Phase Four. The MOG agreed that the Minister of Transport take further necessary policy decisions on the regulatory proposals, consistent with the intent of the National Fuel Response Plan 2026 [CAB-26-MIN-0164 refers]. This briefing seeks those decisions.
- The attached draft Cabinet paper reflects our recommended approach on these matters but can be updated as required. Subject to your feedback, the Cabinet paper will be lodged by 10am Thursday 14 May with an announcement made following Cabinet on Monday, 18 May.

We recommend enabling access to certain Auckland motorways, but not progressing the toll road or travel time changes

- MOG has agreed to a Phase Two item to temporarily relax travel time and access restrictions for overdimension vehicles, subject to risk assessments. NZTA has assessed the suitability of Auckland Motorways for overdimension vehicle access and found them suitable. We recommend increasing vehicle dimension limits for the specific roads set out in Annex Three of the Cabinet

paper. NZTA's assessment is that overdimension vehicles cannot safely or feasibly be accommodated on the SH29 Takitimu Drive toll road within likely fuel response timeframes due to ongoing construction works to deliver the Takitimu North Link programme.

- We do not recommend progressing changes to travel time restrictions for overdimension vehicles. While the intent was to enable overdimension vehicles to travel during low-traffic hours, further analysis has found the proposed changes would generally allow heavy vehicles to travel at times of higher congestion, which risks increasing fuel consumption.

We recommend a maximum speed of 80 km/h on open roads

- The MOG agreed to reduce maximum speed limits to 90 km/h or 80 km/h under Phase Four. We recommend you confirm a reduction to 80 km/h, as this change provides greater potential fuel savings, as outlined in our previous advice (OC260356 refers) and in the table below:

	90 km/h	80 km/h
<i>Petrol fuel savings</i>	20 million litres or 2.5 days	34 million litres or 4.2 days
<i>Diesel fuel savings</i>	14 million litres or 1.3 days	50 million litres or 4.7 days

• s 9(2)(f)(iv)

- Subject to your feedback, the Cabinet paper will be lodged by the 10am Thursday, 14 May deadline, with an announcement made following Cabinet on Monday, 18 May.

We recommend you:

- | | | |
|---|--|----------|
| 1 | agree to relax overdimension route restrictions for Auckland Motorways during Phase Two, noting the SH29 Takitimu Drive toll road has been assessed as unable to accommodate overdimension vehicles | Yes / No |
| 2 | agree <u>not</u> to relax overdimension travel time restrictions | Yes / No |
| 3 | agree to a maximum speed of 80 km/h on open roads during Phase Four | Yes / No |
| 4 | agree to proactively release this briefing, following a public announcement. | Yes / No |



Katrina Quickenden
Acting Director, Sector Strategy

13 / 05 / 26

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Katrina Quickenden, Acting Director, Sector Strategy	s 9(2)(a)	✓
Keegan Taylor, Principal Adviser, Regulatory Reform		

Annex 1 Draft Cabinet paper

Office of the Minister for Regulation

Office of the Minister of Transport

Cabinet

Fuel Response Measures – Regulatory Relief Proposals

Proposal

- 1 This paper provides an overview of the regulatory relief proposals that support the National Fuel Response Plan 2026, as agreed by the Ministerial Economic and Security Supply Chains Group (MOG) on 8 May 2026 [CAB-26-MIN-0164 refers].

Relation to government priorities

- 2 This paper supports the Government's response to the National Fuel Response Plan 2026 and is consistent with the Coalition agreements' commitments to economic resilience, business productivity, and reduced regulatory burden.

Executive Summary

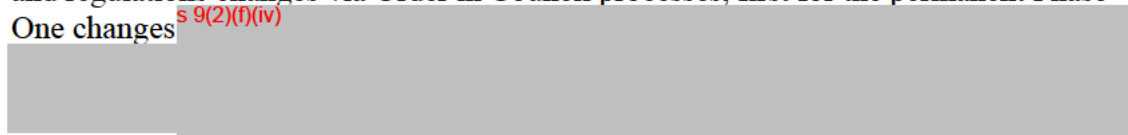
- 3 New Zealand faces a risk of disruption to fuel imports if escalation of conflict in the Middle East constrains shipping and affects supply. The Government’s objective is to manage this risk while avoiding rationing measures associated with escalation to higher response phases, which could cause significant additional harm to economic output beyond the impacts of higher fuel prices.
- 4 Moving to higher response phases may require industry to reduce fuel use. Advancing regulatory relief measures can improve freight efficiency, ease economic trade-offs, and better position industry to deliver fuel savings if higher response phases are activated.
- 5 On 28 April 2026, we (the Minister for Regulation and Minister of Transport) jointly announced that the Government was investigating options to remove or suspend regulatory barriers to help businesses and communities cope with global fuel shocks.
- 6 On 8 May 2026, the MOG agreed to activate the following regulatory proposals at various phases of the National Fuel Response Plan 2026 based on expected fuel savings or reduction in regulatory burden:

Phase	Change	Benefit
Phase 1	Accelerate four permanent proposals from the Heavy Vehicle Productivity workstream of the Land Transport Rules Reform Programme	Reduced regulatory burden
Phase 2	Lift some route restrictions on overdimension vehicles to allow them to use certain Auckland motorways	Unquantified but minimal fuel savings
Phase 4	Increase mass limits for high productivity motor vehicles (HPMVs): HPMV higher mass permitted vehicles by 4 percent (approximately 2 tonnes) and HPMV 50MAX vehicles by 10 percent (to 55 tonnes)	Estimated maximum savings of 16.2 million litres of diesel over six months

	Reduce the maximum speed limits on open roads to 80 km/h.	Estimated savings of 34 million litres of petrol and 50 million litres of diesel over six months
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- 7 On 11 May 2026, Cabinet noted the decisions of the MOG. The Minister for Regulation and Minister of Transport are reporting back to Cabinet with an update on the regulatory relief package on 18 May 2026.
- 8 Ministers made this decision based on modelling that indicated that increases to mass limits would be expected to lead to an increase in infrastructure damage estimated at \$153 million for a temporary six-month change, with only a small portion of this to be recovered through increased Road User Charge revenue. Both benefits and costs are sensitive to the underlying assumptions. For example, they are based on existing freight volumes, so both benefits and costs would be lower when implemented at Phase 4 because overall travel and freight volumes would be lower. Annex 1 provides additional detail on the methodology and associated uncertainty.
- 9 There are risks that come with these changes, but these can be managed or mitigated to limit their likelihood and/or impact:
 - 9.1 **Implementation risks:** Additional time or resource may be required to accelerate the implementation of existing proposals, to assess bridge capacity, and implement mitigation measures. NZTA has already undertaken initial assessments and the Minister of Transport will report back if additional funding is required.
 - 9.2 **Safety risks:** Heavier payloads may affect the stability and handling control of heavy vehicles. Overdimension vehicles pose greater collision risk. These risks are mitigated by an expected reduction in exposure through fewer heavy vehicle trips and existing overdimension vehicle signage and pilot rules.
 - 9.3 **Bridge capacity risks:** Heavier payloads increase the likelihood of bridge capacities being exceeded. NZTA and local road controlling authorities (RCA) will help mitigate this risk by restricting access based on bridge capacity assessments and other mitigations where needed (e.g. traffic management).
 - 9.4 **Enforcement and compliance:** Because existing speed signs will not change, compliance may be lower than anticipated leading to less fuel savings or increased administrative costs where infringements are challenged. This risk can be managed through careful public communication.

10 The Minister of Transport will return directly to Cabinet in June seeking to make rules and regulations changes via Order in Council processes, first for the permanent Phase One changes ^{s 9(2)(f)(iv)}



11 ^{s 9(2)(f)(iv)}

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Background

Managing the possible impact of short supply and higher prices

- 12 New Zealand faces a risk of disruption to fuel imports if conflict in the Middle East escalates and further constrains shipping through the Strait of Hormuz, affecting crude supply to Asian refineries that supply New Zealand.
- 13 The Government's objective is to manage this risk while avoiding rationing measures associated with escalation to higher phases. Significant rationing could seriously damage New Zealand's economic output, over and above those negative effects already expected from higher fuel prices.
- 14 In moving to higher response phases, the Government will encourage or require industry to reduce fuel use. Progressing regulatory relief measures can better support industry to deliver these savings if required and ease the economic trade-offs associated with higher fuel prices.

New Zealand's fuel supplies remain stable

- 15 New Zealand is at Phase One of the National Fuel Response Plan 2026 for all fuel types. While the risk of a significant near-term supply disruption remains relatively low, the situation is uncertain and the Government must be ready to act should conditions deteriorate.
- 16 The proposals are intended to achieve greater fuel efficiency and to provide some relief to heavy users of diesel, both of which will become increasingly important if conditions deteriorate. We have focused on changes that could realistically deliver fuel savings or reduce regulatory burden in the short term (within six months). Many of the proposals would also have wider benefits, particularly for industry. For example, heavy vehicle proposals are expected to have efficiency and productivity benefits that would support businesses under challenging circumstances.
- 17 Regulatory measures outlined in this paper are primarily targeted at land transport settings (heavy vehicle requirements and speed limits). s 9(2)(f)(iv)
- 18 While only a small proportion of the overall fleet, heavy vehicles account for a disproportionate share of total vehicle kilometres travelled and are a material contributor to national diesel demand, being almost all diesel-powered.
- 19 Additionally, research has shown that vehicles are generally more fuel efficient when operated at slower speeds. We are already encouraging people to drive more efficiently, but there is an opportunity to require this in a worst-case scenario.
- 20 The Minister of Transport has also recently made policy decisions on the Heavy Vehicle Productivity workstream of his Land Transport Rules Reform programme, as authorised by Cabinet [ECO-25-MIN-0083]. Some of those proposals will be accelerated as part of the Fuel Response, as outlined below. The others will be implemented in due course and are listed in Annex 2

Permanent changes to activate at Phase One: Removing permits and increasing licence weight thresholds

- 21 The MOG has agreed to implement the proposals below as soon as practicable at Phase One. They are permanent rule changes accelerated from the Land Transport Rules Reform Programme, and received majority support in public consultation:
 - 21.1 Remove the requirement for a 50MAX¹ permit,
 - 21.2 Remove the requirement for a permit for unladen HPMV² rental service vehicles being repositioned between depots or to customers,
 - 21.3 Allow Class 1 licence holders to drive heavier zero emission vehicles (including light freight vehicles) up to 7,500 kgs, and
 - 21.4 Allow Class 2 licence holders to drive heavier electric buses up to 22,000 kgs.
- 22 These proposals complement the overall fuel response by removing a regulatory burden for a key industry. They also give operators certainty to invest in zero emission vehicles that use less fuel. The changes to licence class thresholds also support an action in New Zealand’s Second Emissions Reduction Plan. This brings benefits even though there is limited effect on fuel use in the short term.

Temporary changes active at Phase Two: Relaxing access restrictions for overdimension vehicles³

- 23 Under current rules, vehicles that exceed 3.1m in width or 4.3m in height cannot use Auckland motorways, except for a small number of listed roads in the Land Transport Rule: Vehicle Dimensions and Mass 2016.
- 24 The heavy vehicle industry has identified several additional sections of Auckland motorways that could potentially allow overdimension vehicles to save fuel by using shorter, more direct routes, rather than slower and more indirect routes via city streets. Even small savings can help prevent or delay needing to impose more significant fuel saving measures despite these measures being targeted at a small cohort of heavy vehicles.
- 25 NZTA and Auckland Transport officials have carried out engineering assessments to confirm that overdimension vehicles could safely be accommodated on a range of Auckland motorways (see Annex 3), subject to the maximum width and height limits.
- 26 However, engineering assessments have identified that overdimension vehicles cannot safely or feasibly be accommodated on the SH29 Takitimu Drive toll road within likely fuel response timeframes due to ongoing construction works to deliver the Takitimu North Link programme.

¹ 50MAX is a common type of HPMV permit that allows these vehicles with nine axles to operate with a gross mass up to 50 tonnes.

² Heavy vehicles that exceed general access mass limits include HPMVs. These vehicles can be issued permits if they are assessed as having a safety performance rating that is equivalent to standard heavy vehicles. Operators are permitted to travel on specified routes.

³ Overdimension vehicles and loads are classified into one of four categories, based on their size. Category 1 and 2 are the smallest kinds of overdimension vehicles, whereas Categories 3 and 4 loads significantly exceed normal size allowances. There are different restrictions for each category, so any changes must be targeted.

- 27 There are trade-offs, which is why these changes would only be activated in Phase Two. Overdimension vehicles are larger than ordinary trucks and pose a greater risk of collision. This risk can be mitigated by existing requirements to be fitted with warning signs and additional lighting during darkness and escorted by pilot vehicles if they are particularly large. Auckland motorways are wider than ordinary streets and are median separated, which may reduce the risk of collision with oncoming traffic.
- 28 Shifting the route these vehicles take also shifts the damage they do to our roads. However, this change will generally be a positive one, as state highways are generally built to a higher standard than the smaller/local roads the vehicles are currently using.
- 29 We also considered relaxing time restrictions for overdimension vehicles. While the intent was to enable overdimension vehicles to travel during low-traffic hours, further analysis has found most of the proposed changes would allow heavy vehicles to travel at times of higher congestion, which risks increasing fuel consumption.

Temporary changes active at Phase Four: Heavier payloads

- 30 The most promising regulatory relief option identified for heavy vehicles in terms of fuel savings is enabling heavier payloads so heavy vehicles can carry more freight per trip. However, there are significant trade-offs as heavier vehicles cause exponentially more damage to the network and increase the likelihood of bridge capacities being exceeded. This change has been reserved for Phase Four of the National Fuel Response Plan, because at that phase diesel prices are likely to be significantly higher, and there may be less damage being done due to decreased freight task. The benefits from stretching out fuel usage because of imminent or actual fuel shortages would also make fuel savings more critical.
- 31 The following table summarises the changes that would be made for two key types of heavy vehicles under a Phase Four scenario along with the key trade-offs:

Eligible cohort	HPMV higher mass permitted vehicles.	50MAX vehicles.
Type of freight generally carried	Logs, bulk dairy, aggregate, and construction materials.	Milk, logs, bulk agricultural goods, and general freight.
Increase to mass limits	Gross vehicle mass (GVM) increases of four per cent (around two tonnes, capped at a maximum of 62 tonnes), with consequential increases to axle mass limits.	Gross vehicle mass increase of 10 per cent (five tonnes, capped at 55 tonnes), with consequential increases to axle mass limits.
Expected network	Existing HPMV approved routes, requiring mitigations and/or exclusions for fewer than 100 higher-risk state highway bridges. Local road bridge mitigations and/or exclusions to be confirmed with local RCAs.	Existing 50MAX network, excluding approximately six per cent of higher-risk state highway bridges. Local road bridge mitigations and/or exclusions to be confirmed with local RCAs.
<u>Maximum</u> potential diesel savings for a six-month period	Up to 5.6 million litres 0.5 days' worth of diesel ⁴	Up to 10.6 million litres 1 day's worth of diesel

⁴ Based on MBIE's estimate of average national daily diesel demand.

Expected additional infrastructure costs for a six-month period	\$40 million	\$113 million
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Fuel savings are an estimated maximum and likely to be lower

- 32 Fuel savings estimates used RUC licence data to model uptake of additional payloads and the resulting reduction in the number of trips, with results broadly consistent with what industry has indicated given some differences in methodology and assumptions. This information was then used to estimate the marginal cost of additional maintenance based on recent infrastructure spend and the exponential relationship between vehicle weight and damage to the road network.
- 33 Actual savings would depend on commercial uptake, which is driven by a range of factors in addition to mass limits including what needs to be transported and where, as well as marginal transportation costs (e.g. Road User Charges, labour costs, fuel prices). The maximum potential fuel savings is a ceiling and likely overstated for a range of reasons, including assuming 100% uptake, not accounting for heavier payloads using more fuel and assuming a fixed freight task (see methodology in Annex 1), meaning road damage would also be correspondingly lower.

The safety and infrastructure risks can be mitigated

- 34 There are safety risks associated with heavier payloads, as even if vehicles operate within regulated limits, increased loads may slightly affect the stability and handling control for some vehicles. Any negative safety effects would be at least partially offset by reduced exposure from fewer trips.
- 35 The proposals would also increase the likelihood of bridge capacity being exceeded. This risk can be mitigated through increased monitoring of bridges by engineers, bridge speed restrictions, traffic lights, single lane restrictions, and increasing penalties and enforcement for noncompliance. Additional funding may be required for these mitigations to be put in place by NZTA and other RCAs.

Road Controlling Authorities need to finalise bridge assessments

- 36 NZTA has completed an initial assessment of state highway bridges, and is commissioning other RCAs to do the same. Approved key freight routes are expected to be confirmed approximately four weeks after other RCAs are commissioned, which can then be expanded as assessments are completed. Additional funding may be required for local RCAs to complete these assessments. If additional funding needs to be sought, this will likely delay bridge assessments being undertaken.
- 37 If further analysis of bridge capacity, particularly on local roads, identifies significant restrictions from a 10 percent increase to GVM for 50MAX vehicles, the Minister of Transport expects to reduce the ambition to a four percent increase to GVM. We expect this would enable a larger network for these vehicles, improving uptake.
- 38 These changes build on review of the existing Land Transport Rule: Vehicle Dimensions and Mass 2016 that was already underway. Operators that take advantage of the additional payload allowances would be required to report usage data to NZTA

and local RCAs. This would support both monitoring the effects on the network and inform permanent changes to requirements as part of the review.

Temporary changes active at Phase Four: Reduced speed limits

- 39 The MOG also agreed to reduce maximum speed limits. This reduced maximum would apply to all vehicles during Phase Four unless a lower limit applies (for example, when passing school buses). Both 80 km/h and 90km/h limits were considered. The Minister of Transport has agreed to progress a maximum speed of 80 km/h on open roads on the basis that it provides the greater potential fuel savings. The change is only agreed for Phase Four because there are significant trade-offs in terms of longer travel times and risks around the communication of speed limit changes.
- 40 Initial modelling finds this option could save about 34 million litres of petrol (about 4.2 days' supply or a 2.3 percent reduction) and 50 million litres of diesel (about 4.7 days' supply or a 2.9 percent reduction) over six months.
- 41 The maximum speed of 80 km/h would apply regardless of the speed shown on signs or in the National Speed Limit Register. Existing signs would remain to enable a fast, less costly rollout and a quick return to normal when Phase Four ends⁵.
- 42 There are risks to this approach. Because existing signs will not change, drivers would need to rely on public communications to know about the 80 km/h limit. While this might mean fuel savings are lower than estimated, we expect drivers may still drive more slowly, particularly given price of fuel will also encourage fuel conservation. It may also create additional workload for NZTA and Police if confusion around the change leads to infringement notices being challenged. This will need to inform the enforcement approach NZTA and Police take.
- 43 Slower speeds mean longer journey times, which may prevent freight and passenger operators from completing the same number of trips within their maximum allowable work hours. This may also offset modelled fuel savings.

s 9(2)(f)(iv)

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⁵ The cost to change signs on State highways is estimated in the order of \$1.5 –\$2.25 million, including installation costs.

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Discounted proposals

51 Annex 4 outlines other proposals that were assessed but discounted as they would not provide material short term fuel savings or regulatory relief.

Implementation

52 The land transport changes will be introduced via changes to regulations and land transport rules made via Order in Council processes and come into effect upon a move to the relevant phase of the National Fuel Response Plan 2026. The Minister of Transport intends to bring two papers directly to Cabinet in June 2026 seeking agreement to make the rule changes, bypassing the Legislation Committee. Given the urgency of the fuel situation, we consider this the most appropriate pathway.

- 53 Changes for later phases of the fuel plan are temporary and would be in effect while fuel response measures are needed. Relevant land transport rules would automatically revoke on a specified date, unless revoked earlier by the Minister of Transport.
- 54 Once rule changes are agreed, implementation is subject to operational changes including the bridge assessments outlined above. Operational changes are underway with most changes ready to be activated from early July 2026.

