

Chair  
Cabinet Economic Growth and Infrastructure Committee

## REVIEW OF AGRICULTURAL TRANSPORT LEGISLATION

### Proposal

1. I seek Cabinet's agreement to amend a number of transport laws to implement the findings of the review into transport law regulating the use of agricultural vehicles on the road.

### Executive summary

2. This paper sets out my proposals to reform transport law regulating the 40,000 agricultural vehicles registered for use on road in New Zealand.
3. Over the last 10 years, the agricultural sector has raised concerns with transport regulators that transport laws do not adequately take account of the nature of specialist agricultural vehicles and the challenges associated with the agricultural task.
4. I propose a number of changes to transport laws governing agricultural vehicles used on road. The proposals will support our economic growth and better and less regulation objectives and address the industry's concerns. The proposals should also maintain the safety of operators, other road users and infrastructure.
5. My proposals cover the following areas:
  - 5.1. driver licensing requirements and the restrictions on working hours
  - 5.2. vehicle registration, and inspection requirements for agricultural vehicles
  - 5.3. vehicle dimension and mass limits
6. I propose to establish a two tier regime based on a 40 km/h operating speed threshold and align driver licensing and vehicle inspection requirements around that threshold.
7. All agricultural vehicles would be required to be registered (display licence plates) and licensed. Agricultural vehicles operating:
  - 7.1. at or below 40 km/h would be exempt from periodic vehicle inspection.
  - 7.2. over 40 km/h would be required to obtain a simplified annual warrant of fitness.
8. I also propose that the driver licence regime for drivers of agricultural vehicles be simplified and better aligned to the needs of the sector:

- 8.1. Drivers with a Class 1 restricted licence would be able to operate tractors on the road at or below 40 km/h.
- 8.2. A new agricultural endorsement would be created, allowing some vehicles currently requiring the driver to hold a Class 2 licence to be driven on a Class 1 licence.
9. The effect of these changes would be to exempt drivers of most specialist agricultural vehicles from the restrictions on work time prescribed by the Land Transport Rule: Work Time and Logbooks 2007. However, employers of drivers that operate these vehicles will still be required to manage driver fatigue under the Health and Safety in Employment Act 1992.
10. I propose to enable more flexibility around hazard panelling by introducing a new over dimension hazard panel configuration and enabling the NZ Transport Agency to approve other alternative configurations.
11. I also propose that agricultural vehicles registered on or after the date the provision comes into force be required to use a flashing amber beacon to better alert other road users to the presence of agricultural vehicles, and associated hazards.
12. The Ministry of Transport (the Ministry) estimates that these proposals should result in a net benefit of \$51 million over 25 years. The net benefit would be higher if the Ministry had quantified the reductions in risks associated with non-compliance, a larger labour force to draw on and greater operational flexibility for the owners of an additional 24,000 tractors that would be exempt from work time.

## **Background**

13. Agriculture and horticulture are at the core of New Zealand's economy, and are forecast to continue to grow in importance. More than any other developed country, our economy depends on the success of our land-based industries. It is vital that the land transport legislation applying to the primary production sector is fit for purpose, risk based and encourages compliance.
14. In September 2011, Hon Nathan Guy initiated a review into transport laws regulating the 40,000 registered agricultural vehicles in New Zealand. The review responded to the sector's concerns that the laws do not adequately take account the special nature of agricultural vehicles and the demands of the agricultural task.
15. The Ministry led a project team involving representatives from the Ministry of Business, Innovation and Employment, the New Zealand Police and the NZ Transport Agency. Key problems and observations identified by the agencies include:
  - 15.1. highly complex transport laws, with different requirements applying depending on operating speed, speed capability, driver licence class, travel purpose, distance from operating base, and vehicle weight
  - 15.2. some transport laws designed for trucks have a poor fit with agricultural vehicles

