



ROAD TRANSPORT FORUM NEW ZEALAND INC

SUBMISSION ON

Draft Land Transport Rule: Vehicle Dimensions and Mass Amendment [2016]Rule41001/12

December 2015

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1.0 REPRESENTATION

- 1.1 Road Transport Forum New Zealand (RTFNZ) is made up of several regional trucking associations for which the Forum provides unified national representation. The affiliated membership of the Forum consists of about 3,000 individual road transport companies which in turn operate 16-18,000 trucks involved in road freight transport as well as companies that provide services allied to road freight transport.
- 1.2 The Forum is the authoritative voice of New Zealand's road freight transport industry which employs 22,600 people (3.0% of the workforce), has a gross annual turnover of \$6 billion and transports about 80% of New Zealand's land based freight.

2.0 INTRODUCTION AND BACKGROUND

- 2.1 The Forum members are predominately involved in the operation of commercial freight transport services both urban and inter-regional. The RTF is a leading advocate of mass and dimension policy development and has supported the introduction of HPMV and 50 MAX initiatives.

These were introduced as a result of studies and investigations that were carried out between 2000 and 2009 under the Heavy Vehicle Limits Project initiative. The component elements of this work focussed primarily on increasing the productive capability of the vehicle fleet to help achieve the objectives of the NZ Transport Strategy 2002 and government policies of the time. The changes introduced a comprehensive permit regime for vehicle mass management and route access to help alleviate RCA concerns regarding the vulnerability of networks and structures to higher than standard vehicle loadings. As mentioned research carried out over the preceding years ensured the decisions were largely evidence based. This also enabled the Transport Agency to have a sound economic framework upon which to judge the costs and benefits and determine its investment strategy to support the HPMV programme. Both the 2015 High Capacity Urban Bus (HCUB) initiative and the proposed VDAM 2016 amendment to extend the HCUB bus axle mass concession to other 3 axle bus operations takes advantage of that investment. In our view it is unfortunate the policy for both bus related options appears to override the necessity of adequate consideration of the pavement effects of a single unit type vehicles loaded to maximum axle loads, a feature which conflicts with the long held RCA position related to single unit freight vehicles. However the VDAM discussion document released on 9th December 2015 makes a belated concession to that position by granting RCAs the opportunity to grant permits to specified non HPMV vehicles, primarily rubbish trucks and concrete mixer trucks.

This is small concession but one that should not be ignored by the operators of those types of vehicles but doesn't completely answer concerns about equity which we refer to in our submission.

3.0 SUBMISSION

- 3.1 Our submission on the latest draft (VDAM amendment 2016) will focus on the policy aspects and not necessarily the draft rule itself. Most of the important points regarding increased axle loadings for buses were outlined in our March 2015 submission on the HCUB proposal.
- 3.2 As mentioned in our March 2015 submission, introduction of the High Capacity Urban Bus (HCUB) proposal we commented the HPMV policy development adopted a specific position to exclude single unit vehicles such as buses and urban delivery trucks from accessing the HPMV gross mass and axle limits that now form the Part B table of Schedule 2 of the Vehicle Dimension and Mass Rule (VDAM). HCUBs currently have access to the axle set limits listed in Schedule 2 Part C through the introduction of the 2015 VDAM amendment rule 41001/11. The new draft rule (rule 41001/12) (page 10) proposes extending the HCUB axle group limits to all 3 axle buses however the network impacts and route choices are up to each RCA to determine through a permit regime. Interestingly the draft suggests some higher axle mass bus operations may involve routes that differ from the current HPMV routes. This is an interesting approach which seems to conveniently ignore the vulnerability of the urban networks to higher mass single unit vehicles which formed the principle reason why they were excluded from the HPMV regime. However in some sort of belated defence of this aspect the draft proposal offers a measure of discussion and commentary on the pavement considerations but there is no mathematical assessment of the magnitude of the pavement impacts.
- 3.3 There is no doubt the Agency is confident about the resilience and structures capability of the network it manages but it is fair to say a three axle bus at maximum axle load is different beast to an HPMV at maximum gross weight unless the HPMV is fully laden to HPMV axle mass limits. (Most HPMV combinations moderate their axle loads by having a gross weight lower than the sum of the axle weights for example a triaxle B train HPMV is capable of operating at 64 tonnes by the sum of the axle masses but the GCW is reduced according to the table 6 first to last axle spacing).

The HPMV programme has highlighted how little some RCAs know about their networks yet the amendment under discussion confers on them the possibility of allowing vehicles that impact their networks beyond what an HPMV might do. Interestingly the HCUB option was expected to be reasonably constrained given the choice to use these vehicles would have been driven by passenger demand. However the same constraints are not afforded by the draft rule and it is likely that the 3 axle buses at Part C mass limits will be seen traversing sections of the network not even accessible to HPMVs. The one consolation is 3 axle buses are in general few in number relative to 3 axle trucks and consequently few may take up the option to operate

under permit. Then on the other hand it could be seen that the new amendment recognises some buses have been operating intermittently above their VDAM limits for some time. We understand that there are arguments the new generation of buses is heavier than older models and new technology opportunities will become available with the higher axle loadings but this argument equally applies to trucks.

- 3.4 The Part C axle mass table confirms suitably permitted buses will be granted tandem set axle loads higher than current HPMVs when comparing the relative tyre contact area of a mixed tyred axle set with a tandem twin tyred axle as set fitted to HPMVs.

This in itself increases pavement wear but by our estimation the part C axle mass limits for buses increases the pavement wear by some 60% over the axle limits allowed for non-Part C axle limited buses.

