



# National Road Carriers Association (NRC) submission on

## Draft advice on the fourth emissions budget (2036–2040)



## About National Road Carriers Association

National Road Carriers Association (NRC) is New Zealand's progressive nationwide organisation representing 1500 supply chain company members, who collectively operate over 16,000 trucks throughout New Zealand. NRC advocates on behalf of members and works with central and local government on road transport infrastructure and regulations.

NRC members are committed to providing an efficient, productive, resilient, safe and value for money service that supports the wider economy. To achieve this, trucking operators need a safe, efficient, and sustainable operating environment that enables the efficient and safe movement of goods. Our members primarily operate road freight however a number also operate air, sea and rail freight services.

Some 54% of NRC's membership comprises single vehicle operators and 89% employ 10 or fewer.

## General Comments

National Road Carriers is supportive of the aspiration to reach the emission reduction targets.

Our members have expressed a strong desire to adopt low and or zero emission technology. This was confirmed by the survey undertaken by Ipsos on behalf of Ministry of Transport between December 2023 and January 2024.

Transport fleet owners were surveyed on what factors were driving their decisions including if they were looking to increase their use of low/zero emission vehicles.

Our concern with this budget is the high degree of assumption and lack of any pragmatic steps to achieve the budget.

## Budget Outcomes

National Road Carriers agrees with the desired outcomes of the budget to be:

- Fair
- Equitable
- Inclusive
- Ambitious
- Achievable

## Transport Sector Assumptions

National Road Carriers recommends no technology is excluded as an option for decarbonising the heavy truck fleet.

BEV trucks have significant weight and productivity penalties and the lack of supporting infrastructure will also need to be addressed.

Hydrogen technology both as an alternative for combustion engines and as a fuel cell electric is more likely to be a viable option for the heavy truck fleet especially those that require a high utilisation or travel more than 300 km per shift.

As New Zealand relies solely on imported vehicles, we are likely to need to accept vehicles that are not designed for New Zealand.

National Road Carriers would also like to see more support for replacing conventional diesel with low emission alternatives. We agree with the points made on page 88. Significant decarbonisation could be achieved by simply replacing what is in the tank.

It is too soon to make assumptions regarding the uptake of BEV given the limited choices available and there being no indication on the arrival into the New Zealand of any alternative to diesel for high utilisation heavy trucks.

## Impact on the wider economy

National Road Carriers would caution against any move to impose penalties on operators of diesel vehicles until the cost over life of alternatives reaches parity with diesel.

Any increased cost of conversion to alternative fuels including loss of productivity will be passed on to consumers.

If any cost increases are not mitigated, then the impact on inflation and New Zealand's ability to remain competitive for exports will be severe.

Care will need to be taken that the supporting infrastructure and maintenance skills are developed in line with the availability of any alternative to diesel.

## Rail and Coastal Shipping

National Road Carriers Association has members that utilise both rail and coastal shipping as part of their transport networks.

There is some room to increase rail utilisation providing KiwiRail has the capacity and can provide the services at a competitive cost.

The reality however is that 93% of freight moves by road for a reason. Much of New Zealand does not have any rail infrastructure and a significant portion of the freight task is within a region.

## Closing Comments

In summary, National Road Carriers supports the aims of the Government to decarbonise. The feedback to the Ministry of Transport Ipsos survey shows our members are willing to decarbonise as soon as it is commercially viable to do so.

National Road Carriers recommends all options to reduce emissions are considered and the focus should be on enabling adoption of low / zero emission technology not on penalising the use of diesel.

Care should be taken to ensure cost increases are mitigated to ensure the wider economy benefits from the uptake of new technology.

We look forward to assisting in working through options to accelerate our journey to net zero.

## Contact

James Smith  
General Manager Policy and Advocacy  
National Road Carriers Association  
PO Box 12 100  
Penrose  
Auckland  
Phone: 09 953 3853  
Email: james.smith@natroad.co.nz