



BRIEFING

National Fuel Plan 2026: draft Phase 2 readiness Cabinet paper and regulatory relief measures

Date:	7 April	Priority:	Urgent
Security classification:	In Confidence	Tracking number:	REQ-0030594

Action sought		
	Action sought	Deadline
Hon Nicola Willis Minister of Finance	Provide feedback on the draft Cabinet paper Indicate your preference for further work	8 April
Hon Shane Jones Associated Minister of Energy	Provide feedback on the draft Cabinet paper Indicate your preference for further work	8 April

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Iain Cossar	Fuel Response Policy Lead	Privacy of	

The following departments/agencies have been consulted

Ministry of Transport, Ministry for Primary Industries, Treasury, Ministry for the Environment, Ministry of Regulation, Department for Internal Affairs, EECA

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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National Fuel Plan 2026: Phase 2 readiness and regulatory relief measures

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Purpose

To seek agreement to take an adaptable and response approach to Phase 2 of the National Fuel Plan and provide further advice on regulatory relief and other measures that could be considered during Phase 2.

Recommended action

The Ministry of Business, Innovation and Employment (**MBIE**) recommend that you:

- a **Agree** that Phase 2 is a preparatory phase with the objective of preventing a move to Phase 3 and that the Government response remains adaptable and responsive to evolving evidence and feedback from industry, business and the wider public
Agree / Disagree
- b **Note** that we do not consider a move to Phase 2 is required at this stage, but the system is ready
Noted
- c **Note** that regulatory relief measures identified so far are likely to have a marginal impact on diesel use but that the data available does not allow us to quantify the impacts
Noted
- d **Agree** to instruct the Ministry of Transport to progress work now on a heavy vehicle regulatory relief package
Agree / Disagree
- e **Agree** to Confidential advice to Government
Agree / Disagree
- f **Discuss** if you would like lead agencies to undertake further work on any other proposals provided as outlined in Annex Two
Yes/No
- g **Note** that further targeted and temporary fuel use reduction measures might be needed to prevent moving to Phase 3
Noted

h **Agree** to instruct the Ministry of Transport to undertake work on voluntary and regulatory measures to temporarily reduce speed limits

Agree / Disagree

i **Indicate** whether you would like further advice on other demand reducing measures we could progress in Phase 2, such as increasing availability of public transport, promoting flexible working arrangements, or driver education

Yes/No

j **Provide** feedback on to the draft Cabinet paper for lodgement on 10 April.

Privacy of natural persons

Agree / Disagree

Iain Cossar
Fuel Response Policy Lead, MBIE

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Hon Nicola Willis
Minister of Finance

..... / /

Hon Shane Jones
Associated Minister of Energy

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Background

1. Cabinet is due to consider Phase 2 readiness on 13 April. A draft Cabinet paper is attached at Annex One. This briefing seeks agreement to an adaptable and responsive approach to Phase 2 and provides further advice on regulatory relief measures and other measures that could be considered to prevent a move to Phase 3. You will receive separate advice on public sector readiness and supply side measures.

We recommend an adaptable and responsive approach to Phase 2

We are ready to move to Phase 2 if needed

2. We do not consider a move to Phase 2 is required at this stage, but the system is ready:
 - a. Energy Efficiency and Conservation Authority's Phase 2 campaign and public messaging to reduce fuel demand can be activated
 - b. Officials are working with the fuel industry to ensure a data-driven approach
 - c. The Commerce Commission is providing guidance to support collaboration.

Phase 2 is designed as a preparatory and preventative stage

3. At Phase 2, price signals are still moderating demand, but there remains a material risk of further disruption. Government action focuses on maintaining and, where possible, increasing supply while actively supporting voluntary demand reduction by households, businesses and the public sector. The National Fuel Plan 2026 also anticipates targeted, temporary measures to make essential activity more fuel-efficient and reduce unnecessary fuel use, including time-limited regulatory relief.
4. Key preparatory measures include a clear communication campaign, ongoing data sharing with industry, and industry collaboration. The key preventative measures can include removing any non-essential regulatory barriers to reducing fuel use, and other regulatory and non-regulatory changes.