- 3.5 In fact the pavement wear for the new buses will be significantly higher than any existing HPMV because the multi axle combination vehicles usually have their gross load limit (Gross Combination Weight) moderate the individual axle set loads as we have explained above. With buses there is no opportunity to moderate maximum axle loadings as the bus axle sets will tend to loaded to their VDAM limits. RCAs in making a decision to approve 3 axle buses will need to take this into account and that the impact of any cost recovery for additional road wear will fall upon ratepayers where the bus services are inter-regional as opposed to urban scheduled services.

- 3.6 The draft proposes (page 9) a revised RUC fee for over 25 tonne operation to reflect the increase in pavement consumption. However if the cost allocation model is not recalibrated and the RCA financial assistance rate not amended the RCAs may never see any of the increase in RUC revenue. The cynical approach to this point is the new RUC rate impact on bus operators could be considered somewhat irrelevant as scheduled urban bus services are subsidised in part by rate payers and by the Land Transport Fund cost allocation model passenger services contribution. If urban bus travel is to remain attractive to users the end price will have to be manipulated and therefore supported by way of the subsidy regime. So the increase in RUCs for many bus operators is in fact an illusion. Arguably the trucking industry indirectly picks up the tab for the accelerated pavement wear and effectively subsidises the overweight buses. There is no justification for the inequity between the two vehicle types.

- 3.7 The RUC issue has an important by-line connection to the current bus proposal and the new RUC rate does not entirely resolve our concerns.

In response to the impost of the RUC charges being fixed to VDAM mass by the 2012 RUC Act the bus industry took umbrage and the submission of the Bus and Coach Assn dated 22/3/2011 (on the 2010 RUC Bill) to the Transport and Industrial Relations Committee argued that urban and many rural buses operated below optimum VDAM

mass. In fact the discussion document produced by the MOT acknowledged the BCA position which BCA made reference to.

We quote from that submission.

ii. Impact of proposed change to the definition of licence weight

9. The process of resetting the definition of licence weight and adjusting RUC rates to achieve a neutral revenue outcome involves an inherent averaging of the cost of RUC to all vehicles within a vehicle class. As the average rate paid for a particular vehicle class currently sits between the highest and lowest nominated weights for that class, the average RUC rate will amount to a discount for those currently nominating at or close to Maximum Weight, and an increase for those nominating below Maximum Weight. This fact is recognised in the initial Consultation Document itself:

“33. Vehicles that now use RUC licences well below their maximum legal weight will pay more under the RUC weight scenarios and vehicles that are at present licensed at close to their maximum weights will pay less.”

In paras 39 and 40 of their submission BCA stated:

‘39. Due to the inherent nature of passenger transport, the proposals to change the definition of licence weight stand to have serious and disproportionately negative consequences for the bus and coach sector. As bus and coach operators generally nominate below maximum weight, the averaging involved in setting new RUC rates will result in driving up the cost of RUC for buses and coaches in particular.

40. The BCA put forward a comprehensive submission on the proposals to simplify the definition of licence weight to the Ministry of Transport in early 2010. The arguments made in that submission have since been recognised and accepted by the Ministry and Minister of Transport, and the Minister has indicated that it would be appropriate to investigate a separate charging category for buses and coaches under future RUC Regulations. The BCA’s support for the Bill’s proposals to change the definition of licence weight is wholly contingent on the creation of such a category in future`.

The Select Committee brought into the proposition that buses seldom operate at full mass so a separate discounted RUC rate for 3 axle buses was put in place as opposed to paying the same RUC rate as 3 axle trucks of the same or similar mass. This approach was an aberration and with little or no enforcement of buses there was no way the authorities could be confident they were operating at their VDAM mass anyway. However it is unclear how the historical bus industry position equates with the new aspiration to allow all 3 axle buses to operate at additional axle mass and at new gross mass limits.

The discussion on the RUCs simply highlights a disconnect somewhere as the veracity of the original argument to give the 3 axle buses a RUC concession is questionable when placed up against this new proposal that 3 axle buses can’t meet their VDAM mass obligations. The Forums position is both types of 3 axle vehicles, trucks and

buses, being single unit vehicles should have access to the increased axle mass given that the vehicles are subject to the appropriate RUC fees which going by the example will nearly double. It is then a matter of operational choice for individual operators to make as to whether they option for the higher axle mass or choose not to.

- 3.8 Road controlling authorities simply need to accept changes will occur and treat all vehicles alike in terms of access to axle mass instead of trying to pick winners (buses over trucks) and avoid creating unnecessary administrative and enforcement complexities.

The draft alludes to the possibility of 2 axle buses being taken into the higher mass regime mass but then makes the point trucks will continue to be excluded from operating at higher mass including 3 axle trucks. Draft rule 41001/12 effectively prohibits single unit goods service vehicles from accessing the higher axle mass limits and refreshes the inequality the different vehicle types which was identified by the RTF in the 41001/11 amendment earlier this year.

4.0 Concluding Comments

- 4.1 Despite the issues we have raised the point of the Forum's submission is not to argue against the draft amendment but point out the proposal simply represents another level of inequity between buses and trucks which is the crux of our concern.

Unfortunately the Part C axle mass limits for all 3 axle buses is another aberration that enforcement will have to manage to ensure compliance. We remain disappointed that the authorities have put aside the reality of the mechanics of pavement consumption and the principle of evidenced based decision making with respect to this draft rule as we can't see any compelling reason why it could not have been considered as part of the VDAM reform package. It would seem that decision makers have succumbed to the pressure exerted by a vociferous narrow interest group and have departed from evidence based decision making in this instance.