Cost-of-living Implications

- 55 The changes would be expected to reduce fuel costs for freight operators by enabling heavier payloads and reducing the number of trips. These benefits may flow through to lower freight prices for consumers.
- 56 Lower speed limits on open roads during Phase Four will reduce fuel use (and associated costs) for drivers travelling these roads.

Financial Implications

- 57 RCAs may require additional funding for bridge assessments and/or the mitigation measures necessary to manage bridge safety risks, and the Minister of Transport will report back to Cabinet if these costs cannot be met within baseline.

Legislative Implications

- 58 The land transport changes will be made by amendments to Land Transport Rule(s) and Regulations via Order in Council. ^{s 9(2)(f)(iv)}

Impact Analysis

Regulatory Impact Statement

- 59 A Regulatory Impact Statement (RIS) has been completed for the temporary heavy vehicle and speed limit regulatory changes and is attached at Annex 5. The Ministry of Transport quality assurance panel has reviewed the Regulatory Impact Statement (RIS): Regulatory Relief to Reduce Fuel Consumption on 1 May 2026. The version reviewed by the panel did not include the changes to speed limits.
- 60 The panel considers the information and analysis summarised in the RIS does not meet the Quality Assurance criteria for the purpose of informing Cabinet decisions. The panel considers the proposals recommended do not align well with the policy objective of reducing fuel consumption and the costs outweigh the benefits. There are also gaps in data and knowledge and risks for non-compliance and enforcement.
- 61 RISs have been completed for the permanent heavy vehicle regulatory changes and are available on the Ministry of Transport website. Ministry of Transport quality assurance panels reviewed the RISs and determined that they met the Quality Assurance criteria for the purpose of informing decisions.

62 s 9(2)(f)(iv)

Climate Implications of Policy Assessment

63 The changes in this paper do not meet the threshold for a CIPA assessment.

Population Implications

64 The changes outlined in this paper are not expected to have materially disproportionate population implications.

Human Rights

65 The changes in this paper do not affect human rights.

Use of external Resources

66 No contractors or consultants were engaged to support the development of this advice.

Consultation

67 Officials met with industry, Police, RCAs, Maritime New Zealand, KiwiRail, and Bluebridge Strait Shipping in mid-April 2026. Themes included:

67.1 Broad industry support for payload increases, with preference for more modest increases as more achievable at pace and less stressful on infrastructure.

67.2 RCAs and others raised concerns about pavement wear and bridge loading and potentially significant additional maintenance costs from raising mass limits.

68 Some stakeholders raised safety concerns for the heavy vehicle proposals. Police were concerned about safety implications of general access limit increases for vehicles not subject to modern braking requirements, and flagged enforcement capacity as a risk.

69 Industry raised concerns about the effect of lower speeds on travel times and potential disruptions to scheduled passenger and freight services. Some heavy vehicle operators supported a reduction to 90 km/h, to improve traffic flows. RCAs noted that the reduced speeds could have positive safety effects.

Communications

70 We intend to publicly announce the proposals following Cabinet’s consideration.

Proactive Release

71 We intend to publish this paper within 30 business days of Cabinet’s consideration,

s 9(2)(f)(iv)

Recommendations

I recommend that Cabinet:

- 1 **note** that on 7 May 2026, the Ministerial Economic Security and Supply Chains Group agreed to regulatory proposals to progress under the Fuel Response Plan 2026.
- 2 **note** the Minister of Transport intends to return to Cabinet twice in June to seek changes to regulations and Land Transport rules via Order in Council processes to give effect to the regulatory proposals referred to in recommendation 1.

3 s 9(2)(f)(iv)



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Authorised for lodgement

Hon David Seymour

Minister for Regulation

Hon Chris Bishop

Minister of Transport

Annex 1: Heavier Payloads Benefits and Costs Methodology

Annex 2: Other Heavy Vehicle Productivity Land Transport Rules Reform Proposals

Heavy Vehicle Productivity Changes
<ul style="list-style-type: none"> • Remove the requirement for High Productivity Motor Vehicles (HPMV) to display H plates. • Incorporate the Bolster Attachment Code by reference. • Remove an unused definition from the Land Transport Rule: Heavy Vehicles 2004 (the Heavy Vehicles Rule). • Remove the need for a permit for HPMV rental service vehicles being repositioned for lease or hire.* • Permanently enable Class 1 driver licence holders to drive all zero emission vehicles with a gross laden weight of up to 7,500kg and exempt this from the Transport Service Licence requirement.* • Remove the Accelerated Licensing Process (ALP). • Standardise speed limits for tractors and special-type vehicles to 40 km/h. • Replace 50MAX permit requirements to meet proforma specifications and operate only on the approved 50MAX road network*^o <ul style="list-style-type: none"> o add new penalties to replicate existing permit-based ones o make minor amendments to RUC types to ensure vehicles are paying the same rates after permit removal. • Introduce three new load pilot vehicle signs, with changes to: <ul style="list-style-type: none"> o amend 'PREPARE TO STOP' to 'PREPARE TO PULL OVER' to better inform motorists o 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. • Enable class 2 and 2L licence holders to drive heavier electric buses* <ul style="list-style-type: none"> o adjust the scope to only include rigid buses within defined dimensions and include other zero emission types. • Remove the requirement for forward and rear-facing load pilot signs to be on the reverse of each other.

* Accelerated as part of fuel response work

Annex 3: Approved overdimension routes

NZTA and Auckland Transport officials have carried out engineering assessments to confirm that overdimension vehicles could safely be accommodated on the following Auckland motorways, subject to the maximum width and height limits shown in the table below:

Route	Current access limits	Proposed access limits
SH20A Kirkbride Road to The Landing	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.8m
SH16 St Lukes Interchange to/from Great North Road, Waterview	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 4.6m
SH16 Great North Road, Waterview to/from the western end of the motorway	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.2m
SH18 from Albany Highway to SH1 Interchange	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.8m
SH1/SH18 Interchange to Dairy Flat Highway	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.8m
SH1 from Drury Interchange to southern end of motorway	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.2m

Annex 4: Discounted Options

These proposals have also been assessed, but were discounted as they would not provide material fuel savings or regulatory relief in the short term.

Proposal	Reason for discounting
Enabling fuel-saving vehicle parts or features (e.g. super single tyres).	Changes would only benefit a small portion of the fleet and the implementation period would be long relative to any fuel savings. Already in scope of existing work programmes.
Priority lane access for heavy vehicles.	Benefits are difficult to quantify, and there are safety risks for cyclists and other vulnerable road users in special vehicle lanes, with any resulting congestion potentially discouraging more fuel-efficient modes like buses. RCAs already have powers under existing legislation to manage lane access on their networks without a central rule change. NZTA can provide guidance to RCAs on what a local assessment should consider.
Temporarily allowing longer trailer lengths and HPMV configurations.	Changes would require significant work, research, and testing to configure specialist combinations and select appropriate routes; the temporary nature of the approval would be a considerable barrier to uptake. Already in scope of existing work programmes.

Annex 5: Regulatory Impact Statement

Annex 1: Benefits and Costs Methodology

Calculating benefits (fewer trips and reduce fuel consumption)

RUC licence data shows the configuration and weight band of each vehicle and can be used as a proxy for distance travelled.

2024 RUC licence data was used to estimate the number of vehicles that could increase their payloads, and by how much, for each proposal. For example, a 50MAX combination vehicle with a RUC licence for up to 50 tonnes is assumed to increase its gross vehicle mass to 55 tonnes.

We also used the 2024 RUC licence data to estimate the size of the freight task using payloads and distances. Combining the estimated freight task and expected increase in payloads enabled us to calculate the expected reduction in vehicle kilometres travelled because of fewer but heavier trips. This calculation assumes that freight task is fixed and consistent – i.e. that there will be the same amount of freight to be carried while the new limits are in place as there was on average across 2024.

The reduction in vehicle kilometres travelled was then translated into potential fuel savings using the fuel consumption rates for a 50MAX line haul truck from the Ministry of Transport's 2023 Domestic Transport Costs and Charges Study.

This estimate likely overstates the fuel reduction benefits as:

- **The modelling assumed 100% uptake of higher payloads** (i.e. all eligible vehicles take up the full increase in payload). Actual uptake will depend on commercial decisions by operators, which are driven by a range of factors in addition to mass limits including what needs to be transported and where as well as marginal transportation costs (e.g. RUC, labour, fuel prices).
- **Freight demand may not be fixed**, as assumed. There is a risk that operators will take the same number of trips and carry more freight, rather than carrying the same freight in fewer trips. Freight demand also varies significantly by season, due to industry factors.
- **Different heavy vehicles may have different fuel consumption rates** to a 50MAX line haul truck.
- **Modelling has not accounted for heavier vehicles requiring more fuel per kilometre**. This additional fuel requirement has not been included in the calculations due to the timeframes for carrying out the analysis and as we only have a single fuel consumption estimate for a 50MAX line haul truck.

Calculating the costs (road maintenance)

Road network infrastructure damage increases exponentially with the weight on each axle. On average, NZTA assumes damage is expected to increase by the 4th power with a given increase in axle weight. For example, 2x the axle weight leads to 16x the damage ($2^4 = 16$). However, variable road quality, condition, and pavement type mean the power factor for calculating damage for a particular road can range from as low as 2.5 and up to 12 in some cases.

NZTA used the decrease in truck movement and the increased payloads calculated above and converted these figures into the change in the number and weight of axles on the road network¹.

Using the exponential damage relationship described above, the change in the number of axles is used to estimate the increased rate of damage to the road network.

This increased rate of damage is then applied to the maintenance and renewal costs for the past year to calculate the marginal increase in costs. NZTA expects the proposals would result in additional maintenance

¹ Truck movements are calculated by using the 'equivalent standard axles' (ESA) measure. ESA divides each truck's actual axle group mass loading by its axle group reference weight. The axle group reference weights create the same damage per trip across the reference groups. As payloads increase, ESA increases and as VKT reduces, ESA decreases.

and renewals works for the state highway and local road networks, as the lives of roads are effectively being truncated, leading to an increase in cost relative to the status quo.

These calculations were first done for the state highway network by NZTA and then extrapolated to the local road network by NZTA based on the relative proportion of freight that travels on the state highway and local road networks.

This approach has limitations that may under or overstate the infrastructure effects of additional payloads.

These include:

- Using the 4th power as a network average which is not representative for all roads. For example, if vehicles with heavier payloads travel more on weaker roads such as under maintained roads or end of life pavements, then the infrastructure impacts could be greater.
- This analysis assumes that half of the journeys will be taken unladen. In practice, we would expect operators to try to maximise payloads for both parts of a journey, particularly when fuel prices are elevated.
- The impact on local roads could vary significantly depending on the nature of freight movements, how concentrated or dispersed freight movements are geographically, and the quality and condition of local roads.
- Because the infrastructure effects are based on the uptake assumptions outlined above, infrastructure damage will be less if uptake and therefore benefits are less.

Ministry for Regulation peer review of calculations

The Ministry for Regulation peer reviewed the methodologies for calculating the benefits and costs for increasing vehicle payloads. The Ministry for Regulation noted that the analytical approach is sound and that:

- the estimates around fuel savings should be treated as a maximum upper bound; and
- the estimates of infrastructure costs have multiple assumptions in them that means the analysis may understate the potential maintenance costs.



Regulatory Impact Statement: Regulatory Relief to Reduce Fuel Consumption

Decision sought	Analysis produced for the purpose of informing Ministerial Oversight Group (MOG) decisions on regulatory relief options to reduce fuel consumption
Agency responsible	Ministry of Transport
Proposing Ministers	Minister of Transport
Date finalised	14 May 2026

Cabinet directed officials to explore a set of options for temporary regulatory relief to allow fuel users to reduce their fuel consumption, as part of the National Fuel Response Plan 2026 (the Plan). The proposals developed by the Ministry include:

- Proposal 1: allowing heavier payloads for heavy vehicles
- Proposal 2: relaxing access restrictions for overdimension vehicles, and
- Proposal 3: reducing open-road speed limits.

We also considered accelerating implementation of some permanent changes proposed in the Heavy Vehicle Productivity workstream of the Land Transport Rules Reform Programme as they were identified as being potentially complementary to Cabinet's fuel use reduction objective by reducing regulatory burden for a key industry. These proposals include:

- removing the requirement for a 50MAX permit
- removing the permit requirement for unladen high productivity motor vehicle (HPMV) rental vehicles repositioning between depots or to customers
- allowing Class 1 licence holders to drive heavier zero-emission light freight vehicles (including exempting from Transport Service Licence goods service licence requirements)
- allowing Class 2 licence holders to drive heavier electric buses.

Regulatory Impact Statements for the Heavy Vehicle Productivity changes are available on the Ministry of Transport's website.

Summary: Problem definition and options

What is the policy problem?

The closure of the Strait of Hormuz has driven fuel prices higher and created a risk of diesel shortage. The Government has activated Phase One of the Plan, which focuses on price signals reducing demand. Higher phases of the Plan would see a step-change in government intervention in the economy with significant economic and social consequences and should be avoided for as long as possible. Regulatory relief and other demand-side measures at Phases One and Two aim to avoid (or delay) a move to higher phases.

Road freight runs almost entirely on diesel and demand is inelastic: operators cannot quickly switch fuel or mode. Current land transport rules limit the weight heavy vehicles can carry and restrict when and where oversized vehicles can travel. These rules protect roads and support road safety for road users, but in a fuel crisis they also prevent trucks from being more efficient by limiting the amount of freight that can be carried in a single trip or preventing operators from using a more fuel-efficient route.

Several Australian states (e.g., New South Wales¹ and South Australia²) have introduced measures to allow heavier payloads, longer vehicles, and expanded road network access for freight operators, though many of these are initiatives that were already planned prior to the fuel crisis (for objectives including sector productivity) that have been brought forward.

Motor vehicles are generally more fuel-efficient at a lower speed, such as 90 or 80km/h, when compared to higher speeds, such as at 110 or 100km/h.

What is the policy objective?

Cabinet directed officials to prepare advice on transport-related regulatory relief proposals. The policy objective was to reduce fuel consumption in line with a Phase Two response.³ Changes must be targeted, timely, and temporary, and should not create immediate risks to health and safety.

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

Officials assessed eight payload options, nine overdimension travel options and four speed-related options.

Payload options ranged from broad increases to general access vehicles through to targeted increases for specific permit classes (HPMV higher mass vehicles and 50MAX), with weight increases varying from modest (two tonnes/4%) to significant (up to 14 tonnes/30%). Overdimension options focused on relaxing weekend and public holiday travel time restrictions and expanding access to motorways and toll roads. Officials assessed two speed options (80km/h and 90km/h) and two implementation approaches (changing speed limits including posted signs or introducing a maximum travel speed for all vehicle types on open-roads without changing signs). No non-regulatory options were identified.

Officials have assessed options against three equally weighted criteria: how much fuel they save, their impact on infrastructure, and how quickly they can be implemented for a temporary period. For overdimension options, we have also assessed against effect on congestion. These criteria were chosen as they determine whether an option meets the policy objective, the cost and infrastructure constraints of the option, and the ability for the option to be implemented. Other potential criteria, such as productivity and cost savings, have been excluded as they do not relate to the policy objective. However, other potential criteria are being considered as part of the longer-term review of the Land Transport Rule: Vehicle Dimensions and Mass 2016.

For the speed limits proposal, the two speed options were assessed against fuel savings. The two implementation approaches were then assessed against four additional criteria: timeliness (how quickly the change can be brought into force), cost (how much it will cost to implement), enforceability (whether the approach can be effectively enforced), and clarity (whether the approach is clear to the public).

What consultation has been undertaken?

¹ www.transport.nsw.gov.au/system/files/media/documents/2026/heavy-vehicle-access-april-2026-fact-sheet.pdf

² www.premier.sa.gov.au/media-releases/news-items/fast-tracked-freight-reform-to-reduce-fuel-costs

³ www.beehive.govt.nz/sites/default/files/2026-03/Fuel%20Response%20Plan%20factsheets.pdf

Officials held targeted consultation with freight industry representatives, Police, and Road Controlling Authorities (RCAs) in April 2026, with written follow-up.

For payload changes: there was broad support for modest increases. Stakeholders flagged risks to bridge capacity, enforcement resourcing, and that many vehicles are certified at their original permit weight — meaning re-certification may be needed before some operators can take up higher limits.

For overdimension changes: there was broad support with minimal concerns. Auckland Transport asked to work with NZ Transport Agency Waka Kotahi (NZTA) to confirm motorway routes before changes are finalised. Stakeholders noted operational efficiency gains but acknowledged the impact on total fuel consumption would be limited given the small size of this fleet.

For the speed limit changes: industry raised concerns about the impact of lower speeds on travel times and potential disruptions to scheduled passenger and freight services. Some heavy vehicle operators supported a reduction to 90km/h, to improve traffic flows. RCAs noted that the reduced speeds could have positive safety effects.

There has been no public consultation on the options presented in this Regulatory Impact Statement. These options were publicly announced on 27 April 2026 via a joint press release from the Minister for Regulation and the Minister of Transport⁴ prior to the Ministry of Transport's initial analysis being completed.

Officials do not recommend progressing with the payload options or changes to overdimension travel time restrictions as part of the fuel response as the estimated costs significantly outweigh the estimated benefits. However, these options are being considered as part of the longer-term review of the Land Transport Rule: Vehicle Dimensions and Mass 2016 which aims to improve heavy vehicle productivity.

Officials can see fuel saving benefits from relaxing restrictions on overdimension access to Auckland motorways, and from progressing with the open-road speed limit reduction of 80km/h. **The preferred option in the Cabinet paper is not the same as the preferred option in the RIS. The Cabinet paper has overdimension proposals (access to motorways) activated at Phase Two of the Plan, and payload and speed limit proposals at Phase Four.**

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

For changes to payloads, the primary cost is damage to the road network (i.e., pavements and bridges) falling on RCAs (NZTA for state highways, local councils for local roads). Infrastructure damage is estimated at \$153 million for a six-month temporary change, though this is sensitive to a range of assumptions (see Limitations and Constraints on Analysis section below). Implementation costs (e.g. IT updates) have been assessed as low and can be absorbed within current NZTA resourcing. The cost to NZTA and other RCAs of completing bridge assessments is unknown, as is the cost of the consequential mitigation actions required to support bridge capacity. Additional funding will likely be required to meet these costs, particularly for local RCAs

⁴ www.beehive.govt.nz/release/government-acts-regulatory-feedback-boost-fuel-resilience

– the mechanism for providing any funding has not yet been considered and the funding required has not been estimated.

For the overdimension changes, the primary costs are increased congestion. Allowing overdimension vehicles to travel throughout previously restricted areas risks adding to traffic volumes at times when roads are already under pressure. These costs could not be quantified due to limited data on overdimension journey volumes and routes but have been assessed as low given the small size of the overdimension fleet.

There are expected to be costs on road users from the speed limit proposals through increased travel time on long journeys. Increased travel time could impact the ability of heavy vehicle drivers to complete the same number of journeys within the maximum work time laws they operate within. These costs have not been quantified due to the uncertainty in travel behaviour at Phase Four. There may be additional work for NZTA and Police if infringement fees are challenged due to people following the posted speed limit sign (110km/h, 100km/h or 90km/h) rather than the maximum travel speed (80km/h) on certain roads. These costs have not been quantified due to uncertainty of travel behaviour in Phase Four and the compliance with the proposed change.

Benefits (Core information)

We have focused on fuel savings benefits, given the context of the Plan, though some of the proposals would also have other benefits.

The two payload changes are estimated to save up to 16.2 million litres of diesel over six months at full uptake — roughly 1.5 days of national supply, though this is sensitive to a range of assumptions (see Limitations and Constraints on Analysis section below). Benefits flow primarily to freight operators through lower fuel use, which may be passed on to customers through lower freight prices. We have not included productivity and staff labour costs in our analysis, for the reason above.

Overdimension benefits cannot be monetised due to limited data, but have been assessed as low given the size of the cohort to which the changes apply.