Adaptable and responsive Phase 2 settings can help prevent government intervention in Phases 3 and 4

5. The government has deliberately adopted a collaborative and transparent approach with fuel industry, businesses and the public throughout Phase 2. This ongoing engagement ensures that stakeholders are kept informed and have opportunities to contribute to decision-making processes.
6. Given the dynamic nature of the conflict and its impacts on fuel supply, it is neither feasible nor appropriate to design a pre-set, rigid approach at this stage. Flexibility and adaptability will enable the Government to respond effectively to rapidly changing circumstances and emerging risks, improving the likelihood that we do not move to Phases 3 or 4. We therefore propose that Cabinet agree to the following policy objectives for Phase 2:
 - a. avoid or delay the need for a move to Phase 3, which would involve a step-change in the level of government intervention in the economy and would come with significant economic and social consequences
 - b. enhance the signals for businesses, households and communities to undertake a greater demand response and help us to get the most out of our fuel supply, while continuing to progress efforts to shore up supply

- c. identify and support targeted, timely and temporary measures in response to fuel supply disruptions and encourage an increase in general preparedness to manage supply and related disruptions.

There are several ways to reduce fuel use

7. International evidence indicates that ways to reduce fuel use are:
 - a. **Reduce kilometres** through shorter trips, or less travel.
 - b. **Higher utilisation through more freight per trip** by increasing load factors and reducing empty running. The realised savings depend infrastructure, safety, access rules, enforcement capacity.
 - c. **Avoid congestion and stop-start driving.** Off-peak activities have shown travel time reduction, largely through higher speeds, less idling, and improved kerb access.
 - d. **Improve vehicle efficiency per kilometre.** Eco-driving and driver feedback/telematics interventions can lead to fuel economy improvements. Speed reductions—particularly where baseline speeds are high—are often cited internationally as a rapid demand-reduction tool, but urban impacts can be mixed due to traffic-flow effects.
 - e. **Mode shift (road to rail/coastal shipping)** can reduce fuel demand where rail/coastal movements genuinely displace road freight and capacity constraints (rolling stock, terminals, ports, service patterns) do not limit impact.
 - f. **Adoption of non-fuel based technology (eg EVs).**
8. The strongest near-term measures are those that remove avoidable kilometres, increase utilisation, and reduce inefficient driving conditions, because they can translate quickly into fewer trips and lower fuel burn.

Regulatory relief measures identified so far are likely to have a marginal impact in reducing fuel use

Stakeholders and agencies identified several regulatory relief proposals

9. Cabinet agreed in Phase 2 it would consider removing any non-essential regulatory barriers to reduce fuel use where temporary relaxation will not create immediate risks to health and safety or other relevant concerns. To identify potential regulatory barriers, officials across government engaged with key stakeholders. We have also received suggestions from the public via the Ministry of Regulation tip line.
10. An overview of the proposals for regulatory relief is provided in Annex Two. Proposals for relief identified relate to fuel use for:
 - a. Heavy and oversized vehicles (diesel)
 - b. Commercial fishing vessels or operators (diesel)
 - c. International ships (diesel)
 - d. Enforcement and inspection activities (petrol and diesel)
 - e. Commuting (petrol and diesel)
 - f. Reduce Road or Rail User Charges (petrol and diesel)
 - g. Aviation (jet fuel).

We have undertaken an initial assessment of the proposals and these are likely to have marginal impact on fuel use

11. In consultation with the relevant lead agencies, we have assessed the regulatory relief proposals based on:
 - a. Benefits: fuel use reduction (including more efficient fuel use) and other benefits (eg maintaining supply chains)
 - b. Costs and trade-offs: implementation costs and short-to medium term impacts (eg wear and tear on infrastructure)
 - c. Feasibility: time and process needed to provide the regulatory relief.
12. Further details are provided in Annex Two. Data limitations mean that it is not possible to fully quantify the fuel savings impacts of the proposals, or the associated costs. Overall, the assessment from the lead agencies is that that few proposals would have a significant impact on fuel use, many would be difficult to progress quickly, and most come with trade-offs.

We propose to instruct the Ministry of Transport to progress work now on regulatory relief measures for heavy and oversized vehicles

13. Many proposals related to heavy vehicles. Heavy vehicles play a crucial role in transporting goods and materials across sectors such as freight, forestry, agriculture, construction, and mining, and they account for a significant proportion of diesel consumption.

