

Attachment 1

Draft Submission of the Wellington Regional Council

on

Transit New Zealand's Document, "Improving Heavy Vehicle Efficiency on New Zealand's Roads"

1. Introduction

- 1.1 The Wellington Regional Council is pleased to be able to make a submission on Transit New Zealand's issues document relating to the mass and dimension limits for heavy vehicles on New Zealand's roads.
- 1.2 The Regional Council has serious concerns about the document. It is our view that the research and analysis undertaken to support the proposals is inadequate and simplistic. Given the concerns identified by the Council, we oppose the proposals to allow heavier and larger vehicles on New Zealand's roads based on the current analysis.
- 1.3 The document presents two scenarios, A and B. The submission makes more specific comments about various aspects of the proposals that apply variably to one or both of the scenarios.

2. Transit New Zealand's Analysis is too simplistic

- 2.1 The analysis of benefits presented by Transit New Zealand is simplistic and ignores the likely industry response to higher mass and dimension limits on New Zealand's public roads. As a consequence the benefits of the proposal are overstated and the costs either under stated or, in some areas, ignored.
- 2.2 The stated benefits of the proposal largely arise from the belief that Vehicle Kilometres Travelled (VKT) will be reduced. The assumption behind these benefits is that the road freight transport task is fixed and by allowing greater payloads this will reduce the number of trips. Reduced VKT will, the Transit document concludes, lead to reduced costs for the road transport industry, lower accident exposure rates and lower rates of fuel consumption and emissions to air.
- 2.3 There are several errors in this thinking. First, any changes in VKT will be a function of operator uptake of the new mass and dimension limits. This will be very difficult to forecast but it is likely that the assumption used by Transit New Zealand is optimistic.
- 2.4 Secondly, lower road transport costs for freight will lead to greater competition for bulk hauls, which is the core business of rail and coastal shipping. Lower costs will also mean that new freight movements will now occur that were previously uneconomic. The result of both of these mechanisms is an increase in VKT on the roads.

- 2.5 Next, the level of reduction in VKT assumes that the current 44 tonne trucks are efficiently utilised and that the same levels of efficiency will be maintained for 50 tonne or 62.5 tonne trucks. This is unlikely to be the case. Current efficiency could be better, and indeed, as we note later, improving efficiency of existing loading could produce more cost-effective benefits than using larger vehicles.
- 2.6 As Transit New Zealand have underestimated the likely VKT resulting from this proposal then the costs of maintaining and reconstructing pavements, bridges and improved road geometry are underestimated. We make further comment on these aspects later.
- 2.7 The assumption of the fixed road freight transport task is critical to Transit New Zealand's analysis. In its brief discussion of this issue, Transit New Zealand has totally ignored the role of coastal shipping. If the proposals were to proceed then Transit New Zealand estimate it would incur additional road improvement and maintenance costs in excess of \$10 million per annum. This level of expenditure warrants a rigorous and robust quantitative analysis of this assumption. This has not been provided.

3. Transit NZ has ignored costs to the road transport industry

- 3.1 Transit New Zealand has included the benefits to the road transport industry in its economic analysis of the proposal to allow higher mass and dimension limits on New Zealand's public roads.
- 3.2 However, a proper economic evaluation would also take into account the costs to the road transport industry. These costs would include costs to purchase the new heavier and larger vehicles and should also allow for changes in vehicle operating costs for these vehicles. Transit New Zealand has not done this and so the costs of the proposal are understated. This means that the benefit to cost analysis of the proposal is overstated.

4. Transit New Zealand has underestimated the costs for local roads

- 4.1 The Transit New Zealand report states that their cost estimates do not include the costs of urban street improvements as they are of lower magnitude. While Transit New Zealand has wide experience of rural highways, this statement shows a lack of understanding of urban roading within urban areas.
- 4.2 All truck trips on State Highways will lead to running on local roads as part of the trip as there are, in general, very few origins and destinations on State Highways. Many of these origins and destinations occur within urban areas, and are frequently widely dispersed within those urban areas.
- 4.3 There are two issues here. First, local roads are not usually built to the same structural strength standards as State Highways. This means that heavier trucks and trucks with a greater number of axles will produce greater levels of pavement wear compared to a State Highway.
- 4.4 Secondly, in urban areas the road network is usually more constrained in terms of space when compared to rural State Highways. This means geometric improvements

to intersections and roads can be very expensive. These geometric improvements will be required to manoeuvre larger vehicles.

- 4.5 Consequently the proposal to increase mass and dimension limits will have significant cost implications for local roads, costs which have been ignored by Transit New Zealand.

5. Transit New Zealand has ignored the international context

- 5.1 The document makes reference to mass and dimension limits in Australia. Australia's road network is very different from New Zealand and is characterised by long lengths of highway in comparatively less difficult terrain. It is not an appropriate comparison.

- 5.2 In Europe mass limits vary from country to country, but are typically 38 tonne, 40 tonne or 44 tonne. The exceptions are Finland, Netherlands and Denmark that have mass limits in excess of 44 tonne. The European road networks generally have shorter lengths of highway over more difficult terrain, which is a closer comparison to the New Zealand experience.

6. Transit New Zealand has ignored history

- 6.1 We note that in Transit New Zealand's report, no reference is made to what happened in 1987 when New Zealand increased the maximum vehicle weight from 39 tonne to 44 tonne. It is our understanding that reductions in VKT or truck related accidents did not occur but rather these indicators increased.