Initial modelling suggests fuel savings of 2.3 percent (34 million fewer litres used, equivalent to 4.2 days) for petrol and 2.9 percent for diesel (50 million fewer litres used, equivalent to 4.7 days) if speed limits were changed to 80km/h for a six-month period. We have not estimated the safety benefits of the preferred option. However, reducing speed limits would likely result in a reduction in the average speed on these roads. When the average speed decreases, the risk of fatal and serious crashes also decreases.

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?

Our high-level analysis suggests that benefits are unlikely to outweigh the costs for increases to heavy vehicle payloads given the current price of diesel. The benefits are only predicted to match the costs if the price of diesel increased over threefold. While some options are expected to deliver significant fuel reductions, the potential additional damage to the network is expected to significantly outweigh the benefits of these fuel reductions at Phase Two of the Plan, which is the basis for this assessment (see Limitations and Constraints on Analysis section below). At Phase Four, which is when the Government has decided to activate this proposal, the benefits are likely to be significantly different. For example, we expect the cost of diesel to be much higher and the need to conserve supply more pressing, but we also expect overall usage of fuel to be lower due to elevated prices. However, uncertainty about diesel prices and changes in driver

behaviour/freight task at that stage mean we cannot predict whether the monetised benefits would outweigh the costs at that stage.

For changes to access restrictions, the balance of benefits and costs is difficult to determine. Many of these benefits and costs cannot be quantified due to insufficient data on overdimension vehicles, journeys, and/or fuel consumption. Allowing access to Auckland motorways appears more likely to reduce fuel consumption than relaxing travel time restrictions, as allowing vehicles to take shorter, more direct routes with fewer intersections and stops would directly reduce the fuel needed to complete these journeys. These fuel savings could be material for the industry sector affected but are not expected to materially affect national diesel supply.

For the speed limits proposal, the benefit of the fuel savings and potential safety improvements are expected to outweigh the increased travel time. As the change for heavy vehicles is only a 10km/h reduction in the maximum travel speed, the increased travel time is not expected to be as great as for light vehicles.

Implementation

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

Changes would be implemented through amendments to rules and regulations made by an Order in Council process on the recommendation of the Minister of Transport. Most changes are expected to be able to be ready to be activated from early July, but would only be triggered by a move to the relevant phase, and remain in effect while fuel response measures are needed.

For heavier payloads, NZTA and other RCAs will need to complete bridge assessments across both state highways and local roads to confirm the approved networks and any mitigations or exclusions before the changes can come into effect. Officials intend to undertake this assessment in phases, so a core network is available quickly, with the opportunity to expand over time as bridge assessments are completed. While the intent is to exclude vehicles that pose an unacceptable risk to bridge infrastructure, the residual risk cannot be fully eliminated. However, this risk currently exists where NZTA and RCAs hold responsibility for ongoing bridge monitoring. It could be partially mitigated through increased monitoring frequency, though this would carry additional cost. It may also be exacerbated by noncompliance, given the reduced safety margin, and we recommend that increased penalties for noncompliance be considered as a further mitigation measure.

For the speed limits proposal, the Ministerial Economic Security and Supply Chains Group has indicated a preferred approach of not changing speed limit signage. As such, this proposal will rely heavily on public messaging to be effective. We expect the Government and NZTA to lead on public messaging.

NZTA has signalled that initial implementation activities can be achieved with minimal impact and can be managed within current resourcing assuming these are temporary changes for a short time. RCAs may require additional funding for initial bridge assessments. Ongoing assessment and management of bridge capacity by NZTA and other RCAs will have resourcing implications and costs that would depend on how long the temporary measures were in place. While this would be a significant amount of work, the findings would also inform the longer-term review of the Land Transport Rule: Vehicle Dimensions and Mass 2016.

As non-compliance could be an issue, officials are working with Police and NZTA on a credible enforcement plan, including possible temporary increases to overloading penalties, given the shortage of weighbridges and the stronger financial incentive to overload at elevated fuel prices.

Limitations and Constraints on Analysis

These proposals were developed quickly, limiting our ability to consult widely or conduct detailed analysis. As a result, there are several risks:

- **Actual bridge capacity** – A high-level assessment of state highway bridge capacity was undertaken to support this analysis. Further work is required to confirm bridge capacity on both the state highway and local road networks. There is a risk that actual bridge capacity, particularly on local roads, cannot support the increased payloads. This could result in the proposal being implemented on a smaller network, or with lower additional weight allowances, than anticipated – resulting in smaller benefits. We have not assessed the proposals based on safety, as the intent is to limit the network in question to where bridge assessments indicate bridge capacity is sufficient; however, even with these assessments, there is a risk of bridge damage or bridge collapse, both of which would have significant safety and cost implications and would result in road closures. The increased payloads also mean the consequences of operators illegally surpassing their new permitted payload limits could be more severe.
- **Uptake of additional payload** – Operators’ decisions on when and how to transport freight are influenced by a range of factors other than vehicle mass limits including demand, available vehicle combinations, and the price of inputs such as labour, fuel and Road User Charges (RUC). While industry have indicated the proposed increases would be taken up by them, uptake could be lower than indicated in this analysis.
- **Achievable fuel savings** – Our analysis assumes that the freight task is fixed and additional payload will lead to a corresponding decrease in trips taken – based on initial industry consultation. However, there is a risk that, in some cases/sectors, time saved in delivering the current freight task will be redirected into transporting additional freight, thereby negating fuel savings.
- **Damage to the network** – This analysis assumes an average rate of damage to the network for the increased payloads, which does not reflect the reality of the network where impact will depend on existing road quality and condition. Depending on what routes additional payloads travel, damage to the network may be higher or lower than indicated in this analysis.
- **Enforcement and compliance:** Because existing speed signs will not change, compliance with the lower speed limit may be lower than anticipated leading to less fuel savings or increased administrative costs where infringements are challenged. This risk can be managed through careful public communication.

We have assessed all the options for implementation at Phase Two of the Plan, as that was the initial direction from Ministers. Ministers subsequently chose to reserve most changes for activation at Phase Four, we have not had sufficient time to incorporate this decision into this analysis.

For the speed limits proposal, our estimates rely on theoretical vehicle operating and fuel consumption models rather than actual on-road fuel consumption, so they may not reflect real-world usage. Temporary changes in speed limits may result in lower compliance than permanent changes, so our estimates might be overstated.

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:



Laura Bender
Acting Manager Regulatory Reform
14 May 2026

Quality Assurance Statement	
Reviewing Agency: Ministry of Transport	QA rating: Does not meet
Panel Comment: The panel considers the information and analysis summarised in this Regulatory Impact Statement does not meet the Quality Assurance criteria for the purpose of informing Cabinet decisions. The panel considers the proposals recommended do not align well with the policy objective of reducing fuel consumption and the costs outweigh the benefits. There are also gaps in data and knowledge and risks for non-compliance and enforcement. The version reviewed by the Ministry of Transport quality assurance panel did not include the changes to speed limits.	

Section 1: Diagnosing the policy problem

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

New Zealand is vulnerable to international disruptions to fuel supply and distribution. Transport fuel (especially diesel and jet fuel) is imported as a finished product, and supply chains are “just-in-time” with limited storage. The closure of the Strait of Hormuz has driven spikes in fuel prices and poses the risk of fuel shortages. This has prompted a move onto New Zealand’s National Fuel Response Plan 2026 (the Plan).

In Phase Two of the Plan, prices continue to do the heavy lifting. Price signals have reduced demand, but demand for diesel is highly inelastic, as it is an essential input for many industries, including road freight. At Phase Two, every effort must be made to avoid or delay the need for a move to Phase Three, which would involve a step-change in the level of government intervention in the economy and come with significant economic and social consequences.

Cabinet has directed government agencies to progress work on regulatory measures that could reduce fuel consumption. The Ministry of Transport has identified opportunities to allow fuel users to reduce their consumption, informed by existing policy work, targeted industry consultation, and the public (via the Ministry for Regulation’s fuel response tipline).

Outside of the fuel response, the Government has committed to other changes for heavy vehicle regulation through the Land Transport Rules Reform programme. Changes include reducing unnecessary compliance costs through the Heavy Vehicle Productivity workstream and the longer-term review of the Land Transport Rule: Vehicle Dimensions and Mass 2016.

A background of the heavy vehicle environment is included in Annex 1 of this RIS.

What is the policy problem or opportunity?

Some regulatory requirements reduce heavy vehicle productivity and fuel efficiency to manage infrastructure and safety costs and risks as well as travel time. In the context of the current

disruption to fuel supply, changes to current requirements could be justified to prioritise more fuel efficiency.

Mass limits

The Vehicle Dimensions and Mass Rule 2016 sets general access limits that allow vehicles to use the entire road network (with rare restrictions such as for low bridge clearances or for weaker bridges). Most vehicles are allowed a gross vehicle mass (GVM) of 44 tonnes, which increases to 45 tonnes or 46 tonnes for longer vehicles with 7 and 8 axles respectively.

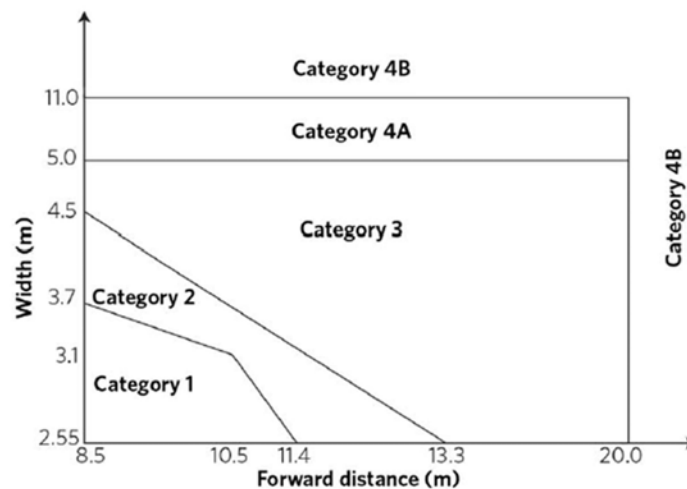
The rule also allows vehicles to exceed these general access limits if they are permitted to do so by NZTA and/or other RCAs. This includes HPMVs which typically have combinations with 8 or more axles and can be permitted to travel with a GVM of up to 62 tonnes. HPMV permits can be issued for 50MAX vehicles and higher mass vehicles. Permits restrict which routes on the national road network that operators can travel on (50MAX permits allow for greater access to the road network than HPMV higher mass permits). Further detail on mass limits is included in Annex 1 of this RIS.

Travel time and access restrictions

Overdimension vehicles are vehicles other than HPMVs or vehicles operating on a road construction zone that exceed the maximum dimensions allowed for standard vehicles. To be considered overdimension, a load must be indivisible.⁵

Overdimension vehicles and loads are categorised into either Category 1, 2, 3, or 4. The Category depends on the extent to which a vehicle exceeds standard width, forward distance, length, and front or rear overhang dimensions. Each Category is larger than the previous one, requiring more road space to manoeuvre on the network, and some categories have sub-classifications with slightly different dimension requirements. Categories are summarised in Figure 1 below:

Figure 1. Overdimension Category based on width and forward distance⁶



A vehicle with an overdimension permit must, when available, use a designated overdimension route to ensure it can safely fit on the road. Overdimension routes have been identified by RCAs in

⁵ Indivisible load means a load that cannot reasonably (without disproportionate effort, expense or risk of damage to the load) have its size reduced or be divided into two or more sections for road transport

⁶ www.nzta.govt.nz/commercial-driving/permits/overweight-permits/types-of-overdimension-vehicles-and-loads

consultation with the road transport industry, engineers and planners. Schedule 8 of the VDAM rule restricts overdimension vehicles from using Auckland motorways and toll roads, except where specifically authorised to do so.

Overdimension vehicles have previously been authorised to travel on two of the three toll roads in New Zealand, but they are currently still prohibited from using SH29 Takitimu Drive toll road, which could provide a more direct and fuel-efficient route for overdimension vehicles travelling to and from the Port of Tauranga and other regional destinations.

Overdimension vehicles that exceed 3.1m in width or 4.3m in height are currently prohibited from using Auckland motorways, except for some sections of the motorway network that are specifically permitted. The heavy vehicles industry has identified several currently restricted sections of the Auckland motorway network could allow them to make more direct and efficient trips across the Auckland region. These sections are:

- SH20A Kirkbride Road to The Landing,
- SH16 St Luke's Interchange to the western end of the motorway,
- SH18 from Albany Highway to SH1 Interchange,
- SH1/SH18 Interchange to Dairy Flat Highway, and
- SH1 from the Drury Interchange to the southern end of the Motorway.

Allowing these vehicles to use more sections of these roads could reduce fuel consumption. For many of these sections, the current route for operators is on local roads, which may be less efficient and increase the amount of traffic management required.

Overdimension vehicles are also prohibited from travelling at certain times of day on weekdays and weekends, and during public holiday periods. Industry has highlighted that current travel time restrictions prohibit travel during time periods with low levels of congestion. These restrictions may also require them to split one movement into multiple trips or use a less efficient route, which limits their efficiency. This can increase fuel consumption by adding extra kilometres and repeated start-stop, idling, and escort movements (where required). This effect is multiplied because some overdimension movements must be accompanied by load pilot vehicles to manage traffic and ensure safety.

Speed limit reductions

For the speed limits proposal, motor vehicles are generally more fuel-efficient at 90 or 80km/h compared to at 110 or 100km/h. Current speed limits represent a balance between travel time and other factors like fuel efficiency and safety, which could be reconsidered in the context of a fuel shortage.

What objectives are sought in relation to the policy problem?

The objective of the changes is to reduce fuel consumption in line with a Phase Two response in the Plan.

What consultation has been undertaken?

Ministry and NZTA officials undertook targeted consultation with industry representatives, Police, Maritime New Zealand and RCAs on a range of potential changes to reduce fuel consumption (a full list of consulted industry representatives and RCAs is provided in Annex 2). As we were requested to

provide advice in a short timeframe, this occurred over a two-day period and included an opportunity for stakeholders to provide written feedback following a presentation by officials. Time constraints limited the amount of detail stakeholders were able to provide.

Section 2: Assessing options to address the policy problem

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

It is important that any changes are effective at reducing fuel consumption and can be implemented relatively quickly. However, it is likely that increasing payloads would increase wear on the road network and the risk of damage. Therefore, all heavy vehicle options are considered against the criteria of:

- Fuel reduction: the degree to which the change allows industry to reduce its fuel consumption
- Infrastructure: whether the change is possible within constraints of the road network (particularly bridge capacity) and/or what additional damage is experienced by the network
- Implementation: whether the change can be implemented quickly.

For the proposal to relax time and access restrictions, an additional criterion is included:

- Congestion: impact on congestion.

For the speed limits proposal, the options of reducing open-road speed limits are assessed against the fuel savings. The two implementation approaches for either option were assessed against the following criteria:

- Timeliness – how quickly can the change be brought into force?
- Cost – how much will the change cost to implement?
- Enforceability – is the approach enforceable?
- Clarity – is the approach clear to the public?

While safety is not an explicit criterion, we have discounted options where technical experts advise the additional safety risk is unacceptable based on the Government's direction that regulatory relief measures should not create immediate risks to health and safety or other relevant concerns.

What scope will options be considered within?

Cabinet directed officials to explore a set of options for regulatory relief. These options were informed by existing policy work already underway, industry input, and the public via the Ministry for Regulation's fuel response tipline.

This Regulatory Impact Statement focuses on the three proposals we have identified as most likely to deliver on the fuel use reduction objective:

- Proposal 1: Allowing heavier payloads for heavy vehicles
- Proposal 2: Relaxing travel time and access restrictions for overdimension vehicles
- Proposal 3: Reducing speed limits

Other changes were considered but were discounted. These are summarised in Table 1 below.

Table 1. Summary of discounted changes

Proposal	Reason for discounting
Enabling fuel-saving vehicle parts or features	Only a small portion of the fleet already has access to the relevant parts or features. For those that don't, investing in new equipment for a temporary measure is unlikely to make commercial sense.
Priority lane access for heavy vehicles	The extent of any fuel-saving benefits depends on congestion rates. Further, this proposal presents safety risks for cyclists, motorcyclists, and other special vehicle lane users.
Temporarily allowing longer trailer lengths and HPMV configurations on approved routes.	This would benefit a very small cohort. Significant research and testing would be required to configure specialist combinations and select appropriate routes. These factors would be considerable barriers to implementation.

What options are being considered for heavier payloads (Proposal 1)?

We developed a range of options by considering changes for specific freight movements (e.g., fuel) and considering different networks and routes. We also considered other jurisdictions fuel crisis responses, particularly Australia. These options are summarised in Table 2 below.

None of the options included are expected to have material negative effects on safety, subject to NZTA and other RCAs identifying and implementing the necessary mitigations to manage bridge capacity and identifying high-risk bridges to be excluded from the routes available to vehicles with heavier payloads. This is because:

- **Current weight thresholds are focused primarily on mitigating damage to pavements not safety** and are set much lower than is necessary from a safety perspective. For example, manufacturer GVM is typically much higher than what is currently allowed for through New Zealand regulations.
- **Core safety requirements are not being changed.** This includes dimension requirements and speed limits.
- **Most safety requirements are linked to a vehicle's GVM** (e.g., static roll threshold) and will therefore be updated through changes to the VDAM rule or as part of implementation. However, increased loads may slightly affect the stability and handling control for some vehicles.

There is a risk that, even with bridge mitigation measures being put in place, significant bridge damage or bridge collapse will occur, which would have significant cost and safety implications and would result in road closures. This risk exists already but is exacerbated by any increase to weight limits, particularly if operators choose to illegally overload their vehicles further beyond the temporary increases to weight limits.

Any negative safety effects would be at least partially offset by reduced exposure from fewer trips. There may be a small cohort of vehicles that will be restricted in their ability to take up the high mass limits because of these existing safety restrictions.

Table 2. Summary of options to increase heavier payloads

Option	Description	Route restrictions	Additional details	Rationale for option
1	Increase general access mass limits by a small amount (capped at +1T) based on length.	50MAX network.	General access axle loading limits would increase to allow for greater gross mass. These vehicles typically carry packaged goods (e.g. supermarket), refrigerated goods, produce/fresh food, containers, livestock.	Allows a moderate cohort (up to ~20% of the freight task) to increase payloads on routes with confirmed bridge capacity.
2.1	Increase mass limits for HPMV higher mass permitted vehicles by 4% (~2T) (capped at 62T).	HPMV approved routes (excluding/restricting access to <100 higher risk state highway bridges ⁷).	Maximum axle masses for HPMV permitted vehicles would increase to allow for greater gross mass. Operators would be required to purchase RUC for the higher mass where relevant.	Allows nearly all HPMV permitted vehicles to moderately increase payloads on routes with confirmed bridge capacity.
2.2	Increase mass limits for HPMV higher mass permitted vehicles up to 58T.	HPMV approved routes (excluding >27% higher risk state highway bridges).	These vehicles typically carry logs, bulk dairy, aggregate/construction materials, and heavy bulk commodities.	Allows nearly all HPMV permitted vehicles to significantly increase payloads on routes with confirmed bridge capacity.
2.3	Increase mass limits for HPMV higher mass permitted vehicles up to 54T.	HPMV approved routes (excluding >21% higher risk state highway bridges).		Allows a moderate amount of HPMV permitted vehicles (~25%) to moderately increase payloads on routes with confirmed bridge capacity.
3.1	Increase mass limits for 50MAX permitted vehicles up to 55T.	50MAX network (excluding ~6% of higher risk state highway bridges ⁵).	Maximum axle masses for HPMV permitted vehicles would increase to allow for greater gross mass. Operators would be required to purchase RUC for the higher mass where relevant.	Allows all 50MAX permitted vehicles to significantly increase payloads on routes with confirmed bridge capacity. 50MAX permitted vehicles allow operators to carry increased payloads on parts of the network that, while economically important, are unable to carry other HPMVs due to bridge capacity constraints.
3.2	Increase mass limits for 50MAX permitted vehicles up to 52T.	50MAX network (excluding some higher risk state highway bridges expected to be less than the ~6% for Option 3.1 ⁵).	These vehicles typically carry milk, logs, bulk agricultural goods, and general freight.	
4	Increase mass limits for fuel tankers by 10%.	50MAX network.	Axle masses for fuel tankers would increase to allow for greater gross mass.	Allows all fuel tankers (~350) to increase the volume of fuel carried by taking advantage of spare capacity that allows for thermal expansion. Supports ongoing fuel supply.
5	Increase general access limits for vehicles carrying specified commodities.	Restricted to routes between specific origins and destinations.	-	Allows an important cohort to increase the efficiency of their freight movements given they typically avoid urban areas.
6	Increase general access limits to 62T.	Tightly restricted to key networks/routes.	-	Allows all vehicles to significantly increase payloads in networks/on routes with confirmed bridge capacity.
7	Increase general access limits for low and zero emission heavy vehicles.	50MAX network.	-	Allows very fuel-efficient, electric, and hydrogen fuel cell vehicles to increase their payloads, reducing demand for diesel.
8	Allow specific, non-standard vehicle combinations to carry increased loads.	NZTA and/or local RCA permitted routes on a case-by-case basis.	Operators would be required to apply for a permit for NZTA and/or local RCAs.	Allows vehicles carrying non-freight overdimension loads to also carry general freight to improve freight sector efficiency.