Several proposals related to the Land Transport Rules and vehicle permitting settings

14. The Ministry of Transport considers one of these proposals worth progressing now: **allowing heavier payloads for heavy vehicles within manufacturer-specified limits** (through changes to general vehicle mass and axle weight limits). This proposal was submitted by the Ministry of Transport, Ministry for Primary Industries, the Ministry for Regulation tip line and key industry stakeholders and could be progressed by the Minister of Transport via a change to the Land Transport Rules.
15. 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.
16. Free and frank opinions

Other proposals relate to regulatory enforcement under the Resource Management Act

17. Key industry stakeholders (e.g., mining and construction industry) suggested temporarily relaxing controls on the direction of traffic at industrial sites (e.g., some trucks must turn to the left when exiting the quarry or follow certain routes which can add substantial distances to travel) or temporarily remove heavy vehicle curfews / weight limits around residential areas. These rules are generally set the resource consent for a particular site.
18. The Ministry for the Environment does not support progressing these proposals at this time because it is potentially difficult to implement and may require secondary or primary legislative change to allow central government to change resource consent settings.

19. Confidential advice to Government

Confidential advice to Government

20. Confidential advice to Government

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Other regulatory relief proposals were not supported by the lead agencies, or require further work

23. All the other regulatory relief proposals were not supported by the lead agencies because they are considered to have a low impact compared to the potential costs and would require significant further work.

The Ministry of Transport does not support temporarily suspending noise curfews for Wellington and Auckland Airports or expanding availability of Ohakea

24. Air New Zealand has provided some ideas it considers could help save fuel. These include temporarily suspending noise curfew at Wellington and/or Auckland Airport and extending availability of Ohakea until 1am.

25. The Ministry of Transport does not recommend progressing any of these initiatives as they would have minimal impacts on fuel savings and/or they would require updates to operational agreements rather than regulatory change.

The Ministry of Transport does not support making changes to cabotage rules to move freight off roads onto shipping routes because exemptions already exist

26. Section 198 of the Maritime Transport Act 1994 places limitations on the use of foreign flagged ships to transport domestic cargo between New Zealand ports. Some submitters (particularly industry stakeholders) proposed that facilitating international ships to move freight from port to port in New Zealand, including potentially extending the time ships can be in New Zealand waters would allow more freight to be moved by sea, reducing road freight and improving fuel efficiency. Regulatory relief would help fertiliser companies by reducing some regulatory compliance costs more generally.

27. However, the Ministry of Transport advises that such a change would neither reduce fuel use nor be timely to implement. The Maritime Transport Act 1994 already enables international vessels to operate cabotage services in certain circumstances. Relaxing these rules would require primary legislation change, be highly contentious, and is unlikely to reduce fuel use.

28. Under the Maritime Transport Act 1994, the Minister of Transport (or a delegate) can already authorise foreign-flagged ships to transport domestic cargo between New Zealand ports if satisfied that no permitted ships are available. Applications are dealt with on a case-by-case basis and may be approved subject to relevant considerations (typically around health and safety).

29. These rules mean that New Zealand already has a permissive cabotage system with about 75% (by tonnage) of the coastal shipping task carried by foreign flagged vessels. This reflects the small market where the container trade is served by ships on a continuous deep-sea loop calling at multiple New Zealand ports, with movement of coastal cargo being incidental to the import/export cargo. The Ministry of Transport also noted that local operators cannot compete with the much lower operating costs of foreign-flagged and crewed ships, so tend to focus on niche products (eg, cement) or routes (eg, the Cook Strait).

We do not recommend progressing any further work on proposals relating to Road or Rail User Charges

30. A number of submitters also proposed to temporary waiver road and rail user charges or delay the coming into force of congestion charges. In consultation with the Ministry of Transport, we do not propose to progress work on changes to Road User Charges (RUCs) as any short-term relief for some users would therefore be likely to work against the objective of reducing fuel demand in Phase 2. Temporarily removing RUCs would operate as a subsidy for road travel, because it lowers the marginal cost per kilometre at the point decisions are made about whether to drive, when to travel, and which mode or route to use. Reducing these prices weakens the demand-management signal that encourages trip reduction, carpooling, mode shift, and freight consolidation.

31. There was also a proposal via industry and the Ministry for Regulation tip line to temporary provide relief from Rail User Charges. Even if such charges were removed or delayed, the overall effect on total fuel use during Phase 2 is likely to be limited. In the short term, most travel and freight movements are relatively price-inelastic and driven by essential activity, and the change in per-kilometre costs from user charges would typically be small compared with the dominant fuel-price signal already facing households and businesses.

