

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

This overview accompanies the public consultation draft of the Land Transport Rule: Vehicle Exhaust Emissions Amendment (No.2) 2024 (the proposed Rule amendment).





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More information

NZ Transport Agency Waka Kotahi Published December 2024

If you have further queries, contact us at VEEconsultation@nzta.govt.nz

This document is available on NZTA's website at nzta.govt.nz/about-us/public-consultation-hub/current-consultations/

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Introduction

The Vehicle Exhaust Emissions Rule (the Rule) applies to motor vehicles that are required to be certified for entry into service, or operation, in New Zealand. The Rule aims to improve air quality by reducing the levels of emissions harmful to humans from motor vehicles. These harmful emissions include nitrogen oxides (NOx), particulate matter and carbon monoxide, and are different to greenhouse gas emissions (such as carbon dioxide), which harm the climate. The Rule mandates the exhaust emission standards motor vehicles must meet to enter the New Zealand fleet and is the key tool to reduce the health impacts from domestic motor vehicle pollution.

New Zealand currently allows vehicle importers to import vehicles with emission standards from several jurisdictions (Europe, Japan, the United States, and Australia) or using global standards (United Nations Economic Commission for Europe (UNECE)). The last major amendment to the Rule was done in 2023.

Emission standards improve and tighten over time to progressively lower harmful emissions from vehicles. The introduction of new standards occurs every few years and is generally led by the European Union and its 'Euro' standards. The other standards New Zealand accepts generally follow the Euro standards, with some differences to account for local driving conditions and habits.

The Rule was last updated in 2023 to incorporate and phase-in Euro 6d/VI standards. It was also updated to include the alternative Australian Euro VI standard for heavy vehicles – Australian Design Rule (ADR) 80/04. NZTA propose to update the Rule to incorporate the set of Australian alternative Euro 6d Standards for light vehicles - Australian Design Rules 79/05, 111/00, and 112/00.

Incorporating the Australian Design Rules for light vehicles and aligning our phase-in dates with Australia is important because we share our new vehicle market with Australia. This means new vehicles made for the significantly larger Australian market can be provided to the smaller New Zealand market with no modification and at little additional cost to consumers.

Purpose of Consultation

The New Zealand Transport Agency Waka Kotahi (NZTA) is consulting on amendments to the Rule to ensure the development of an amendment rule takes account of the views of, and the impact on, people affected by the proposed changes.

The consultation is made up of two documents: this overview document and the draft *Land Transport Rule: Vehicle Exhaust Emissions Amendment (No.2) 2024* (the Amendment Rule). The Amendment Rule sets out proposed changes to the Rule. These documents can be found here: nzta.govt.nz/about-us/public-consultation-hub/current-consultations/

The Amendment Rule aims to:

- Complete the alignment of New Zealand's compliance dates of Euro 6d with Australia, and recognise Australia's new Australian Design Rules as an accepted alternative standard for light vehicles,
- Clarify some definitions and clauses in the Rule that have caused the vehicle industry some confusion to ensure accurate interpretation and easy comprehension,
- Resolve minor technical issues in the Rule that have been identified by NZTA and industry.

Please read this overview carefully and consider the effects the proposed Rule changes would have on you or your organisation. The feedback received during consultation will be analysed and taken into account in finalising the proposed changes for the Minister of Transport to consider.

Key matters for consultation

The Amendment Rule aims to bring New Zealand standards in line with international best practice. Officials and the vehicle industry have worked together to ensure these changes will not pose any negative impacts on vehicle supply and public interests.

The Amendment Rule is explored in more detail below:

- **Proposal 1:** The new Australian Design Rules are incorporated and recognised as qualifying emission standards to reduce complexity and cost for vehicle importers and allow them to supply vehicles that meet these Australian emission standards.
- **Proposal 2:** New model light vehicles must be Euro 6d compliant from 1 December 2025 rather than 1 July 2027. This brings the compliance date forward to maintain alignment with Australia's recently confirmed compliance date.
- Proposals 3 10: A series of minor technical or clarity amendments.

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

New Zealand has already accepted the new ADR for heavy vehicles. The changes outlined in this proposal will only apply to light vehicles.