⁷ Higher risk state highway bridges are bridges which have been assessed as being unable to accommodate vehicles with higher payloads.

How do the changes to heavier payloads compare to status quo?

The assessment of these options was based on input from a range of sources, including NZTA Structures Management Consultants (for bridges) and heavy vehicle technical experts. Fuel savings were modelled using RUC licence and Motor Vehicle Registry data and the Ministry of Transport cost allocation model for loading factors. All fuel savings are modelled based on changes being in place for six months and represent an estimated maximum on the potential savings. The assessment of the options for heavier payloads at Phase Two against the status quo is presented in Table 3. A summary of how the costs and benefits were estimated is provided in Annex 3.

Table 3. Assessment of the options for heavier payloads

Option	Fuel reduction	Infrastructure	Implementation
Status Quo	n/a	n/a	n/a
1 (general access +1T)	0 Minimal decrease in fuel usage as this option provides vehicles responsible for about 20% of the freight task with only a small increase in at most one tonne or about 2% for a 44-tonne vehicle. Many of these vehicles are also restricted by volume rather than by weight further limiting uptake of additional allowable payload.	- Some additional damage to the network both to pavements and bridges/bridge components primarily due to these vehicles having less axles and shorter axle spacing.	- Changes are relatively minor and apply to a network that is established and well understood. Ongoing mitigation measures, such as increase bridge inspections and additional bridge restrictions, would be required. No changes required to permits as this applies to vehicles operating under general access.
2.1 (increase HPMV +4%)	++ Fuel savings are estimated at up to 5.6 million litres for a six-month change (equivalent to 0.5 days' worth of diesel) based on 100 percent uptake of the new payload allowance. Material decrease in fuel usage as this option provides nearly all HPMV higher mass permitted vehicles with a moderate increase in payload of 2 tonnes or 4 percent.	- Some additional damage to the network both to pavements and bridges/bridge components due to heavier axle loads. Some state highway bridges (<100) have been initially assessed as unable to carry the additional load or requiring additional restrictions. Initial estimates indicate a six-month change could lead to an additional \$40 million worth of damage to the road network.	- Changes required to existing permits and further work with RCAs to develop an approved network. Ongoing mitigation measures, such as increase bridge inspections and additional bridge restrictions, would be required. Changes required to existing permits.
2.2 (increase HPMV to 58T)	++ Initial modelling indicated that the fuel savings from this option were in the order of millions of litres in line with the level of fuel savings described above for Option 2.1.	-- Significant damage expected to the network, particularly to bridges, due to heavier axle loads. At least 27% of state highway bridges assessed as unable to carry the additional load.	-- Changes are significant with a considerable amount of assessment needed to develop an approved network based on bridge capacity. Ongoing mitigation measures, such as increase bridge inspections and additional bridge restrictions, would be required. Changes required to existing permits.
2.3 (increase HPMV to 54T)	++ Initial modelling indicated that the fuel savings from this option were in the order of millions of litres in line with the level of fuel savings described above for Option 2.1.	-- Significant damage expected to the network, particularly to bridges, due to heavier axle loads. At least 21% of state highway bridges assessed as unable to carry the additional load.	-- Changes are significant with a considerable amount of assessment needed to develop an approved network based on bridge capacity. Ongoing mitigation measures, such as increase bridge inspections and additional bridge restrictions, would be required. Changes required to existing permits.
3.1 (increase 50MAX +10%)	++ Fuel savings are estimated at up to 10.6 million litres for a six-month change (equivalent to 1.0 days' worth of diesel) based on 100% uptake of the new payload allowance. This material decrease in fuel usage is a result of this option providing all 50MAX permitted vehicles with a significant increase in payload of 5 tonnes or 10%.	- Some additional damage to the network both to pavements and bridges/bridge components due to heavier axle loads. Some state highway bridges (~6%) have been initially assessed as unable to carry the additional load. Initial estimates indicate a six-month change could lead to an additional \$113 million worth of damage to the road network.	- Changes required to existing permits and further work with RCAs to develop an approved network. Ongoing mitigation measures, such as increase bridge inspections and additional bridge restrictions, would be required. Changes required to existing permits.

3.2 (increase 50MAX +4%)	++ Fuel savings are estimated at up to 5.3 million litres for a six-month change (equivalent to 0.5 days' worth of diesel) based on 100% uptake of the new payload allowance. This material decrease in fuel usage is a result of this option providing all 50MAX permitted vehicles with a moderate increase in payload of 2 tonnes or 4%.	- Some additional damage to the network both to pavements and bridges/bridge components due to heavier axle loads. Some state highway bridges may be assessed as unable to carry the additional load, but we would expect this to be less than under Option 3.1.	- Changes required to existing permits and further work with RCAs to develop an approved network. Ongoing mitigation measures, such as increase bridge inspections and additional bridge restrictions, would be required. Changes required to existing permits.
4 (increase fuel tanker mass +10%)	0 Minimal decreases in fuel expected as the increased payload applies to a limited number of vehicles (approximately 350). There may be a benefit of supporting supply capacity, but this would be constrained by restrictions on the movement of dangerous goods.	0 Some additional damage to the network expected but minimal overall given number of vehicles involved.	- Additional work would be required to determine how to operationalise this increase as transport regulations and systems currently do not separately identify fuel tankers.
5 (increase mass for commodities)	+ Some fuel savings expected as this option could provide a material number of vehicles with an increase in payload of the order of 5-10%.	- Some additional damage to the network expected both to pavements and bridges/bridge components due to heavier axle loads.	-- Likely to require a considerable amount of assessment to develop an approved network or routes based on bridge capacity. Ongoing mitigation measures, such as increase bridge inspections and additional bridge restrictions, would be required. Changes are likely required to some existing permits. Further work would be needed to determine how to operationalise this increase, as transport regulations and systems currently do not distinguish loads based on what commodity they are carrying.
6 (increase general access to 62T)	+ Some fuel savings expected based on the size of the increase and the large cohort to which it would apply, but any decreased in fuel would be limited by uptake based on whether meaningful routes could be developed.	-- Significant damage expected to the network, with many bridges unable to carry the additional load. It is likely that bridge restrictions would severely reduce the number of useful routes that could be developed.	-- Likely to require a considerable amount of assessment to develop an approved network or routes based on bridge capacity.
7 (increase general access for low/zero-emission)	0 Although this option incentivises using zero-emission vehicles, only minimal decreases in fuel use are expected as the cohort is small. ⁸	0 Some additional damage to the network expected but minimal overall given number of vehicles involved.	0 Changes are relatively minor and cohort is identifiable and well-understood.
8 (allow non-standard configurations to carry general freight)	0 Minimal decreases in fuel expected as there is already some flexibility for these vehicles to carry divisible loads and the cohort is small and likely less fuel-efficient for transporting the most common types of freight.	0 Some additional damage to the network expected but minimal overall given number of vehicles involved.	- Requires additional resourcing to process permit requests.

Key for qualitative judgements:

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

⁸278 zero emission heavy goods vehicles in 2024 (~0.16% of fleet) (~57% <10T GVM)

What consultation has been undertaken on heavier payloads

There was broad support for some form of mass increase across industry and RCAs. More modest increases were preferred as they are less stressful on infrastructure and more achievable at pace. Several submitters considered larger proposed increases as overly ambitious, with bridges and culverts identified as a binding constraint. Concerns were also raised about whether ferry and port infrastructure could safely accommodate heavier axle loads. Pavement wear was flagged as a significant cost for RCAs.

Police saw options to increase general access limits as higher risk than permitted vehicle options, because general access vehicles are not subject to modern braking requirements (anti-lock braking systems/electronic braking systems).

One submitter noted operational challenges from increasing mass limits for permitted vehicles. Many permitted 50MAX and HPMV vehicles were certified based on their original permit weight rather than full manufacturer GVM/gross combination mass (GCM). Some of the fleet may therefore require re-certification before accessing higher limits, which could limit the ability for operators of those vehicles to implement changes quickly.

Submitters also raised concerns about enforcement, noting a shortage of weighbridges and safe stopping locations. A credible enforcement plan would be important to ensure the changes are enforced, especially as incentives for non-compliance may increase with rising fuel costs.

Differentiating mass increases based on commodity was seen as vulnerable to exploitation, with COVID-19 cited as a precedent.

Most promising heavier payload options

The most promising options for reducing fuel use are Option 2.1 and Option 3.1 as these options are expected to deliver fuel savings. However, these fuel savings would also result in significant damage to the network and there would be implementation costs and challenges.

If further analysis of bridge capacity, particularly on local roads, identifies significant restrictions on the size of the network available for 50MAX vehicles for Option 3.1, the maximum payload increase could be reduced to 4% (i.e. 52 tonnes for 50MAX vehicles as per Option 3.2) as this aligns with the increase proposed for Option 2.1.

These options would include a requirement for operators to report to NZTA and other RCAs on the use of the additional payload allowance. This would support monitoring the implementation and ongoing effects of the changes as well as inform a longer-term review of requirements in the Land Transport Rule: Vehicle Dimensions and Mass 2016.

Current settings for RUC would remain in place for these options. This means that in some cases operators that take up part or all of the additional payload allowance would be required to purchase RUC at a higher rate as they move into a heavier Type H bracket. This would support partially cost recovering the expected increase in damage to the network.

With the increase in payloads, it is important that operators are not overloading vehicles as this would put bridge capacity further at risk. Given this non-compliance risk, increased penalties were considered to strengthen the deterrence for overloading, but could not be investigated in the time available.

Discounted options

While larger increases to payloads could theoretically lead to greater fuel savings, initial bridge assessment indicates that a significant number of bridges would be unable to carry the additional load without significant damage to bridge components. The restrictions necessary to protect the network would likely limit uptake of heavier payloads and therefore potential fuel savings. This is particularly relevant when considering the local road component of a journey, e.g., first and last mile movements.

More targeted increases for specific vehicle types (low/zero-emission) or types of payloads (fuel, other commodities) are unlikely to deliver material fuel savings. These options are also more complex to implement as they require targeting increases to currently undefined cohorts and/or the development of bespoke routes or networks.

What changes to overdimension travel time and access restrictions (Proposal 2) are being considered?

Options in this group aim to improve fuel efficiency by allowing operators to transport overdimension loads during periods of low traffic congestion, and to use sections of motorways and toll roads that provide more direct routes with fewer stops than urban streets. To the extent that these proposals improve operational efficiency, they may also produce some marginal fuel savings. These options are presented below in Table 4.

Table 4. Options for relaxing overdimension travel time and access restrictions

Option	Description	Rationale
0	Status quo / do nothing	N/A
1	Remove 7am-9am and 4pm-6pm Monday to Friday travel time restrictions for Category 1 and 2 vehicles in city areas	Officials initially investigated whether relaxing travel time restrictions for overdimension vehicles could potentially reduce fuel consumption by giving operators greater flexibility to transport loads at different times of day, supporting more efficient fleet utilisation and allowing more travel to take place when traffic levels are low. Several options were based on proposals previously submitted by industry, which had not yet been assessed.
2	Remove the 10am-1pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles in city areas	
3	Remove the 4pm-7pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles in city areas	
4	Remove the 10am-1pm and 4pm-7pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles outside city areas	
5	Reduce the Sunday travel time restrictions for Category 3 vehicles from 12pm-10.30pm to 12pm-9pm (in city areas) and from 6pm-10.30pm to 6pm-9pm (outside city areas) [note: no change to restricted hours on Sunday mornings]	
6	Remove the additional time restrictions on Category 2 and 3 vehicles the day before a public holiday falling on a Sunday or a Monday	

Option	Description	Rationale
7	Allow Category 2 and 3 vehicles to travel between 9pm to midnight on Monday public holidays (currently no travel is allowed at any time on a Monday public holiday)	
8	Allow overdimension vehicles to travel on SH29 Takitimu Drive toll road	Officials initially considered that allowing overdimension loads to be transported via toll roads and Auckland motorways (instead of local roads) could potentially reduce fuel consumption by allowing operators to take shorter, more direct routes, with fewer stops at intersections. Officials investigated a selection of routes recommended by industry as having the greatest potential to improve fuel efficiency and reduce fuel consumption.
9	Allow overdimension vehicles to travel on additional Auckland motorway sections: <ul style="list-style-type: none"> • SH20 from Kirkbride Road to the Landing • SH16 from St Luke's Interchange to the western end of the motorway • SH18 from Albany Highway to SH1 Interchange • SH1 from Drury Interchange to southern end of motorway • SH1/SH18 Interchange to Dairy Flat Highway 	

How do changes to overdimension travel time and access restrictions compare to the status quo/counterfactual?

The assessment of these options was based on TomTom congestion data (for selected city areas), NZTA congestion data (for state highways), and advice from NZTA subject matter experts and industry stakeholders. Due to a lack of specific data on overdimension journey volumes or fuel consumption, the costs and benefits of these options cannot be modelled in detail. The options are summarised in Table 5.

Key for qualitative judgements:

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

Table 5. Options for Proposal 2 – Temporarily relaxing travel time and access restrictions for overdimension vehicles

Option	Description	Impact on congestion ⁹	Fuel reduction	Infrastructure	Implementation
0	Status quo / do nothing	0	0	0	0
1	Remove 7am-9am and 4pm-6pm Monday to Friday travel time restrictions for Category 1 and 2 vehicles in city areas	- May worsen 'rush hour' congestion by allowing oversized loads to be transported during weekday peak-time commuter traffic.	- Insufficient data to model fuel consumption. May marginally increase fuel consumption (for some journeys) due to potential increase in congestion.	0 This option does not increase road wear – it simply changes when movements can occur.	0 Minor changes required to guidance and enforcement approach.
2	Remove the 10am-1pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles in city areas	- May worsen weekend congestion by allowing oversized loads to be transported during the busiest hours of weekend traffic.	- Insufficient data to model fuel consumption. May marginally increase fuel consumption (for some journeys) due to potential increase in congestion.	0 This option does not increase road wear – it simply changes when movements can occur.	0 Minor changes required to guidance and enforcement approach.
3	Remove the 4pm-7pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles in city areas	0 Congestion benefits likely to be limited. Operators have existing rights to travel at less-congested times of day when traffic volumes are likely to be lower.	0 Insufficient data to model fuel consumption. Fuel savings (if any) for operators are unclear due to existing rights to travel outside these hours when traffic volumes are likely to be lower. Fuel savings (if any) at a national level likely to be negligible due to small number of affected vehicles.	0 This option does not increase road wear – it simply changes when movements can occur.	0 Minor changes required to guidance and enforcement approach.
4	Remove the 10am-1pm and 4pm-7pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles outside city areas	0 Unable to model due to lack of data on congestion outside city areas. Traffic data for cities and state highway network indicates that these hours may be busier than existing off-peak allowances.	0 Insufficient data to model fuel consumption. Fuel savings (if any) for operators are unclear due to existing rights to travel outside these hours when traffic volumes are likely to be even lower. Fuel savings (if any) at a national level likely to be negligible due to small number of affected vehicles.	0 This option does not increase road wear – it simply changes when movements can occur.	0 Minor changes required to guidance and enforcement approach.
5	Reduce the Sunday travel time restrictions for Category 3 vehicles from 12pm-10.30pm to 12pm-9pm (in city areas) and from 6pm-10.30pm to 6pm-9pm (outside city areas) <i>[note: no change to travel time restrictions on Sunday mornings]</i>	0 May marginally reduce congestion by allowing more overdimension journeys to be completed during late night hours. Net congestion benefits are likely to be very small / negligible at a national scale due to small number of affected vehicles.	0 Insufficient data to model fuel consumption. Fuel savings (if any) for operators are unclear due to existing rights to travel after 10.30pm when traffic levels are likely to be even lower. Fuel savings (if any) at a national level likely to be negligible due to small number of affected vehicles.	0 This option does not increase road wear – it simply changes when movements can occur. In the time available, we have not been able to assess the potential impact on late-night road maintenance works.	0 Minor changes required to guidance and enforcement approach.
6	Remove the additional time restrictions on Category 2 and 3 vehicles the day before a public holiday falling on a Sunday or a Monday	0 Congestion benefits likely to be limited. Operators have existing rights to travel at less-congested times of day when traffic volumes are likely to be lower. Weekend public holiday traffic levels have not been specifically assessed due to lack of data.	0 Insufficient data to model fuel consumption. Fuel savings (if any) for operators are unclear. Net fuel savings (if any) at a national level likely to be negligible due to small number of affected vehicles.	0 This option does not increase road wear – it simply changes when movements can occur.	0 Minor changes required to guidance and enforcement approach.
7	Allow Category 2 and 3 vehicles to travel between 9pm to midnight on Monday public holidays (currently no travel is allowed at any time on a Monday public holiday)	0 Congestion impacts unclear. Monday public holiday traffic levels have not been specifically assessed due to lack of data.	0 Insufficient data to model fuel consumption. Fuel savings (if any) for operators are unclear due to existing rights to travel after midnight when traffic levels are likely to be lower. Net fuel savings are expected to be negligible at a national scale due to small number of vehicles affected.	0 This option does not increase road wear – it simply changes when movements can occur.	0 Minor changes required to guidance and enforcement approach.
8	Allow overdimension vehicles to travel on SH29 Takitimu Drive toll road	+ May marginally reduce local congestion by diverting some overdimension loads from city streets onto a more direct toll road. Net congestion benefits are likely to be negligible at a national scale due to small number of affected vehicles.	+ Insufficient data to model fuel consumption. Some marginal fuel savings are expected for operators due to shorter routes with fewer stop-start intersections. Net fuel savings are expected to be negligible at a national scale due to small number of vehicles and small number of routes affected.	-- NZTA's engineering assessment has confirmed that overdimension vehicles cannot be safely accommodated on this road in 2026 due to ongoing construction works.	0 Minor changes required to guidance and enforcement approach.
9	Allow overdimension vehicles to travel on additional Auckland motorway sections	+ May marginally reduce local congestion by diverting some overdimension vehicles from city streets and intersections onto more direct motorway routes. Net congestion benefits are likely to be very small / negligible at a national scale due to small number of affected vehicles.	+ Insufficient data to model fuel consumption. Some marginal fuel savings are expected for operators due to shorter routes with fewer stop-start intersections. Net fuel savings are expected to be negligible at a national scale due to small number of vehicles and small number of route kilometres assumed to be affected.	0 NZTA's engineering assessment has confirmed that overdimension vehicles up to 4.5m wide can be accommodated on these routes, subject to route-specific height limits in Annex 5	0 Minor changes required to guidance and enforcement approach.

⁹ Congestion impact assessments in this RIS are based on TomTom travel time data for selected New Zealand cities and on NZTA congestion data for state highways.

What consultation has been undertaken on relaxing overdimension travel time and access restrictions

This proposal received broad support, with minimal concerns identified. RCAs noted they already approve travel time exemptions for Category 1 and 2 vehicles and had no concerns with increased weekend or public holiday travel on a temporary basis. Submitters also noted that motorways could be safer for most overdimension movements, as oncoming traffic is separated by medians (provided the load does not overhang the median barrier).