Further work could be undertaken on enabling greater employer-supported carpooling

32. Some submitters proposed to relax health and safety requirements to allow companies to transport workers to and from worksites in company vehicles; while this could reduce individual car trips, the number of firms able to do this and the scale of uptake are unknown, and feasibility would depend on which requirements are adjusted and to what threshold.

33. A related proposal is to amend fringe benefit tax settings to allow employers to reimburse private vehicle owners for transporting colleagues. This could, in principle, incentivise carpooling, but expected uptake by employers and employees is unclear, potential fuel savings are uncertain, and there is a risk of unintended consequences. Changes to tax settings would likely require primary legislation

Confidential advice to Government

34. Confidential advice to Government

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36. Confidential advice to Government

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Further regulatory and non-regulatory measures to reduce fuel during Phase 2 could also be explored

To prevent a move to Phase 3 further measures might be needed

38. The regulatory relief measures outlined above could have a marginal impact on diesel use. At Phase 2 price signals continue to influence behaviour, with consumers and businesses responding by adjusting their fuel use accordingly.
39. However, if we don't see sufficient reduction in diesel and petrol use other measures could be considered to prevent a move to Phase 3 including targeted, temporary and timely regulatory options. Stronger measures would still be better than a move to Phase 3 as Phase 3 may require significant government intervention that could considerably constrain everyday activity and impact the economy.

We recommend undertaking further work on voluntary and regulatory measures to temporarily adjust speed limits

40. International and domestic evidence suggests that lowering higher speed limits can reduce fuel use relatively quickly, with the largest effects on high-speed roads.
41. The International Energy Agency has identified reducing motorway speeds (eg by at least 10 km/h) as an immediate oil-saving measure in supply shocks, and wider studies consistently find clearer fuel and emissions reductions at higher baseline speeds (with more mixed results in lower-speed urban settings where congestion and stop-start conditions can offset some benefits).¹
42. In New Zealand, real-world fuel-use testing and subsequent emissions analysis undertaken for Waka Kotahi indicate that reducing highway speeds from 100 km/h to around 80 km/h lowers average operating speeds and delivers material reductions in fuel consumption on longer routes, with modest increases in travel time.²
43. Given the potential benefits, EECA's Phase 1 public engagement currently includes messaging around voluntarily managing speed. This would carry through to Phase 2 advice and there is the ability to amplify this message. We recommend this continues to be framed as a consumer choice and a way for individuals to save on fuel costs. We also recommend commencing work on potential temporary and targeted regulatory changes should the crisis persist, so we are ready for it.

Other fuel use reductions measures could also be explored

44. Based on engagement with stakeholders, feedback received in the Ministry for Regulation tip line and international evidence there are several other targeted and temporary measures that could be considered. Examples are:
 - a. **Increasing availability of public transport.** Internationally, the International Energy Agency has identified making public transport cheaper and incentivising micro-mobility,

¹ International Energy Agency (IEA) (2022). A 10-Point Plan to Cut Oil Use

² Testing New Zealand vehicles to measure real-world fuel use and exhaust emissions. Report number: NZTA Research Report 658 (2019)

walking and cycling as demand-side actions that can contribute to near-term fuel savings. Domestic modelling for New Zealand's fuel security work suggests that, over time, increasing public transport availability alongside walking and cycling can reduce reliance on petrol and diesel-powered vehicles by lowering overall vehicle kilometres travelled.³ In a Phase 2 context, the more immediate fuel-saving impact is most likely where additional services or pricing/communications measures shift trips away from private cars.

- b. **Promoting flexible working arrangements** (including remote/hybrid work) to reduce commuting. Internationally, the IEA has estimated that if everyone able to work from home worldwide did so for one day a week, it could save around 1% of global oil consumption for road passenger transport.⁴ Domestic modelling for New Zealand's fuel security work anticipates that greater uptake of remote work, alongside denser urban development and increased public transport/walking/cycling, could materially reduce travel demand over time.⁵
- c. **Driver education.** International evidence suggests that training eco-driving interventions can deliver modest but material fuel savings, particularly for fleets: many evaluations report average reductions in fuel use in the order of ~5–10%.⁶ For Phase 2, driver education could be a supportive measure that can be deployed quickly (especially for fleets) but is unlikely to deliver large, reliable demand reductions on its own.