- 6.2 We note further that there was a similar experience in Australia when mass and dimension limits were changed. Again, this experience has been ignored.

7. Is the expenditure of public money for private benefit appropriate?

- 7.1 If the proposal to increase vehicle mass and dimension limits does proceed, the primary beneficiary will be the road transport industry. The road transport industry is a collection of private operators.

- 7.2 However, the costs of implementing the proposal will fall on the public sector through payment for improved road geometry and bridge improvements and increased maintenance costs. It is acknowledged that the road transport industry does make a substantial contribution to these funds through road user charges. However funds for roads come from other sources that will get no benefits.

- 7.3 For example, other road users who pay petrol tax and licensing fees will contribute to implementing this proposal and will get no benefit. Operators of small diesel vehicles will also pay road user charges and licensing fees and get no benefit. In the case of local roads, substantial costs will fall on the ratepayer who will get no benefit from the proposal.

- 7.4 Further, the expenditure of public money for the benefit of the road transport industry will mean that other projects that benefit all road users will be displaced and not funded. This is because there are limited funds available to Transfund New Zealand and limited ratepayer funds available to local councils.

8. Transit New Zealand has not thoroughly investigated safety issues

- 8.1 Transit New Zealand's investigation of the safety issues associated with this proposal has been simplistic. The safety benefits Transit New Zealand claims result largely from a belief that VKT will be reduced.
- 8.2 The claim that VKT will be reduced by the proposal is disputed. We expect VKT to increase as a result of higher mass and dimension limits, leading to an increase in accident risks. This increase in VKT will largely be at the expense of rail and coastal shipping which are inherently safer on a tonne – kilometre basis.
- 8.3 Australian experience is that larger trucks have a higher accident potential in a constrained roading environment. This is frequently the case in urban areas.
- 8.4 It is known that heavy trucks cause greater levels of rutting on lower strength roads, such as local roads. Rutting will lead to ponding, which becomes a safety issue for other road users.
- 8.5 Higher payloads will increase the proportion of vehicles in higher risk roll over classes.
- 8.6 Larger trucks moving at speed will displace greater volumes of air, which is a hazard for cyclists, motorcyclists and small cars.
- 8.7 The question of safety perception and intimidation by larger trucks of other road users is a very real issue that has also not been addressed.

9. Transit New Zealand has not thoroughly examined environmental implications

- 9.1 Transit New Zealand claims there will be environmental and reduced fuel consumption benefits as a consequence of reduced VKT.
- 9.2 The claim that VKT will be reduced by the proposal is again disputed. We expect VKT to increase as a result of higher mass and dimension limits, leading to an increase in fuel consumption and environmental impacts. This increase in VKT will largely be at the expense of rail and coastal shipping which are arguably more energy efficient and cause less environmental damage on a tonne – kilometre basis.
- 9.3 The analysis ignores the point that larger payloads will lead to higher fuel consumption and exhaust emission rates per kilometre for the larger trucks. This could impact on air quality in urban areas.
- 9.4 It is also unclear as to what international exhaust emissions standards the new trucks will be required to meet? It should be appreciated that New Zealand cannot support new low emission engine technologies until fuel specifications are improved, particularly in respect to sulphur content. This may be some years away.
- 9.5 As discussed in section 4 above, the proposal to allow higher mass and dimension limits will require larger manoeuvring areas. In urban areas this will not only be

expensive but will impact on property, buildings and amenity. Heavier payloads will generate increased vibration that could lead to building damage. Heavier payloads will also lead to a small increase in traffic noise

10. There are difficult compliance issues to resolve

- 10.1 The proposal to allow higher mass and dimension limits on New Zealand's roads has some compliance difficulties. Under the current regime, weighbridges are primarily located on the major State Highways where line-hauls can be monitored. Unless there is a major proliferation of weighbridges it will be very difficult to ensure compliance with the proposed changes in locations away from the major State Highways.
- 10.2 With respect to the proposed Scenario B (which would allow heavier and longer trucks on selected routes), there are specific compliance issues. The selected routes are primarily State Highways. However, there are few or no depots for trucks on State Highways. How are the increased payloads going to get off and on the selected routes without the construction of a significant number of depots? These costs are not allowed for in the Transit New Zealand economic evaluation. How will these vehicles be prevented from travelling off the selected routes as there are few facilities to monitor these vehicles off the State Highways?

11. Where can real efficiencies be delivered?

- 11.1 The road freight transport operator not only competes with rail and coastal shipping but also with other road freight operators.
- 11.2 In line-haul situations, one operator's forward load could be some other operator's back load. Better co-ordination of loads and destinations will lead to more efficient truck loading. This would lead to a significant reduction in VKT, accidents, fuel consumption and emissions to air. In addition, there would be an overall reduction in freight costs and resulting national economic benefits. This is an area where real efficiencies can be delivered.

12. The steering group was unbalanced

- 12.1 All members of the Steering Group used by Transit New Zealand to undertake the investigation represented road interests. There were no representatives of the wider freight moving interests.
- 12.2 Under the Land Transport Act 1998 175(2), regional councils have a statutory responsibility to develop a Regional Land Transport Strategy, which amongst other things, must
 - identify the future land transport needs of the region concerned; and
 - identify the appropriate role for each land transport mode in the region, including freight traffic
- 12.3 Clearly this is a major issue with respect to a regional council's statutory land transport planning responsibility. Why were there no regional council representatives on the Steering Group? This appears to be a serious omission.