- 15.3. New Zealand laws are more restrictive on agricultural vehicles than those of many other overseas jurisdictions we compete with
- 15.4. shortages in the supply of agricultural vehicle drivers, particularly Class 2 drivers, caused by an ageing population and urbanisation trends
- 15.5. the time and cost for drivers to obtain full Class 1 and Class 2 licenses adds to the shortage of suitably qualified employees
- 15.6. work time restrictions are poorly aligned with the seasonal and weather driven demands on the industry
- 15.7. low compliance with vehicle inspection requirements and high direct and indirect compliance costs
- 15.8. low compliance with road user charges requirements
- 15.9. many of the prescriptive requirements imposed by transport law overlap with health and safety regulation
16. The Ministry reviewed all crashes involving agricultural vehicles from 1997 – 2010 (inclusive) and found that:
  - 16.1. agricultural vehicles are under-represented in crashes relative to fleet size – agricultural vehicles comprise 1.15 percent of the fleet, yet account for 0.2 percent of the average number of crashes
  - 16.2. the leading causes of crashes were speed mismatch, poor advance warning to other road users as a result of broken or dirty lights and hazard panels, and fault by other road users, either going too fast or exercising poor judgement on when to pass.
17. Research on the approaches of selected overseas jurisdictions in Australia, the United States, Canada, the United Kingdom and the Republic of Ireland, towards regulating agricultural vehicles found that New Zealand was more restrictive in some areas, particularly vehicle inspection requirements and work time restrictions.

## Proposals

### *Definitions of agricultural vehicles and trailers*

18. I propose to establish the following definitions for the purposes of the proposed policy and subsequent legislation:
- 18.1. "agricultural motor vehicle" would capture self-propelled machines and agricultural trailer that are designed, constructed or wholly adapted for agricultural purposes. This would include agricultural tractors, but exclude other road vehicles, including four wheel drives, utility vehicles and trucks. Also excluded would be self-propelled machines for trimming hedgers and trees and motor vehicles designed only or mainly for spreading or carting lime or fertiliser that can be used on the road<sup>1</sup>.
  - 18.2. "agricultural tractor" would capture a motor vehicle (other than a traction engine) constructed principally for towing an agricultural trailer or drawing or powering agricultural implements<sup>2</sup>.
  - 18.3. "agricultural trailer" would capture a trailer operated in connection with the operation or management of a farm, including an agricultural implement that has wheels which are in contact with the ground when towed on a road, but would specifically exclude a trailer that is principally designed for the carriage of goods operated at a speed above 40 km/h and logging trailers.<sup>3</sup>
  - 18.4. "agricultural purpose" includes the cultivation of land, the growing and harvesting of crops, the rearing of livestock, horticulture and viticulture, and land management operations connected with those activities, it would specifically exclude forestry or other land management operations.
19. I also propose to amend the definition of "all terrain vehicle" by removing the requirement for these to be a "special purpose" vehicle. This will enable a greater of variety of vehicles, with improved safety characteristics, to be operated under the current regime.
20. The Ministry consulted on this proposal during formal consultation and received considerable support for enabling farmers to use safer four wheel drive vehicles instead of quad bikes with motorcycle controls. The Ministry of Business, Innovation and Employment supports the move towards greater use of "side by side" vehicles, designed for off-road use, since most of these have roll cages and seat restraints.

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<sup>1</sup> These vehicles are currently excluded from the regime for the refund of fuel excise duty for agricultural vehicles.

<sup>2</sup> This is subject to the definition of tractor in the Land Transport Act 1998, which defines a tractor for registration and licensing purposes as a motor vehicle (other than a traction engine) designed principally for traction at speeds not exceeding 50 kilometres per hour.

<sup>3</sup> This will prevent agricultural trailers being used for purposes that are not in connection with the operation or management of a farm, or from being used to carry goods at speeds above 40 km/h. This should reduce the risk to other road users, and retain a single regime for road transport operations.

21. Submissions requested that the ATV definition be extended to include vehicles greater than one tonne. The Ministry and the NZ Transport Agency do not support such an extension at this time without further investigation as it would effectively exempt modified lightweight trucks and utility vehicles from meeting on-road standards. The Ministry and the NZ Transport Agency intend to investigate this issue further with the Ministry of Business, Innovation and Employment to identify how to best to regulate heavier off-road vehicles for use on-road. This matter will be considered in the course of the development of legislation arising from this paper.

### ***Two-tier regime for agricultural vehicles based on operating speed***

22. I propose to establish a two-tier regime to align vehicle inspection and driver licensing requirements around a 40 km/h operating speed threshold. Owners of agricultural vehicles would choose to operate their vehicle below 40 km/h, or above 40 km/h. This two-tier regime is practical, simple and is likely to improve sector compliance. It will also make the law easier to enforce.