45. We seek your direction on whether you would use to undertake further work on the likely impact that these measures would have alongside price signals at Phase 2.

Risks and mitigation

46. The Phase 2 package may not deliver sufficient or timely demand reduction to avoid escalation (particularly where measures rely on voluntary uptake), and could create unintended impacts (e.g., safety risks from poorly targeted regulatory relief, network/infrastructure wear, equity concerns, or public confusion if signals are mixed). This can be mitigated by using clear objectives and triggers for action, target measures to areas with the highest fuel-saving potential and lowest risk, and pair measures with a simple, consistent communications campaign that explains the rationale, expected duration, and how the public and business can contribute.
47. Implementation may be constrained by operational capacity, inter-agency dependencies, and limited data on real-world fuel savings, leading to inconsistent application or reduced credibility. This can be mitigated by agreeing delivery roles early (MBIE, MoT, NZTA, MFE, MPI and others as relevant), stand up fit-for-purpose monitoring and reporting

Next steps

48. Following your feedback on the measures presented in this briefing and the attached draft Cabinet paper we will finalise the draft Cabinet paper for lodgement on 10 April.

³Envisory and Castalia (2025). *Fuel Security Study*

⁴International Energy Agency (IEA) (2022). *A 10-Point Plan to Cut Oil Use*

⁵Envisory and Castalia (2025). *Fuel Security Study*

⁶Sanguinetti, A. (2018). *Onboard Feedback to Promote Eco-Driving: Average Impact and Important Features* (White Paper). National Center for Sustainable Transportation, UC Davis.

Annex 2: Regulatory Relief Measures

1. Heavy and oversized vehicles¹ (Diesel)

#	Proposal	Lead Agency	Benefits	Costs	Feasibility	Overall Impact	Next steps
1	<p><i>[More confident]</i> Temporarily allow heavier payloads for heavy vehicles within manufacturer-specified limits, through changes to general vehicle mass and axle weight limits.</p> <p>This is something that industry have called for and MoT is already progressing.</p>	MoT	<p>Medium Potential significant gains in efficiency for trips, direct impact on fuel use is less clear.</p>	<p>Low to Medium <i>[Depending on amount of additional weight permitted]</i> NZTA would need to assess infrastructure, particularly bridges, based on the additional weight increases. There may be increased wear on roads, leading to increased maintenance costs over time.</p>	<p>High Change the Land Transport Rule: Vehicle Dimensions and Mass 2016 through Order in Council. MoT is already progressing this and can be accelerated following further analysis and engagement with industry and Road Controlling Authorities (RCAs).</p>	<p>Medium</p>	<p>Officials will develop an expedited timeline for this work. A key step will be to assess weight increases (e.g., 2 tonnes, 5 tonnes, 10 tonnes) and the impacts on bridges and road wear and tear. Working with industry and RCAs will be critical.</p>
2	<p><i>[More confident]</i> Removing the requirement for some freight permits.</p>	MoT	<p>Low Administrative benefits for the industry by removing regulatory burden of applying for permits for certain HPMVs.</p>	<p>Medium Costs to implement are likely to be limited to NZTA operational change. Potential liability implications for the Crown/NZTA if infrastructure (such as a bridge) is damaged after local restriction overridden. Potential, small competitive disadvantage for smaller operators without HPMV fleets.</p>	<p>Medium Rule change via Order in Council. Decision making on whether to grant a permit is currently devolved to local authorities, so there are complexities to designing a centralised approach. Already being progressed through Land Transport Rules Reform programme. Current planning is for Rule changes in July (pending final decisions) – but timeframes could be accelerated.</p>	<p>Low</p>	<p>Officials will develop an expedited timeline for this work, including analysis and advice on possible inclusion of non-50MAX permits, if required. Working with industry and RCAs will be critical.</p>
3	<p><i>[Less confident]</i> Temporarily allowing longer trailer lengths and High Productivity Motor Vehicle (HPMV) configurations on approved routes.</p>	MoT	<p>Low Potential gains in efficiency by allowing larger loads per trip. However, the fleet may not contain many vehicles and/or combinations that deliver these benefits.</p>	<p>Medium Costs to implement are likely to be limited to NZTA operational change. There are safety implications that would need to be explored further.</p>	<p>Medium Change the Land Transport Rule: Vehicle Dimensions and Mass 2016 through Order in Council.</p>	<p>Low</p>	<p>Officials could develop an expedited timeline for this work. Key steps would include assessing potential lengths and configurations alongside assessment of infrastructure by NZTA and local road controlling authorities. Working with industry and RCAs would be critical.</p>
4	<p><i>[More confident]</i> Temporarily relaxing travel time and access restrictions for over-dimensioned vehicles (e.g., heavy machinery, construction equipment, house moving).</p>	MoT	<p>Low 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.</p>	<p>Medium Costs to implement are likely to be limited to NZTA operational change. There are potential safety risks of slow-moving vehicles on faster-moving traffic and infrastructure damage – tollway and motorway infrastructure would need to be assessed for possible over-dimension access.</p>	<p>Medium Change the Land Transport Rule: Vehicle Dimensions and Mass 2016 through Order in Council. Already in scope of current Land Transport Rules Reform programme and could also be accelerated.</p>	<p>Low</p>	<p>Officials will develop an expedited timeline for this work. A key step will be the assessment of tollway and motorway infrastructure.</p>