Auckland Transport noted that route assessments would be needed for specific motorway sections and expressed a desire to work with NZTA to assess the proposed routes before any changes are confirmed. Submitters highlighted operational efficiency gains from this proposal but considered that effects on fuel consumption would be limited as these vehicles are a small part of the vehicle fleet.

Most promising options for relaxing overdimension travel time and access restrictions

The most promising options for relaxing time and access restrictions are presented below in Table 6:

Table 6. Most viable options for Proposal 2 – Temporarily relaxing travel time and access restrictions for overdimension vehicles

Option	Description	Reason for viability
5	Reduce the Sunday travel time restrictions for Category 3 vehicles from 12pm-10.30pm to 12pm-9pm (in city areas) and from 6pm-10.30pm to 6pm-9pm (outside city areas) <i>[note: no change to travel time restrictions on Sunday mornings]</i>	This option could potentially give operators greater flexibility to carry out journeys during relatively low-traffic hours, potentially saving fuel from avoided congestion. However, the fuel savings from this minor change are likely to be negligible at a national level and cannot be quantified. In the time available, officials have been unable to assess the potential impact on late-night road maintenance scheduling. This proposal could be considered as part of future work to modernise the regulatory framework for heavy vehicles.
9	Allow overdimension vehicles to travel on additional Auckland motorway sections: <ul style="list-style-type: none"> • SH20 from Kirkbride Road to the Landing • SH16 from St Luke’s Interchange to the western end of the motorway • SH18 from Albany Highway to SH1 Interchange • SH1 from Drury Interchange to southern end of motorway • SH1/SH18 Interchange to Dairy Flat Highway. 	May marginally reduce fuel consumption by allowing operators to use direct routes with fewer stops. NZTA has confirmed that these routes could support some overdimension vehicles up to the dimensions set out in Annex 5.

We have discounted options that we consider may, on balance, pose a risk of marginally increasing fuel consumption, which are summarised in Table 7 below. In the absence of quantified costs and benefits, the options assessment process has necessarily involved a degree of judgement about fuel use risks arising from different congestion levels at different times of day. We have taken a precautionary approach, recommending changes only where the best available data indicates that changes may plausibly result in lower fuel consumption than status quo.

We note that there may be other benefits that have not been assessed in this Regulatory Impact Statement (such as impacts on operational productivity, compliance costs, and/or regulatory modernisation). Proposals discounted as part of the fuel response may still be considered as part of wider work to improve the regulatory framework for heavy vehicles.

Table 7. Discounted options for Proposal 2 – Temporarily relaxing travel time and access restrictions for overdimension vehicles

Option	Description	Reason for discounting
0	Status quo/do nothing.	Doing nothing would not reduce fuel consumption.
1	Allow overdimension vehicles to travel during weekday peak times.	Allowing overdimension loads to be transported during peak-time urban congestion may result in marginally higher fuel consumption.
2	Allow Category 1 and 2 vehicles to travel between 10am-1pm (in city areas).	
3	Remove the 4pm-7pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles in city areas.	Insufficient data that these options would directly reduce fuel consumption relative to status quo operating hours. These restrictions cover hours that are likely to be marginally more congested than existing allowances, meaning that these proposals could marginally increase fuel consumption. <i>Note: there may be other benefits (e.g. regulatory modernisation and heavy vehicle productivity) that are outside the scope of the fuel response work.</i>
4	Remove the 10am-1pm and 4pm-7pm Saturday and Sunday travel time restrictions for Category 1 and 2 vehicles outside city areas.	
6	Remove the additional time restrictions on Category 2 and 3 vehicles the day before a public holiday falling on a Sunday or a Monday.	
7	Allow Category 2 and 3 vehicles to travel between 9pm to midnight on Monday public holidays (currently no travel is allowed at any time on a Monday public holiday).	

8	Allow overdimension vehicles to travel on SH29 Takitimu Drive toll road.	NZTA’s engineering assessment has confirmed that overdimension vehicles cannot be accommodated on this road due to ongoing construction works.
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What options for reducing speed limits (Proposal 3) are being considered?

Options in this group aim to improve fuel efficiency by reducing the speed at which vehicles travel on open-roads, as motor vehicles are generally more fuel-efficient at lower speeds. Two speed options were considered and are assessed against their potential fuel savings. Two implementation approaches were also considered and are assessed against timeliness, cost, enforceability, and clarity to the public. These options are presented in Table 8 below.

Table 8. Options for reducing speed limits

Option	Description	Rationale
0	Status quo / do nothing	N/A
1	Reduce open-road speed limits to 90km/h	Motor vehicles are typically more fuel-efficient at lower open-road speeds.
2	Reduce open-road speed limits to 80km/h	
3	Change speed limit signage	Posted speed limit signs on State highways are updated to reflect the new lower limit. This approach supports compliance (drivers follow signs) and enables standard enforcement by Police and speed cameras but requires physical sign changes estimated to cost \$1.50 –\$2.25 million and takes longer to implement.
4	Introduce a maximum travel speed (no speed limit signage change)	A rule change sets a maximum travel speed for all vehicles regardless of posted signs or speeds in the National Speed Limit Register. Existing signs remain in place, enabling faster and lower-cost rollout and an easier return to normal when Phase Four ends. Relies on public communications to achieve compliance; enforcement is more complex where posted signs show a higher limit.

How do changes to speed limits compare to the status quo/counterfactual?

The assessment of these options was based on vehicle fuel consumption modelling at different speeds, and advice from NZTA subject matter experts and industry stakeholders. Further information on how fuel savings were calculated is available in Annex 4.

Table 9. Options for Proposal 3 – Reducing speed limits

Option	Fuel savings	Timeliness	Cost	Enforceability	Clarity
Status quo	0	0	0	0	0
1 Reduce open-road speed limits to 90km/h	<p style="text-align: center;">+</p> Initial modelling suggests fuel savings of 1.4 percent (20 million fewer litres used, equivalent to 2.5 days) for petrol and 0.8 percent for diesel (14 million fewer litres used, equivalent to 1.3 days) if speed limits were changed to 90km/h for a six-month period.	Not applicable			
2 Reduce open-road speed limits to 80km/h	<p style="text-align: center;">++</p> Initial modelling suggests fuel savings of 2.3 percent (34 million fewer litres used, equivalent to 4.2 days) for petrol and 2.9 percent for diesel (50 million fewer litres used, equivalent to 4.7 days) if speed limits were changed to 80km/h for a six-month period.				
3 Change speed limit signage	Not applicable	<p style="text-align: center;">--</p> This approach would require changes to the speed limit signage on State highways. Timing is uncertain, as it is dependent on whether new signs are put up or if heavy-duty reflective stickers are used. Timing is also dependent on contractor availability, but NZTA has estimated it could take weeks rather than months to implement.	<p style="text-align: center;">-</p> The cost of signage is estimated to be \$1 million (approx. \$200 x 5,000 signs), but could be lower (approx. \$250,000) if heavy-duty reflective stickers are used over existing signs (but these are less durable and easier to vandalise). Installation costs are estimated to be an additional \$1.25 million.	<p style="text-align: center;">0</p> Changes to speed limit signage would enable the lower speed limits to be enforced the same as the status quo as drivers would continue to follow speed limit signage. Heavy vehicles would follow speed limit signage up to the 90km/h maximum travel speed currently in place for heavy vehicles.	<p style="text-align: center;">0</p> Changes to signage would help ensure road users are aware of the speed limit
4 Introduce a maximum travel speed (no speed limit signage change)		<p style="text-align: center;">0</p> This option could be implemented through a Rule change and complemented with public messaging. The Rule would provide that, irrespective of what speed is recorded in the National Speed Limits Register and indicated on speed limit signs, the maximum speed for both light and heavy vehicles is 80 or 90km/h (depending on which option is progressed).	<p style="text-align: center;">0</p> This is a low-cost approach as it would not require changes to signage, and could be rolled out quickly with supporting public messaging.	<p style="text-align: center;">-</p> NZ Police and NZTA advise that enforcement (including speed camera enforcement) relies on posted speed limit signs reflecting the legal limit. If signs are not changed, enforcing a lower maximum travel speed on roads with higher posted limits could create additional work for NZTA and Police.	<p style="text-align: center;">-</p> This approach would require comprehensive communications to inform drivers of the change and reinforce it while they are on the road. We expect lower compliance due to the behavioural shift required (drivers would need to follow the maximum travel speed rather than the posted speed limit). Leaving posted speed limit signs unchanged is likely to create confusion and could undermine compliance.

What consultation has been undertaken on reducing speed limits?

Officials held targeted consultation with freight industry representatives, NZ Police, and NZTA in April 2026. Changing speed limits received broad support from road controlling authorities. It was not supported by the heavy vehicle industry due to the effect on work-time limits and the effect on scheduling for both freight and passenger transport.

Most promising option for reducing speed limits

The most promising options for reducing speed limits are options 2 and 4, as together they deliver the greatest fuel savings while enabling a faster and cheaper implementation and unwinding.

What package of options across Proposals 1, 2 and 3 is likely to best address the problem, meet the policy objective, and deliver the highest net benefits?

Drawing from the assessment conducted, we have identified a package of changes that we consider are the most promising ways of reducing fuel consumption, manage wear and damage to the road network, and could be implemented quickly:

- Increasing mass limits for HPMV higher mass permitted vehicles by 4%
- Increasing mass limits for 50MAX permitted vehicles up to 55 tonnes
- Relaxing access restrictions for Auckland motorways for overdimension vehicles
- Reducing open-road speed limits to 80km/h through a maximum travel speed.

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

No. We do not recommend progressing with any of the payload or overdimension options as the estimated costs are expected to significantly outweigh the estimated benefits. From a fuel savings perspective, we recommend setting a maximum speed limit of 80km/h.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

The marginal costs and benefits are presented in Table 11 below.

Table 11. Marginal costs and benefits of the preferred option.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
RCAs (including NZTA)	Implementation costs including bridge assessment, communications, and changes to systems (all proposals)	Unknown - Bridge assessments are likely to require additional funding. Other implementation costs can be met within existing funding.	Medium – Implementation approach has been developed at pace.
	Ongoing monitoring and risk mitigation measures (heavier payload proposals)	Unknown	-
	Additional network maintenance including road and bridge repairs (heavier payload proposals)	\$153 million for a six-month change	Low – Damage to the network could vary considerably based on uptake of heavier payloads and where vehicles with heavier payloads travel on the network (due to variability in the quality and condition of the network).
	Additional workload if more people challenge speeding infringements	Low	Low – we do not know what the compliance levels will be or what overall impact broader measures (for example price increases) would have on travel patterns.
Heavy vehicle industry	Additional RUC (heavier payload proposals)	Medium	Medium – RUC costs are dependent on uptake.
	Increased travel time	Medium	Low – based on NZTA research report 582 we would expect travel times to increase for people travelling on roads with current speed limits of 110, 100 or 90km/h. The impact on travel time per journey would be dictated by how much of the same journey is currently spent travelling above 80km/h.
Road users and local residents	Increased congestion and traffic noise (access proposal)	Low	Medium – Small cohort so size of effect likely to be low.
	Road safety (heavier payload proposals)	Low	Medium – Increased loads may slightly affect the stability and handling control for some vehicles. Any negative safety effects would be at least partially offset by reduced exposure from fewer heavy vehicle trips.
	Increased travel time	Medium	Refer to rationale above.
Total monetised costs		\$153 million for a six-month change	-
Non-monetised costs		Medium/Unknown	-
Additional benefits of the preferred option compared to taking no action			
RCAs (including NZTA)	Additional RUC (heavier payload proposals)	Medium	Medium – RUC revenue is dependent on uptake.
Heavy vehicle industry	Reduction in fuel use (heavier payload and access proposals)	16 million litres of diesel for a six-month change	Medium – Reduction in fuel use is dependent on uptake.
Fuel Users	Reduction in fuel use (heavier payload and access proposals)	34 million litres of petrol for a six-month change 50 million litres of diesel for a six-month change	
Wider society	Improved road safety outcomes	Medium	Medium – Reductions in speed limits are expected to result in reductions in travel speeds. Where travel speeds decrease the risk of serious and fatal crashes also decreases.
Total monetised benefits		-	-
Total non-monetised benefits		Medium	-

Section 3: Delivering an option

How will the proposal be implemented?

These changes would be made through rule changes by an Order in Council process, on the Minister of Transport's recommendation. Officials would progress this rule change as quickly as possible. Any changes would be triggered to come into effect by a change to the relevant Phase of the Plan and would be in effect while fuel response measures are needed.

Proposal 1: Heavier payloads

Initial implementation

An initial bridge assessment for the state highway network has been undertaken by NZTA and its Structures Management Consultants to inform this analysis. A more comprehensive assessment of bridges across both state highways and local roads will be commenced before the changes are implemented, which will likely require additional funding for RCAs. Assessment of port infrastructure and ship capacity (e.g. linkspan connecting ships to port) will also be required.

There is a risk that this will not be completed by the time New Zealand shifts to Phase Four of the Plan. This risk would be mitigated by continuing current practice of allowing decisions on approved networks to be made by NZTA and other RCAs.

Other than bridge assessments, NZTA has confirmed that the most viable options would be able to be implemented with minimal impact and can be managed within current resourcing as outlined in Table 12 below:

Table 12. Implementation impacts for heavier payloads

IT	Permitting	Guidance	Communications
Changes to Commercial Vehicle Safety Centres screening can be completed within two weeks.	Minimal impact assuming NZTA will not be re-issuing permits for HPMV higher mass.	NZTA will work with Police to agree enforcement parameters.	NZTA will work with the Ministry of Transport to manage communications with stakeholders, including industry, RCAs and Police (for enforcement of new limits).

Ongoing mitigation measures

Once the changes have been implemented and at least a core network approved, there will be ongoing mitigation measures required for the duration of the changes, particularly with respect to bridges. Bridge assessment is likely to identify a range of mitigations that would need to be implemented to support bridge capacity. This includes activities such as more frequent bridge inspections and traffic management, which would all likely require additional funding for NZTA and other RCAs. If funding was not provided for these mitigation measures there is a risk that NZTA and other RCAs would only allow vehicles with heavier payloads to travel on a smaller subset of the HPMV and 50MAX networks than expected, reducing the benefits of the proposals.

Proposal 2: Travel time and access restrictions for overdimension vehicles

NZTA has confirmed that the most viable options would be able to be implemented with minimal impact and can be managed within current resourcing. The initial implementation impacts are presented in Table 13 below.

Table 13. Implementation impacts for travel time and access restrictions

IT	Permitting	Guidance	Communications
Minimal/no impact.	NZTA will work with Police to agree enforcement parameters.		NZTA will work with the Ministry of Transport to manage communications with stakeholders, including industry, RCAs and Police (for enforcement of new limits). Planning is underway.

Proposal 3: Reducing speed limits

NZTA has confirmed that this proposal would be able to be implemented with minimal impact and can be managed within current resourcing. The initial implementation impacts are presented in Table 14 below.

Table 14. Implementation impacts for reducing speed limits

IT	Permitting	Guidance	Communications
Minimal/no impact.	No changes to posted speed limit signs are required.	NZTA will work with NZ Police to agree enforcement parameters, including how speed camera enforcement will be handled where posted signs show a higher limit than the 80km/h maximum travel speed.	NZTA will work with the Ministry of Transport to manage communications with the public, industry, and Police ahead of Phase Four activation. Clear public messaging will be critical to achieving compliance given existing signs will not change.

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

Proposal 1 and 2: Allowing heavier payloads and relaxing restricted overdimension routes

RCAs regularly monitor the condition of the network and will be able to identify where the changes are suspected of having unanticipated effects on the network. It is expected that the NZTA and other RCAs will be able to adjust the approved networks and/or introduce restrictions to manage unanticipated effects. If NZTA and other RCAs do not have this flexibility there is a risk that they would only allow vehicles with heavier payloads to travel on a smaller subset of the HPMV and 50MAX networks than expected, reducing the benefits of the proposals.

The changes include a requirement for industry to provide NZTA and other RCAs with information on how the additional payload is used. This information alongside other regularly collected data (e.g. Road User Charges, congestion etc.) would be used to inform the broader review of the Land Transport Rules: Vehicle Dimensions and Mass 2016. This review is currently being undertaken by the Ministry of Transport and NZTA. Initial advice to the Minister on policy options is due in mid-2026.

Proposal 3: Speed limit changes

NZ Police and NZTA will monitor compliance through existing speed enforcement activity, with speed camera data and infringement notice volumes providing early indication of whether public communications have been effective.

Annex 1 – Background

The heavy vehicle fleet is key to completing the freight task

The heavy vehicle fleet is a small proportion of the total number of vehicles on the road. In 2024, there were about 4.7 million licensed vehicles in New Zealand. Of these, 174,787 are heavy vehicles (mass exceeding 3,500kg), primarily trucks. This is forecast to increase to over 190,000 by 2055.¹⁰

In 2017/18, New Zealand’s freight task was 278.7 million tonnes or 30.1 billion tonne-kilometres. Road freight carried nearly 93% of the total tonnage and made up around 75% of the tonne-kilometres.

Every year, heavy trucks travel about three billion kilometres, with heavy trailers completing about 1.4 billion kilometres. One-third of these kilometres are generated through urban freight and customer deliveries, by two-thirds of the truck fleet, predominantly 2-axle trucks. The remaining two-thirds of kilometres travelled is by larger vehicles that service rural regions. Almost all of this travel uses diesel.

Many vehicles exceed standard mass limits

Vehicles that fall within standard mass limits can be referred to as ‘general access’ vehicles. However, these limits are out of date, meaning many common vehicles must operate as permitted vehicles. HPMVs exceed the standard mass limits of 44 or 46 tonnes. Vehicles that have an eligible design can carry both divisible and indivisible loads on an HPMV Higher Mass permits.

50MAX vehicles are a common type of HPMV. Vehicles that conform to 50MAX pro-forma designs and do not exceed a weight of 50 tonnes can operate on 50MAX HPMV permits. The requirements for these vehicles are summarised in Table 15 below.

Table 15. Summary of requirements for general access vehicles and HPMVs

	General access	50MAX	HPMV Higher Mass
Maximum gross combination mass	44–46 tonne (configuration-dependent)	50 tonnes	62 tonnes (route-dependent)
Cohort size	Unknown (general access covers heavy goods vehicles 3.5-46 tonne)	~3,500 ¹¹	~4,200 ¹⁷
Permit	No	Yes	Yes
Network	Everywhere, with occasional restrictions, for example, height restrictions for vehicles	Can travel on near-national 50MAX network	Travel restricted to specific approved routes only

¹⁰ Vehicle Fleet Model (May 2024), <https://www.transport.govt.nz/statistics-and-insights/vehicle-fleet-model>

¹¹ There is overlap in the 50MAX and HPMV Higher Mass cohorts – the total size of the combined cohort is approximately 6,100 vehicles. These numbers differ to the numbers used to calculate the benefits as they were calculated using permit data for 2025, which differs from RUC licence data for the last 6 months of 2024. Both datasets have different timings based on when operators need to buy the different types of licences.

	travelling under low bridges.		
Typical use	Packaged goods/supermarket Refrigerated goods Produce/fresh food Shipping containers Livestock	Milk collection Logs (regional haul) Bulk agricultural General freight	Logs (primary haul) Aggregate/ construction Heavy bulk commodities

Heavy vehicles cause wear on the road network

Heavy vehicles cause wear on the road network. The costs of maintaining these roads is typically covered by Road User Charges (RUC). The level of these is based on the truck weight and the distance travelled. This revenue is dedicated to the Government's National Land Transport Fund (NLTF) for allocation by NZTA.

The road network is made up of state highways and local roads

NZTA is the RCA for New Zealand's 11,000 km of state highways. About 232 km of the state highway network is motorways, mostly in Auckland. The network also includes around 4,200 bridges and large culverts, which is a significant constraint on heavy vehicle travel, to minimise the risk of damage from their heavier weight.

New Zealand has around 83,000 km of local roads. Implementation of changes on local road networks can be more complicated as these are managed by various local road controlling authorities (RCAs).