### ***Driver licensing and work time proposals for agricultural vehicle drivers***

23. I propose to amend driver licensing and work time regulation to improve the availability of skilled labour, provide more operational flexibility and reduce compliance costs and barriers to non-compliance. I propose to make the following amendments:
  - 23.1. Increase the current speed restriction for Class 1 drivers of tractors, up to 18 tonnes or 25 tonnes in combination, from not exceeding 30 km/h to not exceeding 40 km/h to align with the new speed threshold and reduce the speed differential between other vehicles and agricultural vehicles.
  - 23.2. Permit drivers with a Class 1 restricted licence to operate these tractors, provided they comply with the requirements for restricted license holders. The recent changes to the Class 1 driver licensing regime provide assurance that restricted licence holders should have the necessary skills to operate agricultural vehicles in compliance with the law. Employers are required to provide machine type-specific training under the Health and Safety in Employment Act 1992. As a result of this change, the age at which New Zealanders can operate tractors would align with the age of eligibility for a tractor licence in overseas jurisdictions.
  - 23.3. Enable the holder of an overseas tractor or combine harvester licence to drive an equivalent agricultural vehicle permitted to be driven on a New Zealand Class 1 licence. This should help increase the pool of overseas workers available to the New Zealand agriculture sector.
  - 23.4. Develop a new agricultural vehicle endorsement linked to the Class 1 car licence to permit holders to operate:
    - 23.4.1. tractors of less than 18 tonnes, or 25 tonnes in combination, over 40 km/h; and

23.4.2. other specialist agricultural vehicles between 6 and 18 tonnes operated up to or at 40 km/h.

23.5. Design the agricultural vehicle endorsement to be obtained by passing an appropriate theory test. This would require development of a new theory test and is likely to take at least 12 months to implement. As an interim measure, I propose to utilise the existing “w” wheels endorsement by allowing it to be applied to all agricultural vehicles, which would confer benefits to the sector in the interim while the new endorsement is developed<sup>4</sup>. The existing fee to obtain an W (wheels) endorsement in item 10, Part 2, of the Land Transport (Driver Licensing and Driver Testing Fees) Regulations 1999 would apply.

23.6. Amend the Land Transport Rule: Work Time and Logbooks 2007 to simplify and improve the application process for alternative fatigue management schemes and incorporate the principal features of the current NZ Transport Agency Work Time Variation for Critical Agricultural Operations, which applies to operators of agricultural vehicles, and accompanying vehicles.

24. The driver licensing changes above would exempt an estimated 24,000 agricultural vehicles from work time restrictions. The Ministry notes that this creates a risk that more crashes could be caused by fatigued drivers. This risk is, however, mitigated by the sector remaining subject to the obligation to manage fatigue under the Health and Safety in Employment Act 1992. The Ministry of Business, Innovation and Employment will work with the New Zealand Transport Agency to incorporate guidance material on fatigue management and the respective duties of employers, self-employed, and employees into the New Zealand Transport Agency’s Agricultural Vehicles Guide.

25. The detailed analysis behind the proposals is set out in the attached regulatory impact statement *Review of Agricultural Transport Legislation*.

### ***Registration and inspection of agricultural vehicles and agricultural trailers***

26. I propose to improve the registration and inspection requirements for agricultural vehicles, trailers and implements to simplify the law, address barriers to compliance and reduce compliance costs, and implement safety improvements supported by industry. I propose to make the following amendments:

26.1. Provide that an agricultural vehicle that operates at or below 40 km/h is not subject to periodic inspection<sup>5</sup>.

26.2. Provide that an agricultural vehicle that operates over 40 km/h is required to obtain a warrant of fitness annually, rather than six monthly.

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<sup>4</sup> The Ministry and the NZ Transport Agency intend to investigate whether the proposed agricultural endorsement could operate as a model for other endorsements (wheels, tracks, forks and rollers) and whether the speed for holders of these other endorsements should be increased to 40 km/h.

<sup>5</sup> Under the Land Transport Act 1998, these vehicles will nevertheless have to be maintained in a road worthy condition.

- 26.3. Provide that agricultural trailers that fit within the new definition will continue to be exempt from registration, licensing and warrant of fitness regardless of operating speed<sup>6</sup>.
  - 26.4. Provide that trailers that do not meet the agricultural trailer definition (larger goods trailers that would ordinarily be towed by trucks operated at above 40 km/h) would be required to comply with the ordinary registration, inspection, licensing and road user charging requirements for the type of trailer.
  - 26.5. Provide that agricultural vehicles registered on or after the date the provision comes into force must display and operate an amber beacon that is visible from the front and rear at distances of at least 100 metres. Agricultural trailers and implements would need to be fitted with an amber beacon if it reduces the effectiveness of the beacon on the agricultural vehicle. Also clarify that agricultural vehicles registered prior to that date may display and operate an amber beacon.
  - 26.6. Provide that failure to comply with the requirement that agricultural vehicles must display and operate an amber beacon that is visible from the front and rear at distances of at least 100 metres is an offence against the Land Transport Act 1998, punishable by a fine not exceeding \$1,000 or an infringement fee of \$150, in line with existing penalties for non-compliance with requirements of lighting requirements in the Land Transport (Road User) Rule 2004.
27. The detailed analysis behind the proposals is set out in the attached regulatory impact statement (RIS): *Review of Agricultural Transport Legislation*.

