



SUBMISSION

Submission: Land Transport Rule: Vehicle Exhaust Emissions Amendment (No. 2) 2024

To: NZTA (VEEconsultation@nzta.govt.nz)

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About Ia Ara Aotearoa Transporting New Zealand

- 1 Ia Ara Aotearoa Transporting New Zealand is a national membership association representing the road freight transport industry. Our 1,200 members operate and support urban, rural and inter-regional commercial freight transport services throughout the country.
- 2 As the peak body and authoritative voice of the road freight sector, Transporting New Zealand advocates for policies and investments that help our members operate efficiently, safely, and sustainably. Road freight transport accounts for approximately 93% of the total tonnage of freight moved in New Zealand.

2024 Land Transport Rule: Vehicle Exhaust Emissions Amendment Levy Consultation

- 3 Transporting New Zealand appreciates the opportunity to make a submission on NZTA's proposed amendment of the Vehicle Exhaust Emissions Rule. Our submission is focussed on:
 - a. Proposal 1: to incorporate the new Australian Design Rules
 - b. Proposal 2: to require that new model light vehicles be Euro 6d compliant from 1 December 2025.
- 4 Transporting New Zealand supports Proposal 1 and Proposal 2 for the reasons outlined below.

Road freight sector overview

- 5 Over 35,000 people work in the road freight transport sector, and while our membership's main focus is moving freight with heavy vehicles, the majority of our members will have one or more light vehicles in their fleet as company vehicles.
- 6 Air quality is important to the healthy futures of those working in transport workplaces, and the wider public. Advocating for healthier and safer working environments is one of Transporting New Zealand's core strategic aims.
- 7 When the Ministry of Transport consulted on Euro 6 vehicle emission standards in May 2023 it estimated the social cost of air pollution from transport to be \$10.5 billion and compared that to the total social cost of road crashes which resulted in deaths and serious injuries, at \$8 billion.
- 8 The Ministry of Environment's "New Zealand's Environmental Reporting Series: Our air 2024" [reports](#) that transport, in particular motor vehicle emissions, remain a large source of air pollutants, including PM_{2.5} and nitrogen dioxide and that 39 percent of NO_x emissions were from road vehicles in 2019.
- 9 The same Ministry of Environment report refers "transport emissions were lower for all monitored pollutants except sulphur dioxide in 2019 than 2012. Motor vehicle engine and fuel improvements continue to contribute to reductions. This is despite increases in the total

number of kilometres travelled in a year, vehicle fleet numbers, and proportion of diesel vehicles.”

- 10 It is important that our regulations mitigate the risks of harmful emissions. This must be balanced against ensuring regulations do not make fleet renewal prohibitively expensive, incentivising businesses and individuals to continue running older vehicles for longer.

The NZTA proposals

Proposal 1 Add the new Australian Design Rules (ADRs) for Euro 6d to the Rule as an alternative standard

Proposal 2 Complete the alignment of the compliance dates for Euro 6d, and its internationally accepted alternatives, with Australia

- 11 New Zealand is not a recognised manufacturer of motorised vehicles and nor is it a setter of vehicle standards. As a consequence, for many decades we have largely been reliant on and accepting of vehicles manufactured for export from Europe, US, Australian and Japan.

12 Adopting the Euro 6d ADR is consistent with the current approach and therefore Transporting New Zealand supports Proposal 1.

- 13 In term of introducing the requirement that vehicle importers meet Euro 6d standards when importing new model light vehicles from 1 December 2025, we understand this will essentially limit vehicle importers to only import new model light vehicles which meet either one of the United States, Japanese, or Australian standards which New Zealand considers acceptable alternatives to Euro 6d.

- 14 Transporting New Zealand also understands from NZTA that this compliance date change benefits New Zealand by ensuring vehicles intended for our market are meeting the same standards at the same time as the Australian market, reducing complexity and cost to vehicle importers. Aligning with Australia ensures New Zealand is unlikely to receive vehicles that are no longer accepted in other countries.

- 15 According to NZTA implementing Proposal 2 will not result in any supply or cost risk for new vehicle distributors.

16 Transporting New Zealand accordingly supports Proposal 2.

- 17 Transporting New Zealand understands that NZTA has been in consultation with the Motor Industry Association (MIA) regarding these proposals. As the industry body representing manufacturers and distributors, with corresponding subject matter expertise, MIA’s submissions should be carefully considered in order to avoid supply chain disruptions and other unintended impacts.

- 18 Transporting New Zealand is mindful that globally the vehicle manufacturer industry is changing. Earlier this week the Washington Post [reported](#) that China’s biggest electric

vehicle manufacturer BYD, built more electric cars than Tesla in 2024, and this signals a global shift towards cheaper electric cars.

- 19 Typically, about half the light vehicles that enter the New Zealand fleet each year are used imports predominantly sourced from Japan. That substantial used import attribute has existed for several decades and given the current concerns with the cost of living, that demand profile is unlikely to change in the short to medium term.
- 20 With the recent emergence and development of other manufacturers outside of Japan, it is not inconceivable that international jurisdictions other than Japan will have vehicles that could for all intent and purpose meet our needs.
- 21 Therefore Transporting New Zealand recommends that NZTA should also recognise vehicles from other markets that meet the same emission levels and testing methodologies.
- 22 As a more general comment Transporting New Zealand suggest NZTA consider shifting its approach to managing the vehicle fleet more towards considering performance outcomes rather than being based primarily on the country of manufacture. Not only would this change be fairer and more consistent, it would help mitigate the risk of distorting the market and as a consequence ensure that we do not unnecessarily limit the supply of affordable low emission cars to New Zealanders.
- 23 Over the last quarter of a decade NZTA has applied a performance-based standards (PBS) approach to manage the safety performance of heavy vehicle combinations. The PBS approach is well proven and accepted around the world as a way of enabling the introduction of innovative vehicles and we see that a similar in principle approach could bring benefits to the light vehicle fleet.

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