Road wear can depend on the type of road

About 61% of the local road network is sealed, which is more resistant to road wear than the remaining 39% of roads that are unsealed.

100% of the state highway network is sealed. The majority has a chipseal surface (a layer of bitumen covered by stone chip). In areas with more traffic, the state highway network has an asphaltic surface (stones mixed with bitumen) which is more resistant to wear than chipseal.

Increases to weight limits to reduce fuel consumption are likely to increase wear on the road. Bitumen is made from petroleum. Any increased need for road maintenance and repairs would increase future demand for petroleum. NZTA advises that the price of bitumen has been increasing at a similar rate as the price of fuel, which increases the costs of road maintenance and repairs.

Annex 2 – Consulted industry representatives and RCAs

Industry representatives:

- Bus and Coach Association
- Carr & Haslam
- Crane Association of New Zealand
- Federated Farmers
- Fonterra
- Foodstuffs
- Fulton Hogan
- Fruehauf NZ Limited
- Iā Ara Aotearoa Transporting New Zealand
- KiwiRail
- Mainfreight New Zealand
- National Road Carriers
- New Zealand Heavy Haulage Association
- New Zealand Primary Connect+
- New Zealand Trucking Association
- Rural Contractors New Zealand
- StraitNZ
- Transport Specifications Limited
- Woolworths NZ

Road Controlling Authorities:

- Auckland Transport
- Hamilton City Council
- Tauranga City Council
- Southland District Council
- Stratford District Council
- Tasman District Council
- Timaru District Council

Annex 3 – How the heavier payloads costs and benefits were estimated

Calculating benefits (fewer trips and reducing fuel consumption)

RUC licence data shows the configuration and weight band of each vehicle and can be used as a proxy for how much distance they travel.

2024 RUC licence data was used to estimate the number of vehicles that could increase their payloads, and by how much, for each proposal. For example, a 50MAX combination vehicle with a RUC licence for up to 50 tonnes is assumed to increase its gross vehicle mass to 55 tonnes.

We also used the 2024 RUC licence data to estimate the size of the freight task using payloads and distances. Combining the estimated freight task and expected increase in payloads enabled us to calculate the expected reduction in vehicle kilometres travelled because of fewer but heavier trips. This calculation assumes that the freight task is fixed and consistent – i.e., that there will be the same amount of freight to be carried while the new limits are in place as there was on average across 2024.

The reduction in vehicle kilometres travelled was then translated into potential fuel savings using the fuel consumption rates for a 50MAX line haul truck from the Ministry of Transport's 2023 Domestic Transport Costs and Charges Study.

This estimate likely overstates the fuel reduction benefits as:

- **The modelling assumed 100% uptake of higher payloads** (i.e., all eligible vehicles take up the full increase in payload). Actual uptake will depend on commercial decisions by operators, which are driven by a range of factors in addition to mass limits including what needs to be transported and where as well as marginal transportation costs (e.g., RUC, labour, fuel prices).
- **Freight demand may not be fixed**, as assumed. There is a risk that operators will take the same number of trips and carry more freight, rather than carrying the same amount of freight in fewer trips. Freight demand also varies significantly by season.
- **Different heavy vehicles may have different fuel consumption rates** to a 50MAX line haul truck.
- **Modelling has not accounted for heavier vehicles requiring more fuel per kilometre**. This additional fuel requirement has not been included in the calculations due to the timeframes for carrying out the analysis and as we only have a single fuel consumption estimate for a 50MAX line haul truck.

Calculating the costs (road maintenance)

Road network infrastructure damage increases exponentially with the weight on each axle. On average, NZTA assumes damage is expected to increase by the 4th power with a given increase in axle weight. For example, 2x the axle weight leads to 16x the damage ($2^4 = 16$). However, variable road quality and condition mean the power factor for calculating damage for a particular road can range from as low as 2.5 and up to 12 in some cases.

NZTA used the decrease in truck movement and the increased payloads calculated above and converted these figures into the change in the number and weight of axles on the road network.¹²

Using the exponential damage relationship described above, the change in the number of axles is used to estimate the increased rate of damage to the road network.

This increased rate of damage is then applied to the maintenance and renewal costs for the past year to calculate the marginal increase in costs. NZTA expects the proposals would result in additional maintenance and renewals works for the state highway and local road networks, as the lives of roads are effectively being truncated, leading to an increase in cost relative to the status quo.

These calculations were first done for the state highway network then extrapolated to the local road network based on the relative proportion of freight that travels on the state highway and local road networks.

This approach has limitations that may under or overstate the infrastructure effects of additional payloads. These include:

- Using the 4th power as a network average which is not representative for all roads. For example, if vehicles with heavier payloads travel more on weaker roads such as under maintained roads or end of life pavements, then the infrastructure impacts could be greater.
- This analysis assumes that half of the journeys will be taken unladen, as vehicles return to their point of origin. In practice, we would expect operators to try maximise payloads for both parts of a journey, particularly when fuel prices are elevated.
- The impact on local roads could vary significantly depending on the nature of freight movements, how concentrated or dispersed freight movements are geographically, and the quality and condition of local roads.
- Because the infrastructure effects are based on the uptake assumptions outlined above, infrastructure damage will be less if there is lower uptake.

Ministry for Regulation peer review of calculations

The Ministry for Regulation peer reviewed the methodologies for calculating the benefits and costs for increasing vehicle payloads. The Ministry noted that the analytical approach is sound and that:

- the estimates around fuel savings should be treated as a maximum upper bound; and
- the estimates of infrastructure costs have multiple assumptions in them that means the analysis may understate the potential maintenance costs.

¹² Truck movements are calculated by using the 'equivalent standard axles' (ESA) measure. ESA divides each truck's actual axle group mass loading by its axle group reference weight. The axle group reference weights create the same damage per trip across the reference groups. As payloads increase, ESA increases and as VKT reduces, ESA decreases.

Annex 4 – How the speed limit related fuel reductions were estimated

Vehicle fuel consumption by speed

A vehicle's fuel consumption varies with speed – it generally falls with rising speed up to about 60–70 km/h, then it rises again. As a result, reducing speed from 100km/h to 80-90km/h improves fuel efficiency. NZTA's Monetised Benefits and Costs Manual (MBCM) provides a function for estimating Vehicle Operating Costs (VOC) in \$/km by speed for different vehicle types. The MBCM also reports the average fuel-cost share of VOC by vehicle type varies between 40% and 50%, depending on vehicle type.

We use the information in the MBCM to estimate fuel consumption by driving speed and vehicle type by:

- Evaluating the MBCM VOC function at 1 km/h increments from 10 to 120 km/h for each vehicle type, assuming flat terrain (gradient 0).
- Applying the fuel-cost share to isolate the fuel-cost-per-km component.
- Dividing by fuel prices (assuming light passenger vehicles use petrol; all others use diesel) to obtain fuel consumption (in L/100km). We use mid-2024 fuel prices to align with other parameters used in the analysis.

This analysis covers petrol and diesel vehicles only. Electric, LPG, CNG and hydrogen vehicles and related energy consumption effects are therefore excluded, along with other economic effects of the policy.

Distribution of driving speeds

Drivers do not all travel at the allowed speed limit. We use the 2024 open-road speed distribution from the National Speed Monitoring Survey, which shows a mean speed of about 91 km/h, an 85th percentile of about 101 km/h, and around 17% of vehicles exceeding the 100km/h limit. We assume this distribution shape holds across all open-road limits, shifted by the change in the posted speed limit. We apply the same distribution to light and heavy vehicles, shifted to match their effective speed limit (capped at 90km/h for heavy vehicles). In practice, heavy-vehicle compliance with the speed limit is likely tighter. As a result, our model probably overstates the fuel-saving effect of speed limit reductions for heavy vehicles.

Driving speeds in our analysis are floored at 10 km/h and capped at 120 km/h to remain within the domain of the MBCM VOC curves.

Vehicle Kilometres Travelled by speed limit

To obtain Vehicle Kilometres Travelled (VKT) by posted speed limit, we use baseline simulation output from the National Transport Model (Monty), which reflect an average weekday scenario.

Monty does not distinguish between vehicle groups within "car" and "truck" categories. We address this by decomposing the Monty car totals into Light Passenger and Light Commercial, and the Monty truck totals into Medium Truck and Heavy Truck using each group's overall VKT share from the Vehicle Fleet Model's (VFM) 2025 baseline run. We assume the within-category VKT mix is the same across all speed limits.

Fuel price response

To consider the fuel-price effect on travel demand, we apply a constant-elasticity formula to light passenger VKT, using a central own-price elasticity of -0.23 with a sensitivity range of -0.10 (low) to -0.28 (high). Commercial vehicles are assumed to be inelastic to fuel prices over the timeframe of interest.

The price response is applied uniformly across all driving speeds. We do not assume drivers reroute or reallocate VKT differently across the network in response to higher prices (or lower speed limits).

Estimating fuel consumption changes

For each vehicle group and posted speed limit, we allocate VKT across the range of likely driving speeds using the 2024 open-road distribution (shifted to match the posted limit), apply the fuel consumption rate at each driving speed, and sum to get total fuel use.

Policy effects are calculated as the difference between the baseline and each policy option (cap speed limits at 80 or 90km/h) for each vehicle group, then aggregated to total petrol and total diesel consumption.

Annex 5 – Potential expanded access to Auckland motorways

Under current rules, overdimension vehicles are generally restricted from travelling on Auckland motorways, except for a small number of motorway sections they are permitted to use.

As part of the fuel response, the Government is considering allowing overdimension vehicles to make greater use of the Auckland motorway network. This could marginally reduce fuel consumption by enabling overdimension loads to be delivered via shorter, more direct routes with fewer intersections and stops.

The table below shows current and potential limits on the relevant sections of Auckland motorways.

Table 16. Current and potential overdimension access limits for Auckland motorways

Route	Current access	Potential expanded access
SH20A Kirkbride Road to The Landing	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.8m
SH16 St Lukes Interchange to/from Great North Road, Waterview	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 4.6m
SH16 Great North Road, Waterview to/from the western end of the motorway	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.2m
SH18 from Albany Highway to SH1 Interchange	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.8m
SH1/SH18 Interchange to Dairy Flat Highway	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.8m
SH1 from Drury Interchange to southern end of motorway	Max width: 3.1m Max height: 4.3m	Max width: 4.5m Max height: 5.2m



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Fuel Response Measures: Regulatory Relief Proposals

Portfolios **Regulation / Transport**

On 18 May 2026, Cabinet:

Fuel Response Plan proposals

- 1 **noted** that on 7 May 2026, the Ministerial Economic Security and Supply Chains Group agreed to a number of regulatory proposals to progress under the Fuel Response Plan 2026;
- 2 **noted** that the Minister of Transport intends to return to Cabinet in June 2026 to seek changes to regulations and Land Transport rules via Order in Council processes to give effect to the regulatory proposals referred to in paragraph 1 above;

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Diana Hawker
for Secretary of the Cabinet



AIDE MEMOIRE

10 April 2026

OC260282

Hon Chris Bishop
Minister of Transport

cc Hon James Meager

Associate Minister of Transport

AIDE MEMOIRE: OVERVIEW OF REGULATORY RELIEF PROPOSALS

Purpose

- 1 To provide you with advice to support the Cabinet discussion on the Cabinet paper Fuel response plan: Phase 2 readiness on Monday, 13 April 2026.

Heavy vehicle regulatory relief proposals

- 2 Seven proposals in this paper are intended to support industries that are most affected by high fuel prices (particularly diesel). They focus on increasing fuel efficiency and reducing administrative burden. To progress this work, analysis will need to focus on the practical implications of the proposals. This includes a need to assess risks to:
 - 2.1 avoid adverse safety outcomes, such as bridges failing because payloads are too heavy, or trucks that cannot go around corners safely due to longer trailer lengths,
 - 2.2 understand increased wear and tear and maintenance demands
 - 2.3 advise on the statutory obligations in section 164 of the Land Transport Act 1998, which require the Minister of Transport to consider a range of factors before making a rule change. This includes the level of risk posed to land transport safety, and the impact and cost of vehicles on infrastructure.

The Ministry of Transport (MoT) recommends allowing heavy vehicles in the fleet to carry more goods in a trip

- 3 MoT supports Proposal 1 in Annex 2 of the Cabinet paper: **Temporarily allowing heavier payloads for heavy vehicles.**
 - 3.1 This would let existing trucks in the fleet carry more goods in fewer trips, if they can fit these within manufacturer limits but are currently constrained by mass limits. Fuel savings would depend on whether operators choose to increase the amount of freight moved. This will increase efficiency rather than directly reduce fuel use.

- 3.2 This could be implemented relatively quickly as part of a Phase 2 response as it focuses on the existing vehicle fleet.
- 4 Progressing this rule change requires:
 - 4.1 Assessment of infrastructure constraints, particularly bridges, to manage the risk of bridge failure and to understand the additional wear and tear on infrastructure.
 - 4.2 Consultation with local road controlling authorities (RCAs) to provide information about their infrastructure.
 - 4.3 Changes to enforcement and IT systems (e.g. at weigh stations).

MoT can accelerate changes already included in the Land Transport Rules Reform Programme

- 5 Three proposals (Proposals 2, 4 and 7 in Annex 2) are part of the existing Land Transport Rules Reform programme. These changes were expected to be made in the second half of 2026 but can be accelerated to support the Phase 2 response.
 - 5.1 **Proposal 2: Removing the requirement for freight permits** – this removes a regulatory burden for the freight industry but would not affect fuel use.
 - 5.2 **Proposal 4: Temporarily relaxing travel time and access restrictions for over-dimension vehicles** (e.g., heavy machinery, construction equipment, house moving) – this would enable shorter trips for certain vehicles, reducing fuel use, but only affects a small and specialised proportion of the fleet.
 - 5.3 **Proposal 7: Aligning licence thresholds for zero emission vehicles to those of their diesel counterparts to increase uptake** – this would make zero-emission heavy vehicles more appealing to industry but is unlikely to have a significant short-term effect.

MoT does not recommend progressing other proposals in the paper

- 6 The Cabinet paper includes three proposals that we are less confident will deliver benefits (Proposals 3, 5 and 6 in Annex 2), in time to support the Phase 2 response.
 - 6.1 **Proposal 3: Temporarily allowing longer trailer lengths and High Productivity Motor Vehicle (HPMV) configurations on approved routes** – this depends on new vehicles being brought into the fleet, and requires further analysis of safety/infrastructure risks (e.g. which parts of the network can sustain longer trailers going around tight corners). The National Road Carriers industry group agreed with this assessment in recent public comments. In addition, enabling this on a temporary basis is unhelpful, as it would not be practical for industry to bring in new configurations that they would not be able to continue to use.
 - 6.2 **Proposal 5: Enabling vehicle parts or features that reduce fuel use** (e.g., super single tyres, or powered axles). This would also see a time lag and cost for new vehicle parts to be sourced and fitted in sufficient numbers of vehicles in the fleet. There are safety considerations to assess (e.g. a blow out of a single tyre is more dangerous). It is also impractical to implement on a temporary basis.

6.3 **Proposal 6: Allow heavy vehicles to use priority lanes** (e.g., T2 and T3 lanes) – requires a potentially complex change to requirements that are currently devolved to local authorities, with little evidence of fuel benefits. There may be trade-offs against other transport modes (e.g. it could slow down public transport).

7 Directing officials to progress these proposals would divert the limited resource available from delivering on the wider Land Transport Rules Reform Programme (including digital driver licences, changes to lane use, and the wider review of the Vehicle Dimensions and Mass Rule).

MoT can progress changes to speed limit rules to reduce fuel use

8 The Cabinet paper signals further work on options to temporarily adjust speed limits. Reduced speed limits, particularly on open-roads that have 100 – 110 km/h speed limits, is an effective measure to reduce fuel use.

9 Changes to maximum speed limits could be made through Rule changes. We would need to work with NZ police, the New Zealand Transport Agency (NZTA) and other road controlling authorities on how these could be implemented.

10 The applicable speed limit for a road is the limit specified in the National Speed Limit Register. Even if speed limit signs did not change, the Register will likely need to reflect any lower speed limits. Any changes to speed limits would need to be well communicated to the public. There will also be implications for enforcement of the new speed limits, including any changes needed to speed cameras.

11 Another option included in the Cabinet paper is to temporarily change the rules around impeding the flow of traffic. Currently, where a driver’s speed impedes the normal and reasonable flow of traffic, the driver must move over to allow traffic to pass. Failure to do so is an infringement offence. While police officers have discretion around charging drivers for travelling at lower speeds to reduce fuel consumption, changes to this rule could encourage drivers to slow down.

12 MoT can provide further advice on progressing these options relatively quickly.

MoT is preparing to move quickly on the changes you direct us to progress

13 We are working to co-locate key NZTA subject matter experts at MoT from next week to progress the required technical and safety assessments, working alongside key MoT policy and legal leads. Support from the Parliamentary Council Office to draft some of the rules would be required to meet this timeframe.

14 Our planning aims for a 29 April deadline for policy decisions, pending your direction.

Contacts

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Keegan Taylor, Principal Advisor, Regulatory Reform		

Cover note

Title	Transport regulatory relief proposals
Paper preparation date	Wednesday 1 April 2026
Author	Bonnie Hayvice, Senior Policy Advisor, Regulatory Reform

Purpose

- 1 To provide the Ministry of Business, Innovation and Employment (MBIE) with additional context on the attached proposals to remove regulatory barriers to increase fuel efficiency.

Background

- 2 On Monday 30 March, MBIE requested that government agencies submit proposals for regulatory barriers that could be removed to reduce fuel use, where temporary relaxation will not create immediate risks to health and safety or other relevant concerns. Proposals could be implemented under Phase 2 of New Zealand's Fuel Response Plan. Proposals would need to be led and implemented by the relevant agency.
- 3 A template was provided by MBIE to be completed for each proposal. This includes a self-assessment of the proposal against the following criteria:
 - **Effect on fuel savings** (and whether this is primarily jet, diesel or petrol)
 - **Speed of implementation**
 - **Feasibility** (including whether changes are required to primary or secondary legislation)
 - **Fiscal cost** (to implement and any other impacts)
 - **Effect on health and safety**
 - **Risks** (including unintended consequences)
- 4 In addition to any proposals identified by the Ministry, MBIE has requested that we assess a range of previously recommended measures in response to the 2017 Wiri pipeline rupture:¹
 - More direct supply routes with traffic management plans
 - Dedicated freight lanes through the central city
 - Changes to maximum driving hours for drivers

¹ The measures assessed by the Ministry were highlighted to us in a draft MBIE briefing on Monday 31 March, drawing from recommendations in the Final Report of the Government Inquiry into the Auckland Fuel Supply Disruption.

- Relaxing resource consents or bylaws restricting the operation of fuel tankers (e.g. noise restriction on night deliveries in residential areas)
- Approval for heavier trucks on road, including changes to road and bridge limits and relaxing restrictions on the use of road tunnels (e.g. specifying a dedicated time period when petrol tankers may use a tunnel)
- Relaxing cabotage rules related to the shipping of fuel.
- Use of New Zealand Defence Force road tankers
- Floating storage at Wynyard tank farm

Regulatory changes to heavy vehicles provide the greatest opportunities to increase fuel efficiency

- 5 The Ministry considers that a proposal to **temporarily allow heavier payloads for Heavy Vehicles** has the potential to support heavy vehicle fuel efficiency over the short to medium term. This could be progressed relatively quickly as part of a Phase 2 response.
- 6 This proposal would enable more freight to be carried in fewer trips – but whether it would result in fuel usage reductions would depend on market factors. Under normal circumstances increasing payloads is likely to result in more freight being carried rather than less trips and less fuel being consumed; however, with fuel prices placing downward pressure on consumption, allowing heavier payloads would support the sector’s viability and productivity.
- 7 The proposal would support a sector under pressure and is therefore likely to be taken up quickly as it is commercially beneficial for industry; however, enforcement practices and NZTA systems would likely require change. Increases to weight limits risks creating additional wear on infrastructure which could increase road maintenance costs (refer to attached assessment template for further information). NZTA have flagged possible safety risks that would require further consideration prior to implementation.
- 8 The attached assessment template focuses on temporarily allowing heavier payloads for High Productivity Motor Vehicles as this is the most feasible change. However, we have also included potential changes that could be considered for fuel tankers, battery electric heavy vehicles, and other general-access heavy vehicles. These changes require further analysis, particularly of the potential safety risk, but could provide further fuel efficiency gains.
- 9 Officials considered other possible regulatory changes to reduce fuel consumption in the heavy vehicle sector:
 - reviewing the regulatory measures used during the 2017 fuel disruption event (discussed in paragraph 13),
 - options that have been raised by industry through the current Land Transport Rules Reform programme.
- 10 Table One below summarises the other regulatory changes considered. We do not recommend including them in the Phase 2 response, either because:
 - fuel use reduction would be minimal, or the proposal would yield benefits only in the longer term, or
 - more time is needed to understand the feasibility and risks.