¹ Heavy vehicle: a goods vehicle (truck) with a gross registered mass between 12 tonnes and 44 tonnes; High Productivity Motor Vehicle (HPMV): trucks that are able to operate above the current 44 tonne weight limit under permit. 50MAX: trucks that have one more axle than conventional 44-tonne vehicles combinations.

Annex 2: Regulatory Relief Measures

#	Proposal	Lead Agency	Benefits	Costs	Feasibility	Overall Impact	Next steps
5	<i>[Less confident]</i> Enabling vehicle parts or features that reduce fuel use (e.g., super single tyres, or powered axles).	MoT	Unknown There is 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. Potential fuel savings from implementing these technologies is unknown and therefore the scale of eventual benefits is unclear.	Medium Costs to implement are likely to be limited to NZTA operational changes. There are potential safety risks with pairing these with heavier payloads.	Medium Change the Land Transport Rules through Order in Council.	Low	Officials could develop an expedited timeline for this work. A key step would be the identification and assessment of relevant vehicle parts including their impact on safety and roading infrastructure.
6	<i>[Less confident]</i> Allow heavy vehicles to use priority lanes (e.g., T2 and T3 lanes).	MoT	Unknown <i>[Less confident]</i> Hypothetically reduces stop-start driving and encourages fuel efficiency. The extent of the routes where this would be a relevant change is unknown. Officials will look at this in the round, taking account of other users of these lanes, and expected use of these lanes should public transport and car-share continue to increase.	Low Costs to implement are limited to operational and enforcement changes. Could potentially have increase congestion in other lanes, decreasing fuel efficiency for other vehicles.	Low Change the Land Transport Rules through Order in Council. Decision making is currently devolved to local authorities, so there are complexities to designing a centralised approach.	Low	Officials could develop an expedited timeline for this work. A key step would be policy and legal analysis to ensure a workable approach. Working with industry and Councils will be critical.
7	<i>[More confident]</i> Align licence thresholds for zero emission vehicles to those of their diesel counterparts to increase uptake.	MoT	Low There is currently an exemption in place for Class 1 and 2 licences for zero-emission electric vehicles. Increasing thresholds further or applying the change to other license classes would only have an indirect effect on the uptake of zero emission vehicles, which would take time to affect the makeup of the fleet.	Low Minimal safety effects, as zero emission vehicles, though heavier, are likely to handle similarly to their diesel counterparts.	High Change the Land Transport Rules through Order in Council. Included in current Land Transport Rules Reform Programme Further work to expand to heavier vehicle classes would be needed. Already being progressed through Land Transport Rules Reform programme. Current planning is for Rule changes in July (pending final decisions) – but timeframes could be accelerated.	Low	Officials will develop an expedited timeline for this work, including analysis and advice on possible inclusion of heavier vehicle classes (3 – 5), if required.

2. Confidential advice to Government

Confidential advice to Government

Annex 2: Regulatory Relief Measures

3. Commuting (Petrol and diesel)

#	Proposal	Lead Agency	Benefits	Costs	Feasibility	Overall Impact	Next steps
9	Facilitate companies to transport workers to and from work sites in company vehicles.	MBIE	Unknown The number of companies who would have the capacity to take advantage of this change, and the potential change in number of workers that could be transported, is unknown.	Low Confirmation is needed – from initial work it appears that the barriers experienced by businesses are not regulatory, in which case the costs and trade-offs of facilitating people to offer carpooling services are low.	High As barriers do not appear to be regulatory, guidance could be issued to further facilitate companies offering carpooling services.	Unknown	Officials will develop guidance as necessary.