On 9 April 2024, Australia strengthened its exhaust and evaporative emission standards for light vehicles by adopting Euro 6d-equivalent requirements. The new Australian Design Rules are based on the internationally harmonised vehicle regulations adopted by the UNECE. The emission limits in these Australian Design Rules are the same as required in the Euro 6d standard. New Zealand has already accepted the Euro 6d standard and other international alternatives. The new Australian Design Rules will come into force in New Zealand at the same time as these other accepted standards.

Compared to the currently accepted Australian Design Rule 79/04, which is considered aligned to Euro 5, this set of new Australian Design Rules provides the following benefits:

- a 55 per cent reduction in the emissions limits for NOx for diesel vehicles;
- the introduction of a limit on the number of particles to control fine particle emissions from petrol vehicles with direct injection fuelling systems;
- more stringent requirements for on-board diagnostic systems that monitor the emissions control systems; and
- improved emissions tests (laboratory and on-road) to ensure reductions in emissions are also realised during normal operation on the road.

The main benefits to New Zealand accepting these Australian Design Rules is due to our new light vehicles market being so closely linked with Australia. Allowing vehicles to be imported under these new Australian emission standards will reduce complexity and cost to vehicle importers.

Furthermore, it affords New Zealand's relatively small new light vehicles market a priority of supply it would otherwise not have and minimises the increases in vehicle prices that could occur under different regulations. This is in addition to being able to import vehicles which meet European, United States, and Japanese alternative standards. These new Australian Design Rules are outlined further in the table below:

Table 1: New Australian Design Rules adopted in April 2024

Australian Design Rule Number and Name	Scope of the Australian Design Rule	International standard each Australian Design Rule is based on
79/05 - Emission Control for Light Vehicles	Regulation for Euro 6d-equivalent standards. Specifies requirements for all three Australian Design Rules (79/05, 111/00, and 112/00). Specifies requirements for alternative standards (U.S. Tier 3). Provides technical descriptions for idling, crankcase, and exhaust emissions.	UNECE Regulation 83 – Revision 5 – Amendment 17
112/00 – Control of Real Driving Emissions for Light Vehicles	Adopts the on-road emissions test mandated in Euro 6d Specifies Real World Driving Emissions test requirements	UNECE Regulation 168
111/00 – Advanced Emission Control for Light Vehicles	Adopts the laboratory tests mandated in Euro 6d Specifies the WLTP test requirements for: Tailpipe emissions CO2 emissions Fuel or electric energy consumption / range Evaporative emissions Durability of pollution control devices Requires on board monitoring and on board diagnostic systems	UNECE Regulation 154 The Euro 6d In service conformity test requirement is not carried over

The changes outlined in this proposal can be found in clauses 2.2(3), 2.3(1) and 2.3(3) of the Amendment Rule. The changes impact the definitions, and schedule Tables 2A and Table 2C.

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

When the Ministry of Transport (MOT) and NZTA amended the Rule in 2023 to introduce Euro 6d/VI Standards, we aligned our compliance date for heavy vehicles with Australia and set a temporary date for new model and existing model light vehicles to comply with Euro 6d.

The temporary date of 1 July 2028 that we set for existing new light vehicles is the same as the date Australia has announced for compliance with the new Australian Design Rules. This means that the Rule is already aligned with the Australian Design Rules implementation dates for heavy vehicles and existing new light vehicles.

The temporary date of 1 July 2027 we set for new model light vehicles is different to what Australia has announced (ie. 1 December 2025) for compliance with the new Australian Design Rules.

New model light vehicles are vehicle models which have never been sold before in New Zealand. We define these in the Rule as vehicles which are manufactured in the calendar year in which the vehicle model was first manufactured. For example, a Nissan Ariya is new model light vehicle as it is yet to be introduced or supplied to New Zealand

NZTA propose vehicle importers must meet Euro 6d standards when importing new model light vehicles from 1 December 2025. Essentially, vehicle importers will be required 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.

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.

We have consulted key industry partners to make them aware of our intention to align the new model date with Australia. New model vehicle suppliers have told us that bringing the compliance date for new model light vehicles forward is manageable. Therefore, we do not expect the proposed Rule change to pose any supply or cost risk for new vehicle distributors.