- 11 Some of the proposals have merit (including to reduce fuel use) and are being progressed through existing and future work programmes. The two shaded proposals align with MBIE's objectives to reduce fuel use, and could be advanced on more ambitious timeframes than what is indicated below, if there is expressed preference. However, progressing these requires significant further analysis, particularly of safety and infrastructure risk. This depends on the provision of information from NZTA and other parties. Implementation planning and costing would also be required by NZTA to confirm feasibility and timeframes.
- 12 While we have provided assessment templates for these proposals, for the reasons above, the proposal to temporarily allow heavier payloads for Heavy Vehicles is the only proposal we recommend including in Phase 2. We recommend that the other proposals be progressed through our BAU work.

Table One: Other regulatory changes considered for heavy vehicles

Proposal	Rationale for excluding from Phase 2	Status
Relax travel time and access (toll roads and Auckland motorways) restrictions for over-dimension vehicles to allow them to make more efficient trips that consume less fuel.	Further analysis required - gathering sufficient data to gauge safety impact would mean benefits are unlikely to be realised in the short term. Likely to have a relatively small contribution to overall fuel reduction, due to a smaller vehicle cohort.	Included in current Land Transport Rules Reform programme ^{s 9(2)(f)(iv)}
Review work time requirements to enable more flexible trips.	Indirect fuel impact, with potential safety risks. Not identified as a priority by industry for a fuel-security response.	NZTA is already exploring more modern time and fatigue management solutions with the industry.
Enabling vehicle parts or features that reduce fuel use (i.e. allowing super single tyres or powered axles).	Possible medium- to long-term benefits due to lead time to source and fit the parts, and further analysis needed to assess safety risks and mitigations.	Could be considered for a future work programme.
Increasing Certificate of Loading limits to allow buses and coaches to carry more passengers.	Applies to a small and specialised cohort of vehicles, limiting the contribution to overall fuel reduction. Some efficiency gains may be possible e.g. for tour coaches, but loading limits unlikely to be constraining factor for metro buses. Further analysis needed to assess safety and infrastructure impacts.	Could be considered for a future work programme.
Relax dimension requirements to enable zero emissions or aerodynamic technology.	Likely to be infrastructure restrictions. Lead-time for uptake and fleet changes means limited short-term fuel savings. Existing exemption pathways can enable this.	NZTA investigating a pilot to enable high productivity electric vehicles. Future work could consider further enabling changes.

Align licence weight thresholds for zero emission vehicles to those of their diesel counterparts to enable uptake.	Long lead-time for vehicle upgrades and fleet turnover means benefits would not be realised in the short – medium term.	Included in current Land Transport Rules Reform programme (for Class 1 and Class 2 licences) – rule changes expected in July. Further work could consider expanding to heavier vehicle licence classes.
Enable the import of more productive (bigger and heavier) vehicles.	Does not deliver reductions in fuel demand within Phase 2 timeframes.	Long-term work underway in the Land Transport Rules Reform programme to enable more productive vehicles where possible, including research and model infrastructure impacts.

- 13 The Ministry’s Aviation, Maritime and Environment teams also considered MBIE’s request. No opportunities were identified across these teams as either any changes to regulatory settings would compromise safety or would not deliver on the objectives to reduce fuel use.

Wiri pipeline proposals are less relevant to a national fuel shortage

- 14 We do not consider that any other previously recommended measures in response to the Wiri pipeline disruption are directly relevant to this context. The goal of the current situation is to reduce demand, whereas previous proposals were developed to respond to a localised fuel shortage and when facilitating supply was the core objective – for example by enabling more direct travel of fuel tankers.
- 15 In addition, we have considered the proposal that MBIE referred to us regarding relaxation of cabotage rules (section 198 of the Maritime Transport Act) related to the shipping of fuel. Section 198 places limitations on the use of foreign flagged ships to transport domestic cargo between New Zealand ports.
- 16 We do not consider this proposal will enable reductions in fuel use. The proposal has its origins in the 2017 Auckland fuel disruption but is no longer applicable to arrangements for fuel distribution since the closure of the Marsden Point Refinery. More information can be found in the relevant assessment template.
- 17 At the same time, we are aware that fertiliser companies have raised section 198 as a potential candidate for regulatory relief. Fertiliser companies frequently need to apply for (and are often granted) exemptions to enable foreign-flagged ships to transport cargo between New Zealand ports. However, our understanding is that this is not a form of regulatory relief that would enable fuel reductions but rather would assist the fertiliser companies by reducing some regulatory compliance costs more generally.
- 18 This is something we could explore if there is an appetite in the future to consider more general regulatory relief for affected sectors. We would need to carefully consider the trade-offs including the impact on the domestic shipping sector and noting that section 198 is highly contentious. The domestic coastal shipping sector is also under pressure § 9(2)(g)(i)



Operational changes provide further opportunities to reduce fuel use

- 19 While the focus of MBIE's request is on regulatory barriers that could be temporarily removed, we consider there may be useful operational adjustments across sectors that could help reduce fuel use. For example, there may be opportunities for ports and coastal shipping operators to explore operational changes which could enable reductions in maritime fuel use – e.g. by facilitating slow steaming.
- 20 We have ongoing discussions with ports, shipping operators and Maritime New Zealand and will use existing forums to explore options for voluntary arrangements of this sort.

Next steps

- 21 We anticipate the transition from Phase 1 to Phase 2 could be swift. While our proposed regulatory change could be progressed relatively quickly, time is required to draft the rule amendment as well as take policy decisions and rule amendments through Cabinet. As noted in paragraph 8, there is also some further analysis required including to further clarify implementation planning and process.
- 22 We request that MBIE keep us updated on the progression of work on regulatory relief, including if this proposal is adopted as part of the package of proposals for the MoG or Cabinet to consider. We would also welcome direction from MBIE on possible timeframes toward implementation.

Fuel Response Plan 2026: Regulatory barriers that could be removed under Phase 2

The Fuel Response Plan 2026 outlines 4 phases that respond proportionately to the risks to New Zealand's fuel security. New Zealand is currently at Phase 1, but we are preparing for Phase 2 by seeking your input on potential regulatory changes that could be implemented under Phase 2.

MBIE is coordinating advice to Ministers and we **request your input on any non-essential regulatory barriers that could be removed to reduce fuel use**, where temporary relaxation will not create immediate risks to health and safety or other relevant concerns.

Input is due by 4pm Thursday 2 April. Please email this template to FuelResponsePolicyOptions@mbie.govt.nz.

Note that any regulatory change that is progressed would need to be led and implemented by the relevant agency.

Please contact Nicola Hill on [s 9\(2\)\(a\)](tel:06-324-8600) with any questions.

Ministry of Transport's preferred regulatory relief proposal:

Temporarily allowing heavier payloads for High Productivity Motor Vehicles (HPMVs)		
Regulation	Land Transport Rule: Vehicle Dimensions and Mass 2016	
Description of change	Temporarily allowing heavier payloads for heavy vehicles within manufacturer-specified limits, through changes to general vehicle mass and axle weight limits. We think High Productivity Motor Vehicle (HPMV) 50MAX vehicles ¹ and other HPMVs ² are likely to present the most feasible opportunities for change, though specific weight increases would need to be confirmed through further analysis. However, we would also investigate potential changes for other types of heavy vehicles such as fuel tankers, battery electric heavy vehicles, and other general access heavy vehicles.	
Empowering provision or Act	Land Transport Act 1998	
Responsible decision-maker	Minister of Transport	
Process for amendment	Rule change through Order in Council. Class exemptions could be issued by the Director of Land Transport (statutorily independent decision-making function)	
Agency lead	Ministry of Transport	
Attachment (Yes/No)	No	
PROPOSAL SELF-ASSESSMENT		
Proposal	High/Med/Low	Further analysis / comment
Impact on fuel savings (please specify whether is this primarily jet, diesel or petrol)	Low (but medium-high possible efficiency gains), diesel	<ul style="list-style-type: none"> Allowing heavy vehicles to increase their payloads would allow them to carry more freight in fewer trips. This could support freight volumes to remain stable in the short to medium term, while increased prices put downward pressure on fuel consumption.

¹ These are vehicles that can, under a permit, operate up to 50 tonnes with no additional damage to the network because of an additional ninth axle.

² These are vehicles that operate above the standard 44 tonne limit subject to permit conditions.

		<ul style="list-style-type: none"> • There are 26,883 active HPMV higher mass permits and 6,742 active HPMV 50MAX permits. These permit numbers are not exact proxies for the number of vehicles as one vehicle can have multiple permits. While HPMVs are a minority of the fleet, they carry a large proportion of road freight. • Fuel tankers generally operate below their actual capacity, so there is room to increase thresholds. This could also help to mitigate risks of localised shortages. • Increasing payloads for zero emissions vehicles would mean more freight could be carried without diesel.
Speed of implementation (how quickly would changes have an impact on fuel demand?)	Fast once new settings are in place	<ul style="list-style-type: none"> • Industry is highly competitive and operates with low margins. These proposals are commercially beneficial so we consider that they would be adopted quickly. Industry representatives have called for increases to weight and axle weight limits. • Police roadside enforcement and Commercial Vehicle Safety Centres would need to adjust limits as well to ensure they reflect the new requirements. • Stakeholders would need to be notified of the changes. • This proposal is likely to require changes to NZTA systems (e.g. IT systems, databases, website).
Feasibility (e.g. does this require changes to primary legislation, regulations, rules/guidance)	Changes to the VDAM Rule	<ul style="list-style-type: none"> • The Minister of Transport could make rule changes through an Order in Council process. This process includes drafting a rule amendment, taking policy decisions through Cabinet, and rule amendments through Cabinet. • Road Controlling Authorities may need to issue approvals for specific roads and may need to be consulted before amending permits or permitting requirements. • NZTA would likely need to assess infrastructure including bridges based on the additional weight increases.
Fiscal cost (costs to implement changes, other fiscal impacts)	TBC	<ul style="list-style-type: none"> • Any increases to weight limits to increase vehicle payloads or axle weights are likely to increase wear on the road. New Zealand's roads are made with bitumen, which is made from petroleum. NZTA advises that the price of bitumen has been increasing at a similar rate as the price of fuel, which increases the costs of road maintenance and repairs. • This could cause additional funding requests for repairs. More resealing and rehabilitation work could be required in future NLTP periods. It would not be feasible to recover the costs of the proposed weight increases as part of the Phase 2 response, which is counter to the user-pays principle. However, this could possibly be offset by increases to Road User Charges at a later date.
Impact on health and safety	TBC	<ul style="list-style-type: none"> • Weight/loadings would need to be within vehicle design limits. Carrying more freight per trip reduces the number of trips needed which reduces crash risk from exposure. • However, large increases beyond tolerance of HPMV performance measures could lead to increased loss-of-control crashes. • Possible safety risk from the impact on infrastructure (see below).

Risks (including unintended consequences)	Medium-high (depends on how much limits are raised)	<ul style="list-style-type: none"> • There is a risk further increasing mass limits would further stress the network and could lead to: <ul style="list-style-type: none"> ○ bridge failure ○ closure of bridges on key network routes due to additional wear and tear ○ significant maintenance costs to remediate additional damage. • Wear on infrastructure could exacerbate risks from extreme weather events. • Increases in the overall number of trips taken by industry could offset any fuel consumption savings from larger weight limits.
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NEXT STEPS

Senior Responsible Officer: Position, Email, Phone	Ruth Fairhall, Deputy Chief Executive Policy, R.Fairhall@transport.govt.nz , s 9(2)(a)
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Policy contact: Position, Email, Phone	Keegan Taylor, Principal Adviser, Regulatory Reform Keegan.Taylor@transport.govt.nz , s 9(2)(a)
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Secondary regulatory relief proposals (refer cover note for additional context)

Relax travel time and access restrictions for over-dimension vehicles		
Regulation	Land Transport Rule: Vehicle Dimensions and Mass 2016 (Schedule 8)	
Description of change	Relax travel time and access (toll roads and Auckland motorways) restrictions for over-dimension vehicles to allow them to make more efficient trips that consume less fuel	
Empowering provision or Act	Land Transport Act 1998	
Responsible decision-maker	Minister of Transport	
Process for amendment	Rule change through Order in Council, or class exemptions could be issued by the Director of Land Transport (statutorily independent decision-making function)	
Agency lead	Ministry of Transport	
Attachment (Yes/No)	No	
PROPOSAL SELF-ASSESSMENT		
Proposal	High/Med/Low	Further analysis / comment
Impact on fuel savings (please specify whether is this primarily jet, diesel or petrol)	Low, diesel	<ul style="list-style-type: none"> Impact likely to be low as over-dimension vehicles (e.g. construction machinery, house relocations, cranes) are a small segment of the fleet, and changes are likely to result in only a small decrease in distance travelled. Allowing over-dimension vehicles to use more sections of Auckland motorways would reduce fuel consumption. For many of these sections, the current route for operators is on local roads, which may be less efficient and increase the amount of traffic management required. Over-dimension vehicles are subject to certain conditions on two toll roads and are not allowed to travel on the third, Takitimu Drive. Reviewing these conditions could allow more efficient trips, including to the Port of Tauranga, and bypass the Tauranga city centre. This could reduce detours to lower fuel consumption. Relaxing travel time restrictions may also enable over-dimension vehicles to travel more efficiently.
Speed of implementation (how quickly would changes have an impact on fuel demand?)	TBC	<ul style="list-style-type: none"> TBC – implementation timing is dependent on information from other parties, including implementation planning from NZTA and an assessment of infrastructure asset risk from NZTA and road controlling authorities (RCAs).
Feasibility (e.g. does this require changes to primary legislation, regulations, rules/guidance)	Changes to the VDAM Rule	<ul style="list-style-type: none"> The Minister of Transport could make rule changes through an Order in Council process. This process includes drafting a rule amendment, taking policy decisions through Cabinet, and rule amendments through Cabinet. Affected RCAs would need to be consulted.
Fiscal cost (costs to implement changes, other fiscal impacts)	TBC	<ul style="list-style-type: none"> Costs to implement are likely to be limited to NZTA operational changes, but this would need to be confirmed and NZTA would need to provide implementation planning and costings.
Impact on health and safety	TBC	<ul style="list-style-type: none"> NZTA would need to assess the suitability of these roads for over-dimension travel and advise on any necessary conditions. For example, consideration would need to be given to possible safety impact of very large, potentially

		<p>slow-moving vehicles in faster-moving traffic, or safety risks from infrastructure damage.</p> <ul style="list-style-type: none"> • Need to ensure that over dimension movements do not conflict with roadworks, particularly at nighttime.
Risks (including unintended consequences)	TBC	<ul style="list-style-type: none"> • NZTA would need to assess the suitability of these roads for over-dimension travel and advise on any necessary conditions. For example, motorways may require height limits where there is a bridge over the road; the toll way in question features a 363-meter flyover bridge. • If infrastructure risks were not suitably assessed, there could be infrastructure damage, collisions with roads/tunnels.
NEXT STEPS		
Senior Responsible Officer: Position, Email, Phone	Ruth Fairhall, Deputy Chief Executive Policy, R.Fairhall@transport.govt.nz , s 9(2)(a)	
Policy contact: Position, Email, Phone	Keegan Taylor, Principal Adviser, Regulatory Reform Keegan.Taylor@transport.govt.nz , s 9(2)(a)	

Enabling vehicle parts or features that reduce fuel use		
Regulation	Land Transport Rules TBC	
Description of change	Enabling vehicle parts or features that reduce fuel use (i.e. allowing super single tyres or powered axles)	
Empowering provision or Act	Land Transport Act 1998	
Responsible decision-maker	Minister of Transport	
Process for amendment	Rule change through Order in Council, or class exemptions could be issued by the Director of Land Transport (statutorily independent decision-making function)	
Agency lead	Ministry of Transport	
Attachment (Yes/No)	No	
PROPOSAL SELF-ASSESSMENT		
Proposal	High/Med/Low	Further analysis / comment
Impact on fuel savings (please specify whether is this primarily jet, diesel or petrol)	Low, diesel	<ul style="list-style-type: none"> • Long lead-time for vehicle upgrades means benefits would not be realised in the short-medium term. Likely uptake of the features is not known. • An e-axle (electric axle) is a powertrain component that integrates the electric motor, transmission or reduction gearing, and power electronics (like the inverter) into a single axle unit. Depending on the type of e-axle, it can assist propulsion and/or enable regenerative braking energy recovery (for example generating energy to power a refrigerator unit), reducing diesel use. • Super single tyres are wide-base heavy-vehicle tyres designed to replace a pair of conventional dual tyres on an axle, carrying the same load with a single, wider tyre. They reduce vehicle weight and rolling resistance, improving fuel efficiency and payload capacity.
Speed of implementation (how quickly would changes have an impact on fuel demand?)	TBC	<ul style="list-style-type: none"> • TBC but likely to be slow – rule changes could potentially be progressed quickly following safety and policy analysis, but there are a limited number of the relevant vehicle parts in the country and there would be a time lag for them to be sourced and fitted.

Feasibility (e.g. does this require changes to primary legislation, regulations, rules/guidance)	Changes to the VDAM Rule	<ul style="list-style-type: none"> The Minister of Transport could make rule changes through an Order in Council process. This process includes drafting a rule amendment, taking policy decisions through Cabinet, and rule amendments through Cabinet.
Fiscal cost (costs to implement changes, other fiscal impacts)	TBC	<ul style="list-style-type: none"> Costs to implement are likely to be limited to NZTA operational changes, but this would need to be confirmed and NZTA would need to provide implementation planning and costings.
Impact on health and safety	TBC	<ul style="list-style-type: none"> Further analysis needed to assess safety risks and mitigations. Safety risks could be exacerbated by pairing these tyres and/or axles with heavier payloads.
Risks (including unintended consequences)	TBC	<ul style="list-style-type: none"> Further analysis needed to assess risks and mitigations.
NEXT STEPS		
Senior Responsible Officer: Position, Email, Phone	Ruth Fairhall, Deputy Chief Executive Policy, R.Fairhall@transport.govt.nz , s 9(2)(a)	
Policy contact: Position, Email, Phone	Keegan Taylor, Principal Adviser, Regulatory Reform Keegan.Taylor@transport.govt.nz , s 9(2)(a)	

Assessment of previous Wiri pipeline proposal (refer cover note for additional context)

Relaxation of cabotage rules related to the shipping of fuel		
Regulation	Section 198 Maritime Transport Act	
Description of change	Relaxing cabotage rules related to the shipping of fuel	
Empowering provision or Act	Section 198 Maritime Transport Act	
Responsible decision-maker	Associate Minister of Transport	
Process for amendment	Primary legislation change	
Agency lead	Ministry of Transport	
Attachment (Yes/No)		
PROPOSAL SELF-ASSESSMENT		
Proposal	High/Med/Low	Further analysis / comment Please include any quantitative information you have
Impact on fuel savings (please specify whether is this primarily jet, diesel or petrol)	Low	Section 198 of the Maritime Transport Act places limitations on the use of foreign flagged ships to transport domestic cargo between New Zealand ports. We understand that this proposal originated from the response to the 2017 Auckland Fuel Supply Disruption. At the time of that disruption, coastal shipping between the Marden Point refinery played an important role in fuel distribution to fuel terminals around the country. Accordingly, relaxation of restrictions on foreign flagged shipping transporting fuel may have helped achieve efficiencies in fuel distribution. However, with refined fuel now imported directly to fuel import terminals by overseas tankers, we understand that domestic coastal fuel shipping has ceased and fuel movements are reliant on direct imports by foreign-flagged tankers and onward land-based distribution. We therefore do not consider that changes to the current section 198 rules would achieve fuel reductions and would not otherwise be relevant to the shipping of fuel.
Speed of implementation (how quickly would changes have an impact on fuel demand?)	n/a	n/a
Feasibility (e.g. does this require changes to primary legislation, regulations, rules/guidance)	Low	Primary legislation changes
Fiscal cost (costs to implement changes, other fiscal impacts)		n/a
Impact on health and safety		n/a
Risks (including unintended consequences)		n/a
NEXT STEPS		
Senior Responsible Officer: Position, Email, Phone	n/a	

Policy contact: Position, Email, Phone	n/a
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7 May 2026

OC260356

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

Friday, 8 May 2026

FUEL RESPONSE: REGULATORY OPTIONS TO REDUCE SPEED LIMITS

Purpose

Ahead of the meeting of the Ministerial Economic Security and Supply Chains Group (MOG) on Friday 8 May 2026, we are providing you with initial analysis on regulatory options to reduce speed limits in Phase Four of the National Fuel Response Plan.