### ***Road user charges and annual motor vehicle licensing for agricultural vehicles***

#### *Increase to annual vehicle licence fee for self-propelled agricultural machines*

28. I propose to increase the annual vehicle license fee for self-propelled agricultural vehicles in Vehicle Type 5 of the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011 from \$24.50 to \$43.50 to better reflect likely road use done by these vehicles.
29. Cabinet has already agreed [CAB Min (12) 12/6A refers] to:
  - 29.1. exempt all tractors and self-propelled agricultural vehicles from road user charges
  - 29.2. increase the annual vehicle license fee for tractors from \$24.50 to \$43.50 to bring tractor licence fees in line with the annual licence fee paid by most other vehicles and to recover some of the revenue collected through the issuing of time licences

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<sup>6</sup> They will be subject to existing legislative requirements to be maintained in a road worthy condition and towed within design limits (such as tyre speed rating).

30. These changes came into effect on 1 August 2012. Increasing the annual vehicle license fee for self-propelled agricultural vehicles aligns the licence fee with the licence fee for tractors.

*Aligning road user charges and vehicle licensing with the two-tier regime*

31. To make the two-tier regime simple and easy to understand, the Ministry initially intended to align road user charges, annual vehicle licensing and accident compensation charges. On 16 April 2012, Cabinet agreed to the following definition of tractors for the purposes of road user charges exemptions:
  - 31.1. "a motor vehicle" means a motor vehicle (other than traction engine) that is designed and constructed, not merely adapted, for traction and powering implements and does not exceed 40 km per hour on the road"
32. Targeted consultation in March 2012 with the Federated Farmers of New Zealand and Rural Contractors New Zealand before the Cabinet decision did not raise any issues or concerns with the definition. However, wider consultation that occurred in late April and early May 2012 highlighted that some tractor owners considered the requirement to pay road user charges to travel over 40 km/h would be a disincentive to opt to do so. Based on feedback received in June 2012 from agricultural stakeholder representatives, the Ministry estimates that about 15 percent (or 6,000 vehicles) of the agricultural vehicle fleet (mostly tractors) may prefer to travel faster than 40 km/h.
33. The new definition of tractor for road user charges purposes comes into effect on 1 August 2012. In advance of actual experience, it is difficult to know how tractor owners will respond and whether it is more economic to travel up to or at 40 km/h or pay road user charges. If it is uneconomic, there is a risk that it could create artificial incentives for vehicle owners either to travel at faster speeds but avoid payment (not comply), or drive up to or at 40 km/h and be less productive (comply). These outcomes would be inconsistent with the Government's commitment to better and less regulation.
34. I consider that any long term decision on how road user charges should apply to agricultural vehicles should be deferred until the Ministry has more information on the impact on compliance. The reforms of the road user charges system will be subject to an evaluation and monitoring regime following implementation on 1 August 2012. This will include surveys, key informant interviews, case studies, and use of data from the NZ Transport Agency and Police to assess the expected policy outcomes. The agricultural sector would be involved in this evaluation programme.
35. The Ministry intends to review how annual vehicle licensing and accident compensation should apply to agricultural vehicles once the Vehicle Licensing Reform project has made further progress. The outcome of the Vehicle Licensing Reform project may re-shape the context in which policy options for agricultural vehicles can be considered. Such a review would also consider the interim findings from the road user charge evaluation and monitoring. I expect to report back to Cabinet on how annual vehicle licensing and accident compensation should apply to agricultural vehicles.



