13 March 2026

NZ Transport Agency Waka Kotahi
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SUBMISSION ON PHASE 2:HEAVY VEHICLE PRODUCTIVITY - CLASS 1 AND CLASS 2 WEIGHT THRESHOLD

INTRODUCTION

Drive Electric is New Zealand's leading electric mobility industry organisation, representing micro-mobility through to heavy transport. We work with government, businesses, and communities to accelerate the country's transition to electric transport. A substantial part of our role is ensuring sustainable transport is safe, responsible, and builds public confidence.

We appreciate the opportunity to provide feedback on the Phase 2: Heavy Vehicle Productivity consultation. We are writing to express our strong support for the proposed amendments to the Land Transport (Driver Licensing) Rule 1999 regarding weight thresholds for zero-emission vehicles.

SUPPORT FOR PROPOSED CHANGES

1. **Class 1 Licence Threshold for Zero-Emission Vehicles:** We fully support the proposal to permanently enable Class 1 driver licence holders to operate zero-emission vehicles with a gross laden weight of up to 7,500kg.

- **Addressing Battery Weight:** It is a practical reality that batteries in light commercial zero-emission vehicles often push their gross laden weight above standard limits.
- **Reducing Barriers:** Without this change, operators are forced to either reduce payloads or incur the costs of upgrading drivers to a Class 2 licence, which disincentivises the shift to cleaner fleets.

2. **Class 2 and 2L Threshold for Electric Public Transport Buses:** We also support the permanent enabling of Class 2 and 2L drivers to operate electric-powered public transport buses up to a gross laden weight of 22,000kg.

- **Operational Flexibility:** Most new urban bus drivers begin with a Class 2 licence. Requiring a Class 4 licence due to the added weight of batteries restricts the available workforce and complicates the decarbonisation of public transport.

INTERNATIONAL PRECEDENT

In supporting these changes, we note that international examples in jurisdictions such as the United Kingdom and Europe demonstrate that such adjustments are a proven, safe, and necessary mechanism to ensure that the transition to zero-emission transport does not come at the cost of commercial productivity or increased administrative burdens for operators.

FURTHER STRATEGIC CONSIDERATIONS

While we strongly support the licensing changes, we believe the government should consider two additional levers to ensure the freight sector can successfully transition and support New Zealand's export-led economy:

- **Extension of Heavy Vehicle RUC Exemptions:** We acknowledge the recent extension of the RUC exemption for heavy EVs to 30 June 2027. However, we recommend that future exemptions be aligned with specific uptake milestones rather than arbitrary dates. International precedents, such as Norway's toll exemptions, show that while there is a temporary revenue impact, the resulting market transformation is massive. Given that heavy trucks account for nearly 25% of all road transport GHG emissions, this is a high-priority measure to accelerate freight decarbonisation.
- **Accelerated Depreciation for EV Trucks:** We suggest allowing accelerated depreciation schedules for commercial EVs. Because EV technology is advancing so rapidly, these vehicles may reach obsolescence faster than internal combustion engine (ICE) equivalents. Unlike jurisdictions like Germany—which recently introduced a 75% first-year depreciation allowance for new company EVs to support its domestic industry—New Zealand can use this as a pure economic efficiency measure. Supporting the 174,000+ trucks essential to our road freight industry via improved total cost of ownership will secure the productivity of our primary production exports, where 93% of freight by weight is moved by road.

CONCLUSION

These proposals align with the government's goal of creating a more productive and efficient transport system. By adjusting these thresholds and considering the financial mechanisms mentioned above, the government will remove significant barriers for operators committed to zero-emission technology. We urge the Minister of Transport to proceed with the proposed amendments.

Yours Sincerely,

Board Chair

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REFERENCES AND DATA SOURCES

1. NZ Heavy EV RUC Extension: The exemption for heavy electric vehicles (over 3,500kg) was extended by the *Road User Charges (Exemption Period for Heavy Electric RUC Vehicles) Order 2025* and is currently set to expire on 30 June 2027.

2. Heavy Truck Emissions: Heavy trucks involved in road freight account for approximately 25% of all Greenhouse Gas (GHG) road transport emissions in New Zealand. (Source: *Ministry of Transport, Green Freight Project*).

3. Road Freight Statistics: Road freight transport accounts for approximately 93% of New Zealand's total freight by weight. (Source: *EECA, Heavy Freight Sector Pathway*).

4. Vehicle Fleet Data: As of 2024, the New Zealand vehicle fleet included 174,787 trucks (3.7% of total fleet) and 775,441 light commercial vehicles. (Source: *EHINZ, Number of Motor Vehicles Report 2025*).

5. International Depreciation Example: Germany introduced an "Investment Booster" in 2025, allowing for a 75% first-year depreciation deduction for the cost of new electric vehicles purchased between July 2025 and January 2028. (Source: *Grant Thornton / AB Magazine, Germany Growth Booster Package 2025*).

6. Economic Impact: The New Zealand freight transport sector led the market with over 67% of the total freight and logistics revenue in 2025, with road freight retaining the dominant share. (Source: *Mordor Intelligence, NZ Freight & Logistics Market Forecasts*).