The changes outlined in this proposal can be found in the clause 2.3(1) of the Amendment Rule.

Proposal 3 - 10: Minor Amendments

NZTA propose the following minor amendments be made to the Rule:

Table 2: Proposed minor amendments to the Rule:

#	Current Clause or Schedule	Proposed change	Issue/reason for change
3	Part 2, Definitions, Japan 2018	Amend the definition of Japan 2018 to refer to the Ministry of Land Infrastructure and Transport Announcement no.2 of 5 January 2024.	Japan has recently updated their definition of Real driving emissions to refer to a UN regulation, rather than a local Japanese regulation. This update ensures we stay consistent with the Japanese standard.

#	Current Clause or Schedule	Proposed change	Issue/reason for change
4	Part 2, Definitions, UNR83/08	Amend the definition of UNR/83/08 to insert the regulation number	When the previous amendment was completed the regulation number was not available. Inserting the regulation number ensures ongoing clarity of which UNR regulation applies, and there is consistency within the Rule.
5	Part 2, Definitions	Insert a definition for the term "In-service Conformity" into the Rule.	In-service conformity is a requirement in a number of modern emissions standards. In order to provide clarity that this testing is not expected to take place in New Zealand we must define the term.
6	Part 2, Definitions	Insert a definition for the term "In-service conformity family"	In order to provide clarity for when inservice conformity testing is considered completed for a vehicle, we must define the term "in-service conformity family". The proposed definition is based on the European standard.
7	Part 2, Definitions	Insert a definition for the term "engine family"	In order to provide clarity for when inservice conformity testing is considered completed for a vehicle, we must define the term "engine family". The proposed definition is based on the European standard.
8	Section 2, Entry requirements	Insert a clause to clarify that in-service conformity testing is not required to take place in New Zealand, nor are in-service vehicles from New Zealand required to be used.	In service conformity testing is expected to be handled by the manufacturer and does not need to take place in New Zealand. This provides assurance to the vehicle industry that nothing will change from the current status quo.
9	Part 3, Schedules, Schedule 1, Table 2B	Remove the typo of "83/07" in the title of the table	This is a typo that was introduced in the previous amendment.
10	Part 3, Schedules, Schedule 1, Table 2C	Amend the table to change instances of "Japan 2005" to "Japan 05"	This is a typo that needs to be corrected for clarity. Japan 2005 is not a defined term, and it makes it unclear as to which standard is required.

Feedback sought

We welcome your comments on the proposed changes set out in this overview and in the draft Amendment Rule.

When you provide your feedback, it would be helpful if you consider and comment on the following:

- What impact would the proposals have, and on whom?
- Would any groups or individuals be disadvantaged by the proposals, and how?
- Would any groups or individuals benefit from the proposals, and how?
- Are there any implementation or compliance issues that would need to be considered?

Wherever possible, please provide examples to illustrate your point.

Consultation timeline

Timeline	
Consultation opens	6 December 2024
Consultation closes	24 January 2025
Submissions analysed and considered	January – February 2025
Final Rule Amendment	April 2025

Making a submission

Before making your submission, please read the information provided in this overview and the draft amendment Rule(s).

Please include the following information in your submission

- Your name, and title if applicable
- Your organisation's name if applicable
- Your email address

Sending your submission

You can make a submission by using the online form available here: nzta.govt.nz/about-us/public-consultation-hub/current-consultations/

By email: <u>VEEconsultation@nzta.govt.nz</u>

Please note the deadline for submissions

The deadline for submissions is 5pm on 24 January 2025.

Your submission is public information

Please note your submission may become publicly available. Waka Kotahi NZ Transport Agency may publish any information you submit and may identify you as the submitter should it publish your submission or provide it to a third party.

Please clearly indicate if your comments are commercially sensitive or, if for some other reason, they should not be disclosed, or the reason why you should not be identified as the submitter. Any request for non-disclosure will be considered in terms of the *Official Information Act 1982*.

We thank you in advance for your feedback on the Land Transport Rule: Vehicle Exhaust Emissions Amendment (No.2) 2024.