### ***Overweight and over-dimension vehicle requirements for agricultural vehicles***

36. I propose to improve the laws relating to over dimension vehicles to provide more flexibility for operators and clarify how existing requirements apply to agricultural vehicles.
37. I propose to make the following amendments to the Land Transport Rule: Vehicle Dimensions and Mass 2002 (the Rule) to:
  - 37.1. provide that over-dimension category 1 and 2 agricultural vehicles travelling in a convoy of not more than three vehicles, should not be required to have a pilot vehicle for each agricultural vehicle, provided that a pilot vehicle is positioned at the front and rear of the convoy and there is a reasonable space for passing vehicles within the convoy.
  - 37.2. provide for alternative hazard panels 600mm high by 200mm wide for over dimension vehicles if either:
    - 37.2.1.the current hazard panel fitting the standard panel is not practical or
    - 37.2.2.better warning could be achieved by the vertical configuration
  - 37.3. provide that the NZ Transport Agency is authorised to approve alternative hazard panel configurations
  - 37.4. provide that the forward projection for an agricultural vehicle should not exceed 4 metres measured from the driver's seat
  - 37.5. provide that attachments or implements that overhang the front of an agricultural vehicle by more than 4 metres (measured from the driver's seat), are required to be painted in high visibility paint or be marked with an approved hazard panel
  - 37.6. correct the diagram in Table 6.1 to correctly align with the requirements in the Rule
  - 37.7. clarify that the concept of a "farm" in the Rule includes the activities set out proposed "agricultural purposes" section
  - 37.8. clarify that agricultural vehicles are not required to remove forks or other equipment fitted to the front when operating on the road, provided that the operator complies with the other requirements of the Land Transport Rule: External Projections 2001
38. The detailed analysis behind the proposals is set out in the attached RIS: *Review of Agricultural Transport Legislation*.

### ***Net benefit associated with proposals***

39. We estimate that proposals arising from the agricultural vehicles review should result in net benefit of \$51 million over 25 years. This figure has been adjusted to reflect low levels of compliance.
40. The net benefit would be higher if the following benefits had been estimated:
  - 40.1. reduction in the risk of sanctions for non-compliance for an estimated 28,300 agricultural vehicle owners that are not currently complying with vehicle inspection requirements
  - 40.2. a larger labour force to draw on
  - 40.3. greater operational flexibility for the owners of:
    - 24,000 agricultural vehicles that will be exempt from work time restrictions
    - 6,000 agricultural vehicles and an unknown number of accompanying support vehicles such as trucks that would remain subject to the work time rule but benefit from greater flexibility
  - 40.4. the productivity benefits from compliance cost reductions
41. These benefits were not able to be quantified due to insufficient data.
42. Detailed analysis behind this calculation is set out in the attached RIS: *Review of Agricultural Transport Legislation*.

### **Consultation with Stakeholders**

#### ***Preliminary consultation***

43. In October 2011 the Ministry held an initial round of consultation with stakeholder representative organisations to understand their concerns and any options that they wanted considered. The organisations consulted included:
  - 43.1. industry groups such as the Federated Farmers, Horticulture NZ, Rural Contractors NZ, the Tractor and Machinery Association, New Zealand Winegrowers; and
  - 43.2. organisations outside the industry but with a close interest in any law change affecting the rural sector such as the Road Transport Forum, the New Zealand Automobile Association, and the New Zealand Heavy Haulage Association.

#### ***Informal consultation***

44. In March 2012, the Ministry tested proposals with the industry and other road user representatives in an all day workshop. The proposals took the form of a draft discussion document. The Ministry revised the proposals in light of the submissions.

The Ministry noted that the Automobile Association, Road Transport Forum and Local Government New Zealand have somewhat different views to the rural sector, but were nevertheless comfortable with the proposals at the time.

### **Formal consultation**

45. In April and May 2012, the Ministry released a discussion document for formal consultation with the sector and other interested stakeholders. The Ministry received 43 submissions on the proposals from individuals, firms, industry representative bodies and other road user representative bodies. The Ministry also hosted six open invitation workshops with industry across New Zealand. An abridged summary of submissions is contained in Appendix C of the attached RIS: *Review of Agricultural Transport Legislation*.
46. Most industry stakeholders, including the Federated Farmers, Horticulture New Zealand, the Rural Contractors New Zealand, the New Zealand Tractor and Machinery Association and the Pukekohe Vegetable Growers Association supported the majority of the proposals, with comments directed at the details of the proposals.
47. The Automobile Association supported some of the proposals, particularly the agricultural endorsement and flashing amber lights, but preferred that the speed threshold was set at 30 km/h to ensure road user and operator safety. This view was supported by some other individual road user stakeholders and some larger agricultural contracting firms.
48. The Road Transport Forum, representing truck transport operators, opposed proposals that they believed would enable agricultural contractors and farm-based agricultural vehicles including trailers to compete unfairly with commercial trucks. Their concerns reflect the significant dispensations available for agricultural vehicles from the strict compliance regimes that are imposed on commercial transport operators. The proposed definition of agricultural trailer is less permissive than the existing definition, which should in part address these concerns.