Key points

- We understand MOG is taking decisions on Friday 8 May 2026 on transport-related regulatory relief options, including speed limit reductions in Phase Four. This paper provides initial analysis on potential fuel savings and implementation considerations.
- The main proposal is to reduce the speed limit on open roads. We have analysed two options:
 - Option 1: reduce speed limits on open roads to 90 km/h.
 - Option 2: reduce speed limits on open roads to 80 km/h.
- We have assessed the options against the following criteria:
 - Effectiveness: is the option expected to reduce fuel usage?
 - Timely: how quickly can the option be brought into force?
 - Clarity: is the option easy for the public to understand and comply with?
- Both options can be introduced through a time-limited Rule.
- Initial modelling suggests fuel savings of 1.4 percent (20 million fewer litres used, equivalent to 2.5 days) for petrol and 0.8 percent for diesel (14 million fewer litres used, equivalent to 1.3 days) if speed limits were changed to 90 km/h for a six-month period.
- Initial modelling suggests fuel savings of 2.3 percent (34 million fewer litres used, equivalent to 4.2 days) for petrol and 2.9 percent for diesel (50 million fewer litres used, equivalent to 4.7 days) if speed limits were changed to 80 km/h for a six-month period.

- We have identified two implementation approaches for the two options:
 - Implementation approach 1: reduce speed limits, including signage changes, on State highways.
 - Implementation approach 2: introduce maximum travel speeds on open roads, similar to what is currently done for heavy vehicles.
- The trade-offs for the two implementation approaches are:

	Approach 1: change signage	Approach 2: no signage change
Timeliness	This approach would require changes to the speed limit signage on all affected State highways. Timing is uncertain as it is dependent on whether new signs are put up or if heavy-duty reflective stickers are used. Timing is also dependent on contractor availability, but NZTA has estimated it could take weeks rather than months to implement.	This approach could come into force as soon as a Rule is made.
Cost	The cost of signage is estimated to be \$1 million (\$200 x approx. 5,000 signs), but could be lower (approx. \$250,000) if heavy-duty reflective stickers are used over existing signs (but these are less durable and easier to vandalise). Installation costs are estimated to be an additional \$1.25 million.	Low cost as it relies on public messaging.
Enforceability	This approach is likely to be enforced by NZTA and Police.	Enforcing a lower maximum travel speed than the posted speed limit could create enforcement challenges and additional work for Police and NZTA.
Clarity	Clear to the public, they would continue to be informed of what the speed limit is by the posted signage.	Reliant on widespread public messaging.

- Another proposal is to temporarily change the Land Transport (Road User) Rule 2004 (the Road User Rule) to clarify that a driver is not impeding the flow of traffic by driving between 80 km/h and the speed limit (90, 100 or 110 km/h) on an open road. This relates to the requirement for drivers to move their vehicle as far as practicable to the left and allow traffic to pass where their speed impedes the normal flow of traffic. Failure to do so is currently an infringement offence.
- We do not recommend progressing this change because:
 - NZ Police has been consulted on this proposal and does not see a need for any formal rule change,

- NZ Police already has a broad discretionary power to enforce this offence,
- there are potential safety implications from slower moving vehicles travelling in fast-moving environments, and
- it is unlikely to result in significant fuel savings.

Next Steps

- The speed limit proposals form part of the broader transport fuel-related regulatory relief package for Phase Four and will be reflected in papers relating to this work. We will further subject the analysis to peer review by the Treasury, the Ministry for Regulation, and possibly an external reviewer before finalising our advice that comes following MOG decisions on 8 May.

Recommendations

We recommend you:

- | | | |
|---|---|----------|
| 1 | agree to not progress regulatory changes to the existing offence of impeding traffic, as the Police already have wide discretion, | Yes / No |
| 2 | note that, on 8 May 2026, MOG is considering regulatory relief options, including speed limit reductions in Phase Four of the National Fuel Response Plan, | |
| 3 | note initial modelling suggests fuel savings of 1.4 percent (20 million fewer litres used, equivalent to 2.5 days) for petrol and 0.8 percent for diesel (14 million fewer litres used, equivalent to 1.3 days) if speed limits were changed to 90 km/h for a six-month period, | |
| 4 | note initial modelling suggests fuel savings of 2.3 percent (34 million fewer litres used, equivalent to 4.2 days) for petrol and 2.9 percent for diesel (50 million fewer litres used, equivalent to 4.7 days) if speed limits were changed to 80 km/h for a six-month period, | |
| 5 | note that there are two implementation approaches: | |
| | a) introduce speed limit reductions on State highways (which carry higher traffic volumes), with associated signage changes, estimated to cost between \$1.5 million and \$2.25 million and take weeks to implement, | |
| | OR | |
| | b) introduce a maximum speed on all open roads (State highways and local roads) without changing signage, supported by public messaging; this approach would be lower cost and timelier to implement. | |

POC

Paul O'Connell
Deputy Chief Executive, Sector Strategy

07 / 05 / 2026

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	✓
Jo Gould, Principal Advisor, Safety		

FUEL RESPONSE: REGULATORY OPTION TO REDUCE SPEED LIMITS

- 1 We understand MOG is taking decisions on Friday 8 May 2026 on transport fuel-related regulatory relief proposals for Phase Four of the National Fuel Response Plan. This paper provides initial analysis on the speed limit proposals. Our analysis includes potential fuel savings and implementation considerations.
- 2 Changes to speed limits can be made through an ordinary rule. The Rule change can be made through an Order in Council on your recommendation under Sections 152A and 157(1)(d) of the Land Transport Act 1998 (the Act) after having regard to the criteria specified in section 164(2) of the Act.
- 3 There are different implementation options that will affect how quickly the changes can be rolled out, and how effective the change will be (in terms of enforcement and compliance). These are summarised later in the briefing.
- 4 We have assessed two options to reduce speed limits on open roads. These roads typically have speed limits of 100 km/h, with a few having a lower limit of 90 km/h or a higher limit of 110 km/h.
 - 4.1 Option 1: Change speed limits on open roads with current speed limits of 110 or 100 km/h to **90 km/h**, to align with the existing maximum speed limit for heavy vehicles.
 - 4.2 Option 2: Change speed limits on open roads with current 110, 100, or 90 km/h to **80 km/h**. This would be a change for both light and heavy vehicles.
- 5 We have assessed the options based on their potential fuel savings. The analysis of potential fuel savings does not account for any changes in behaviour from other interventions to reduce fuel use, so any national benefit is likely overstated.
- 6 For both options, we have assumed the overall effect will be limited by inconsistent compliance, since not everyone follows the current speed limits and we would expect this to continue.
- 7 We have not estimated the safety benefits of either option. However, reducing speed limits would likely result in a reduction in the average speed on these roads. Where the average speed decreases, the risk of fatal and serious crashes also decreases.

Option 1: introduce a speed limit of 90 km/h

- 8 We expect this option would result in small overall reductions in fuel usage, since motor vehicles are generally more fuel efficient at 90 km/h than 100 km/h. Initial estimates indicate this option could reduce petrol usage by 1.4 percent (20 million fewer litres used, equivalent to 2.5 days) and reduce diesel usage by 0.8 percent (14 million fewer litres used, equivalent to 1.3 days) over a six-month period.
- 9 The potential fuel savings would be greater on an individual journey basis, with a 2017 NZTA study finding a reduction in fuel usage of between 5.3 and 6.9 percent across three long distance routes (Levin to Hastings, Auckland to Tauranga and Christchurch to Kaikōura) when drivers in light vehicles reduced their maximum speed from 100 km/h to 90 km/h.

- 10 This option would not affect heavy vehicles as their current maximum speed limit is already 90 km/h.

Option 2: introduce a speed limit of 80 km/h

- 11 We expect this option would result in modest overall reductions in fuel usage. Initial estimates indicate this option could reduce petrol usage by 2.3 percent (34 million fewer litres used, equivalent to 4.2 days) and reduce diesel usage by 2.9 percent (50 million fewer litres used, equivalent to 4.7 days) over a six-month period.
- 12 The potential fuel savings would also be greater on an individual journey basis. The same 2017 NZTA study found a reduction in fuel use of between 13.7 and 14.6 percent across three long distance routes when drivers in light vehicles reduced their maximum speed from 100 km/h to 80 km/h.
- 13 This option would also affect heavy vehicles as they currently have a maximum travel speed of 90 km/h. This could affect the number or length of journeys heavy vehicle drivers can undertake in a day, as drivers must meet strict work-time limits to manage fatigue.

We have identified two implementation approaches for the options

- 14 How either option is implemented will involve several trade-offs, largely depending on whether or not speed limit signs are changed to reflect the lower speed limit.
- 15 Currently, speed limit changes are recorded in the National Speed Limits Register. Road controlling authorities (NZTA in the case of State highways, and local authorities for local roads) must install signs at, or near, the point where the speed limit changes. The Road User Rule specifies a maximum speed limit for heavy vehicles of 90 km/h (irrespective of what the speed limit is in the register and on the signs).
- 16 NZTA (for speed camera enforcement) and NZ Police advise that any reduced speed limits would need to be accompanied by changes to speed limit signs to enable effective enforcement. Enforcing the lower speed limits will increase compliance (which in turn increases fuel savings). But changing the signs will cost money and will take time. The trade-offs are therefore:
- 16.1 Timeliness – how quickly can the change be brought into force?
 - 16.2 Cost – how much will the change cost to implement?
 - 16.3 Enforceability – is the approach enforceable?
 - 16.4 Clarity – is the approach clear to the public?
- 17 There are two implementation approaches we have identified:
- 17.1 Implementation approach 1: reduce speed limits including signage changes, with changes likely targeting high traffic volume State highways.
 - 17.2 Implementation approach 2: introduce maximum travel speeds on open roads, similar to what is currently done for heavy vehicles.

The trade-offs for each approach are set out in the table below:

	Approach 1: change signage	Approach 2: no signage change
Timeliness	This approach would require changes to the speed limit signage on State highways. Timing is uncertain, as it is dependent on whether new signs are put up or if heavy-duty reflective stickers are used. Timing is also dependent on contractor availability, but NZTA has estimated it could take weeks rather than months to implement.	This option could be implemented through a Rule change and complemented with public messaging. The Rule would provide that, irrespective of what speed is recorded in the National Speed Limits Register and indicated on speed limit signs, the maximum speed for both light and heavy vehicles is 80 or 90 km/h (depending on which option is progressed).
Cost	<p>The cost of signage is estimated to be \$1 million (approx. \$200 x 5,000 signs), but could be lower (approx. \$250,000) if heavy-duty reflective stickers are used over existing signs (but these are less durable and easier to vandalise). Installation costs are estimated to be an additional \$1.25 million.</p> <p>If this option is progressed, we recommend restricting this option to State highways to avoid the cost burden on local road controlling authorities. This would reduce the potential fuel savings, however it would make implementation more straightforward.</p>	This is a low-cost approach as it would not require changes to signage, and could be rolled out quickly with supporting public messaging.
Enforceability	Changes to signage would enable the lower speed limits to be enforced.	<p>NZ Police and NZTA advise that enforcement (including speed camera enforcement) relies on posted speed limit signs reflecting the legal limit. If signs are not changed, enforcing a lower maximum travel speed on roads with higher posted limits could create additional work for NZTA and Police.</p> <p>If the approach is not enforced, it could affect Police delivery-dependent funding under the Road Policing Investment Programme. We can explore these implications further if this approach is pursued.</p>

	Approach 1: change signage	Approach 2: no signage change
Clarity	Changes to signage would help ensure road users are aware of the speed limit.	This approach would require comprehensive communications to inform drivers of the change and reinforce it while they are on the road. We expect lower compliance due to the behavioural shift required (drivers would need to follow the maximum travel speed rather than the posted speed limit). Leaving posted speed limit signs unchanged is likely to create confusion and could undermine compliance.

There are limitations with the analysis in this paper

- 19 Our estimates rely on theoretical vehicle operating and fuel consumption models rather than actual on-road fuel consumption, so they may not reflect real-world usage.
- 20 Temporary changes in speed limit may result in lower compliance than permanent changes, so our estimates might be overstated.
- 21 The Monty simulation uses 2018 travel scaled to 2023 but ignores more recent changes in population and economic conditions, which could bias (but the net change is uncertain) fuel savings estimates. However, the estimated percentage savings still hold.
- 22 Projecting daily Monty results over six months by treating all days the same as weekdays likely overstates savings, if driving weekends and holidays is lower.
- 23 The cost implications only include State highway signage and reflect Option 2 (reduce speed limits to 80 km/h). If Option 1 is proceeded with, the costs will be slightly lower as 90 km/h signs will not need to be changed. If local roads are to be included, the costs would increase and we would recommend consulting other road controlling authorities to understand cost impacts for them.
- 24 Further information is included in the Annex.

We do not recommend proceeding with the proposal to increase Police’s discretion for drivers travelling below the speed limit on open roads

- 25 This proposal suggested a temporary Rule change to clarify that a driver is not impeding the flow of traffic by driving between 80 km/h and the speed limit (90, 100 or 110 km/h) on an open road.
- 26 Police currently have broad discretion to charge drivers with the infringement offence of failing to allow impeded traffic to pass. Enforcement decisions depend on the context, and police officers consider relevant factors for why a driver may be driving at the lower speed, for example, weather conditions.

- 27 NZ Police advise that it currently undertakes a very small amount of enforcement action for this offence. Generally, a police officer must witness this type of driving behaviour to take enforcement action. They would need to observe multiple vehicles being held up (likely 10-12 vehicles) for some time.
- 28 NZ Police has been consulted on this proposal. It does not see a need for any formal rule change. Police noted that there may be a risk of serious road crashes arising from frustration and risky overtaking manoeuvres by some drivers due to driving speeds being less homogeneous.
- 29 We therefore do not recommend proceeding with this proposal. While it may support voluntary fuel-saving by driving more slowly, a slower vehicle in fast-moving traffic can reduce safety. Likely responses from other drivers include tailgating and unsafe overtaking.
- 30 Fuel savings are also likely to be limited if most drivers continue to travel at the speed limit to minimise journey time. In that case, slower drivers may still impede traffic and cause more braking and acceleration from other drivers, which can increase fuel use.

Consultation

- 31 Targeted consultation was undertaken in late April 2026 with industry representatives and a small number of road controlling authorities. Regulatory relief proposals for heavy vehicles and temporarily reducing speed limits were both discussed. Key themes included:
- 31.1 Longer travel times from lower speeds would affect all drivers, particularly commercial and heavy motor vehicle operators who must meet strict work-time limits.
- 31.2 Increased journey times would also disrupt scheduling for passenger and some freight services, where vehicles must arrive at specific locations at set times.
- 31.3 Reducing speed limits would likely result in positive safety effects.
- 31.4 Not much support for changes to the impeding traffic offence, as this could affect traffic flows (steady, consistent speeds are more important).
- 31.5 Some heavy vehicle operators supported a reduction to 90 km/h for all traffic, as this would improve consistent traffic flows.

Next Steps

- 32 The speed limit proposals form part of the broader transport fuel-related regulatory relief package for Phase Four and will be reflected in papers relating to this work.
- 33 We will subject the analysis in this paper to peer review by the Treasury, the Ministry for Regulation, and possibly an external reviewer before finalising our advice that comes following MOG decisions on 8 May 2026.

ANNEX 1: METHODOLOGY OF THE ANALYSIS

Vehicle fuel consumption by speed

- 34 A vehicle's fuel consumption varies with speed – it generally falls with rising speed up to about 60–70 km/h, then it rises again. As a result, reducing speed from 100 km/h to 80-90 km/h improves fuel efficiency. NZTA's Monetised Benefits and Costs Manual (MBCM) provides a function for estimating Vehicle Operating Costs (VOC) in \$/km by speed for different vehicle types. The MBCM also reports the average fuel-cost share of VOC by vehicle type varies between 40% and 50%, depending on vehicle type.
- 35 We use the information in the MBCM to estimate fuel consumption by driving speed and vehicle type by:
- 35.1 Evaluating the MBCM VOC function at 1 km/h increments from 10 to 120 km/h for each vehicle type, assuming flat terrain (gradient 0).
 - 35.2 Applying the fuel-cost share to isolate the fuel-cost-per-km component.
 - 35.3 Dividing by fuel prices (assuming light passenger vehicles use petrol; all others use diesel) to obtain fuel consumption (in L/100 km). We use mid-2024 fuel prices to align with other parameters used in the analysis.
- 36 This analysis covers petrol and diesel vehicles only. Electric, LPG, CNG and hydrogen vehicles and related energy consumption effects are therefore excluded, along with other economic effects of the policy.

Distribution of driving speeds

- 37 Drivers do not all travel at the allowed speed limit. We use the 2024 open-road speed distribution from the National Speed Monitoring Survey, which shows a mean speed of about 91 km/h, an 85th percentile of about 101 km/h, and around 17% of vehicles exceeding the 100 km/h limit. We assume this distribution shape holds across all open-road limits, shifted by the change in the posted speed limit. We apply the same distribution to light and heavy vehicles, shifted to match their effective speed limit (capped at 90 km/h for heavy vehicles). In practice, heavy-vehicle compliance with the speed limit is likely tighter. As a result, our model probably overstates the fuel-saving effect of speed limit reductions for heavy vehicles.
- 38 Driving speeds in our analysis are floored at 10 km/h and capped at 120 km/h to remain within the domain of the MBCM VOC curves.

Vehicle Kilometres Travelled by speed limit

- 39 To obtain Vehicle Kilometres Travelled (VKT) by posted speed limit, we use baseline simulation output from the National Transport Model (Monty), which reflect an average weekday scenario.
- 40 Monty does not distinguish between vehicle groups within "car" and "truck" categories. We address this by decomposing the Monty car totals into Light Passenger and Light Commercial, and the Monty truck totals into Medium Truck and Heavy Truck using each group's overall

VKT share from the Vehicle Fleet Model's (VFM) 2025 baseline run. We assume the within-category VKT mix is the same across all speed limits.

Fuel price response

- 41 To consider the fuel-price effect on travel demand, we apply a constant-elasticity formula to light passenger VKT, using a central own-price elasticity of -0.23 with a sensitivity range of -0.10 (low) to -0.28 (high). Commercial vehicles are assumed to be inelastic to fuel prices over the timeframe of interest.
- 42 The price response is applied uniformly across all driving speeds. We do not assume drivers reroute or reallocate VKT differently across the network in response to higher prices (or lower speed limits).

Estimating fuel consumption changes

- 43 For each vehicle group and posted speed limit, we allocate VKT across the range of likely driving speeds using the 2024 open-road distribution (shifted to match the posted limit), apply the fuel consumption rate at each driving speed, and sum to get total fuel use.
- 44 Policy effects are calculated as the difference between the baseline and each policy option (cap speed limits at 80 or 90 km/h) for each vehicle group, then aggregated to total petrol and total diesel consumption.