4. Compliance activities (Petrol and diesel)

#	Proposal (Who proposed)	Lead Agency	Benefits	Costs	Feasibility	Overall Impact	Next steps
10	Review and adjust of national and local Resource Management Act requirements affecting transport and logistics activities Examples could include: <ul style="list-style-type: none"> relaxing controls on the direction of traffic at industrial sites removing or relaxing heavy vehicle curfews to allow off-peak deliveries reducing the use of trucks for dust suppression activities. 	MfE	Unknown The reduction in fuel use would depend on the uptake of consenting authorities and the specific requirements that are relaxed / not enforced.	Low Costs would depend on the exact requirements changed, but overall, officials estimate that possible changes would be low risk as the measures are temporary.	Low Some changes could be made through Order in Council, others might require primary legislation change to facilitate centrally. A potential alternative avenue is that local councils choose to temporarily suspend enforcement and assure industry that they are allowed to do this for a limited time. This would lead to variable uptake and results across the country.	Low	Officials will develop non-statutory guidance to Councils seeking that they exercise discretion where it is appropriate for them to do so, urging them to be pragmatic in enforcing resource consent conditions that would save fuel. The Ministry for Regulation will work with MfE on any further issues.
11	Confidential advice to Government						

Annex 2: Regulatory Relief Measures

5. Speed limits and enforcement (Petrol and diesel)

#	Proposal (Who proposed)	Lead Agency	Benefits	Costs	Feasibility	Overall Impact	Next steps
12	Rule change giving Police more discretion around enforcement (e.g., not impeding the flow of traffic) to enable road users to drive slower, conserving fuel	MoT	<p>Low 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.</p> <p>NZ Police has discretion to issue infringement notices for this offence. Police advise that they undertake a very small amount of enforcement action for this offence. Allowing more discretion is unlikely to result in any significant change.</p> <p>Changes in fuel use are therefore expected to be low.</p>	<p>Low Police already exercise discretion when enforcing this offence.</p>	<p>Low Police already exercise discretion when considering whether to take enforcement action for this offence. Any change would need to be carefully worked through with NZ Police and Crown Law to ensure enforcement decisions are free from political influence..</p>	Low	Officials will engage with Police and Crown Law.
13	Temporary rule change to enable people to drive between 80 km/h and 110 km/h on open roads, without committing the offence of impeding flow of traffic	MoT	<p>Low to Medium Generally, driving at lower speeds can reduce fuel consumption (as below). This proposal is unlikely to have any significant effect on demand. Any fuel saving is reliant on drivers voluntarily decreasing speeds.</p>	<p>Low to Medium May confuse motorists, potentially increasing the risk of crashes through unsafe overtaking or speed differentials. Implementation cost to NZTA unknown/low.</p>	<p>Low to Medium Would require an amendment to the relevant Land Transport Rules and clear communication to drivers as signage is not changing.</p>	Low to Medium	Officials will progress analysis and provide advice on possible rule change.
14	Temporarily reduce open road speed limits from 100/110 km/h to 80 km/h.	MoT	<p>Low to Medium Lowering the speed limit on open roads and highways can reduce fuel consumption for passenger cars, light commercial vehicles and trucks.</p> <p>The International Energy Agency (IEA) estimates that reducing speeds by 10 km/h can cut fuel use by 5 – 10%, depending on driving habits and local infrastructure/terrain.</p> <p>Trucks can currently drive up to 90 km/h, so a 10 km/h reduction to 80 km/h could potentially result in around 5% reduction in diesel, according to the IEA.</p> <p>There are likely to be safety benefits for the duration that speeds are lower.</p>	<p>Low Would likely increase journey times, which would have a greater impact on commercial drivers who have strict work-time limits to manage fatigue.</p>	<p>Medium to High Would require an amendment to the relevant Land Transport Rules and clear communication to drivers as signage is not changing. Enforcement to be worked through (e.g., updates to speed cameras).</p>	Medium	Officials will progress analysis and provide advice on possible rule change.