### **Consultation with Government Agencies**

49. Representatives from the Ministry, the New Zealand Transport Agency, the New Zealand Police and the Ministry of Business, Innovation and Employment were involved in the development of proposals set out in relation to the review of transport law for agricultural vehicles, and support its recommendations. The New Zealand Transport Agency, the New Zealand Police would prefer that this paper sought to align vehicle licensing with the proposed 40 km/h two tier regime.
50. The following agencies have been consulted: the Treasury, the New Zealand Customs Service, the Department of Internal Affairs, Te Puni Kōkiri, the Ministry for the Environment, the Ministry for Business, Innovation and Employment, the Ministry of Foreign Affairs and Trade, the Ministry of Social Development, the Accident Compensation Corporation, the Ministry of Health, the Ministry of Justice, the State Services Commission and the Ministry for Primary Industries.

51. The Department of the Prime Minister and Cabinet has been informed.

### **Consultation with the Minister of Transport**

52. The Minister of Transport has agreed to the submission of this paper.

### **Financial implications**

53. The proposals in this paper relating to the Review of Agricultural Transport Legislation will not impact Crown revenue or third party revenue for the NZ Transport Agency.
54. The increase to annual vehicle licence fee for self-propelled agricultural machines as part of the Road User Charges Implementation Programme is estimated to increase Crown revenue by \$32,000 per annum.
55. The NZ Transport Agency will incur one-off costs, estimated at \$89,000, to implement the proposals relating to driver licensing, vehicle inspection and motor vehicle registration systems.
56. A future fee adjustment will be necessary to recover these implementation costs as they are not provided for within existing fees and no additional Crown funding is being sought.
57. The next review of the Land Transport (Driver Licensing) Rule 1999 and related driver licensing fees will take into account implementation costs relating to the driver licensing proposals. The next review of the safety standards fee provided for in Part 3, Schedule 5, of the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011, will take into account implementation costs relating to the vehicle inspection proposals.
58. The New Zealand Police will incur one-off costs, estimated at \$10,000, to implement the proposals. No additional Crown funding is being sought.

### **Human rights implications**

59. No inconsistencies have been identified between the proposals in this paper and either the Bill of Rights Act 1990 or the Human Rights Act 1993.
60. The proposal to recognise overseas tractor licences is consistent with New Zealand's international obligations under the Geneva Convention on Road Traffic 1949.

### **Legislative implications**

61. The following legislative instruments will need to be amended to implement the proposals set out in this paper, and any additional matters of minor policy detail that I decide:
- 61.1. Land Transport Act 1998
- 61.2. Land Transport (Road User) Rule 2004

- 61.3. Land Transport (Driver Licensing) Rule 1999
- 61.4. Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011
- 61.5. Road User Charges (Classes of RUC Vehicles) Exemption Order 2012
- 61.6. Land Transport (Offences and Penalties) Regulations 1999
- 61.7. Land Transport (Driver Licensing and Driver Testing Fees) Regulations 1999
- 61.8. Land Transport Rule: Traffic Control Devices 2004
- 61.9. Land Transport Rule: Vehicle Dimensions and Mass 2002
- 61.10. Land Transport Rule: Vehicle Lighting 2004
- 61.11. Land Transport Rule: Vehicle Standards Compliance 2002
- 61.12. Land Transport Rule: Work Time and Logbooks 2007
- 62. Amendments to other Land Transport Rules (such as Heavy Vehicle Brakes 2006 or Heavy Vehicles 2004) may be necessary to simplify the annual warrant of fitness requirements. Other consequential and transitional amendments may also be necessary.

### **Regulatory Impact Analysis**

- 63. The Regulatory Impact Analysis requirements apply, and the Ministry has prepared the attached RIS: *Review of Agricultural Transport Legislation*.
- 64. The Ministry's internal quality assurance team has reviewed the RIS. The team considers that the information and analysis summarised in the RIS meets the quality assurance criteria.
- 65. In light of the constraints identified in the Agency Disclosure Statements, the reviewer considers that the information in the statements is as complete as could be expected and identifies the main risks and uncertainties.
- 66. The proposals in this paper are consistent with the expectations set out in the Government Statement on Regulation: Better Regulation, Less Regulation.

### **Publicity**

- 67. I intend to make formal announcements on these proposals once decisions have been made and an implementation programme has been agreed between the NZ Transport Agency and the Ministry. I will also direct officials to informally update the agricultural industry and other stakeholders.

### **Recommendations**

- 68. I recommend that the Committee:

### *Review process*

1. **note** that the Ministry of Transport has worked with the NZ Transport Agency, the Ministry of Business, Innovation and Employment and the New Zealand Police to review the transport law regulating agricultural vehicles and develop the proposals set out in this paper in relation to the use of agricultural vehicles on the road.

### *Stakeholder engagement*

2. **note** that the Ministry and other agencies consulted with the agriculture industry and other road user stakeholders in May 2012, including six stakeholder workshops, and received 43 submissions on the proposals set out in this paper
3. **note** that I have considered the feedback from stakeholders and consider that the proposals in this paper provide a good balance between road user safety and the needs of the agriculture sector, and should not unfairly impact the road transport sector

### *Definitions*

4. **agree** with the following definition proposals
  - 4.1. "agricultural motor vehicle" be defined to capture self-propelled machines and agricultural trailers that are designed, constructed or wholly adapted for agricultural purposes. This would include agricultural tractors, but exclude other road vehicles, including four wheel drives, utility vehicles and trucks.
  - 4.2. "agricultural tractor" be defined to capture a motor vehicle (other than a traction engine) constructed principally for towing an agricultural trailer or drawing or powering agricultural implements.
  - 4.3. "agricultural trailer" be defined to capture a trailer operated in connection with the operation or management of a farm, including an agricultural implement that has wheels which are in contact with the ground when towed on a road, but would specifically exclude a trailer that is principally designed for the carriage of goods operated at a speed above 40 km/h and logging trailers.
  - 4.4. "agricultural purpose" be defined to include the cultivation of land, the growing and harvesting of crops, the rearing of livestock, horticulture and viticulture, and land management operations connected with those activities but specifically exclude forestry or other land management operations.
  - 4.5. "all terrain vehicle" be amended, by removing the requirement for these to be a "special purpose" vehicle.

### *Two-Tier Regime Based on Operating Speed*

5. **agree** that a two-tier regime should be established to align driver licensing and vehicle inspection requirements around a 40 km/h operating speed threshold

*Driver licensing and work time requirements for drivers of agricultural vehicles*

6. **agree** that the current speed restriction for holders of a Class 1 driver licence to drive agricultural vehicles up to 18 tonnes, or 25 tonnes in combination, should be increased from 30 km/h to 40 km/h
7. **note** the recent driver licensing changes that have raised the entry age for driving from 15 to 16 years
8. **agree** that holders of a restricted Class 1 driver licence should be permitted to drive tractors of up to 18 tonnes, or 25 tonnes in combination, at no more than 40 km/h
9. **agree** that the holder of an overseas agricultural vehicle licence should be permitted to drive an equivalent agricultural vehicle (within the limits permitted for the holder of a New Zealand Class 1 licence)
10. **agree** that a new endorsement linked to the Class 1 licence should be introduced to permit holders to operate specialist agricultural vehicles of 6 to 18 tonnes at or up to 40 km/h
11. **agree** that the agricultural vehicle endorsement should require an applicant to pass an appropriate theory test
12. **note** that the Ministry and the NZ Transport Agency intend to investigate whether the proposed regime for the agricultural vehicle endorsement could apply to the other specialist vehicle endorsements as part of a review of the Land Transport (Driver Licensing) Rule 1999 programmed for 2013
13. **agree** that the existing W (wheels) endorsement should be utilised in the interim until the review of the Land Transport (Driver Licensing) Rule 1999 is carried out
14. **note** that the effect of these changes will be that a wider range of agricultural vehicles (those requiring a driver with a Class 1 licence) will be subject to only the requirements of the Health and Safety in Employment Act 1992 and not the Land Transport Rule: Work Time and Logbooks 2007
15. **agree** that the Land Transport Rule: Work Time and Logbooks be amended to simplify the application process for alternative fatigue management systems and incorporate the principle features of the NZ Transport Agency Work Time Variation for Critical Agricultural Operations

*Registration and inspection requirements for agricultural vehicles and trailers*

16. **agree** that agricultural vehicles operating at or below 40 km/h should be:
  - 16.1. registered
  - 16.2. in a road worthy condition, but exempt from periodic inspection
17. **agree** that agricultural vehicles operating over 40 km/h should be required to obtain a simplified, annual warrant of fitness
18. **note** that the NZ Transport Agency intends to review approval processes under the Land Transport Rule: Vehicle Standards Compliance 2002 to facilitate increased uptake of on-site inspection services

19. **agree** that agricultural trailers should continue to be exempt from registration, licensing and warrant of fitness, provided they do not exceed 40 km/h and are kept in a road worthy condition
20. **agree** to increasing the annual vehicle license fee for self-propelled agricultural vehicles in Vehicle Type 5 of the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011 from \$24.50 to \$43.50 to align with Cabinet's decision to increase the annual vehicle license fee for tractors as part of the road user charges implementation programme [CAB Min (12) 12/6A]
21. **agree** that agricultural implements should continue to be exempt from registration, licensing and warrant of fitness regardless of operating speed provided they are kept in a road worthy condition
22. **note** that agricultural vehicles that owners opt to operate above 40 km/h from 1 August 2012 will be required to pay road user charges, and that the Ministry will monitor compliance and enforcement in the interim as part of the road user charges evaluation and monitoring regime and take action if necessary and appropriate

*Overweight and over dimension vehicle requirements for agricultural vehicles*

23. **agree** that:
  - 23.1. agricultural vehicles registered on or after the date the provisions comes into force should display and operate an amber beacon that is visible from the front and rear at distances of at least 100 metres.
  - 23.2. agricultural trailers and implements would need to be fitted with an amber beacon if the trailer or implement reduces the effectiveness of the beacon on the agricultural vehicle.
  - 23.3. failure to comply with this requirement that agricultural vehicles should be an offence against the Land Transport Act 1998, punishable by a fine not exceeding \$1,000 or an infringement fee of \$150, in line with existing penalties for non-compliance with the Land Transport (Road User) Rule 2004
24. **agree** to amend the Land Transport Rule: Vehicle Dimensions and Mass 2002 (the Rule) to:
  - 24.1. provide that over-dimension category 1 and 2 agricultural vehicles travelling in a convoy of not more than 3 vehicles, should not be required to have a pilot vehicle for each agricultural vehicle, provided that a pilot vehicle is positioned at the front and rear of the convoy and there is a reasonable space for passing vehicles within the convoy
  - 24.2. provide for a new alternative hazard panel configuration 600mm high by 200mm wide for over dimension vehicles if either:
    - 24.2.1. the current hazard panel fitting the standard panel is not practical or
    - 24.2.2. better warning could be achieved by the alternative configuration



- 24.3. provide that the NZ Transport Agency is authorised to approve alternative hazard panel configurations
- 24.4. provide that the forward projection for an agricultural vehicle should not exceed 4 metres measured from the driver's seat
- 24.5. provide that attachments or implements that overhang the front of an agricultural vehicle by more than 4 metres (measured from the driver's seat), are required to be painted in high visibility paint or be marked with an approved hazard panel
- 24.6. correct the diagram in Table 6.1 to correctly align with the requirements in the Rule
- 24.7. clarify that the concept of a "farm" in the Rule includes the activities set out proposed "agricultural purposes" definition
- 24.8. clarify that agricultural vehicles are not required to remove forks or other equipment fitted to the front when operating on the road, provided that the operator complies with the other requirements of the Land Transport Rule: External Projections 2001

#### *Implementation costs*

25. **note** that the Ministry of Transport may take into account the NZ Transport Agency's implementation costs when next reviewing the Land Transport (Driver Licensing) Rule 1999 and related fees and the safety standards fee provided for in Part 3, Schedule 5, of the Land Transport (Motor Vehicle Registration and Licensing) Regulations

#### *Next steps*

26. **invite** the Associate Minister of Transport to instruct the Parliamentary Counsel Office to draft amendments to the Land Transport Act 1998, land transport regulations and relevant Rules to give effect to recommendations described above, including any necessary consequential amendments and transitional provisions
27. **authorise** the Associate Minister of Transport to determine any matters of minor policy detail that may arise in the course of preparing the draft legislation
28. **note** the intention of the Associate Minister of Transport to implement the proposals in this paper by amending the relevant Land Transport Rules without further reference to Cabinet unless contentious issues arise in the course of development of the Rules or new policy decisions are required

29. **note** my intention to publicly announce these decisions.

A handwritten signature in black ink, appearing to read 'S. Bridges', with a long horizontal flourish extending to the right.

Hon Simon Bridges  
**Associate Minister of Transport**

Dated: 2 August 2012