

Road Controlling Authorities Forum

Friday 28 July 2017

James Cook Hotel Conference Centre Wellington

9.00 am – 9.30 am

Presented by:

- Ken Shirley, CEO, Road Transport Forum

RTF

- A peak industry body representing three member Associations:
 - Road Transport Associations NZ
 - National Road Carriers (formerly Auckland Owner Drivers Association)
 - N.Z. Trucking (formerly Canterbury Owner Drivers Association)
- 3,000 individual road transport companies affiliated to RTF - 16,000-18,000 trucks

Functions of RTF

- Road Freight Sector Leadership
- Sector Strategy
- Policy
- Advocacy
- Sector Communications
- Technical Support

N.Z. Road Freight Transport Industry

- 22,000 employees (3% workforce)
- \$6 Billion Gross Annual Turnover
- 70% N.Z. Land based freight tonnes/km (90% total tonnage)

Freight Modal Share

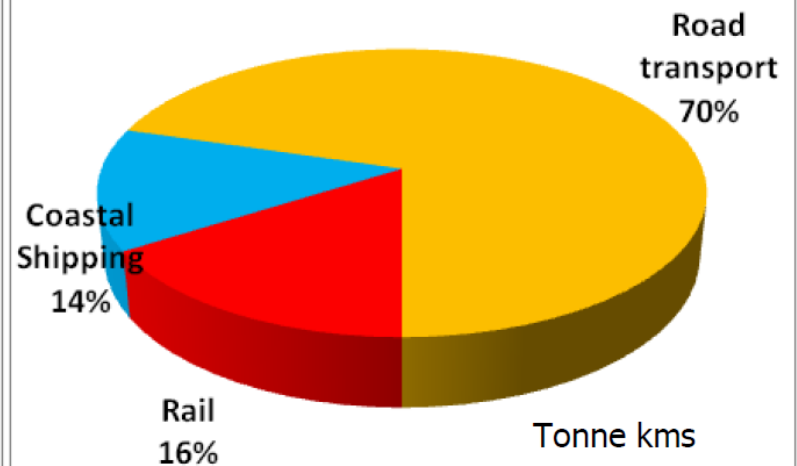
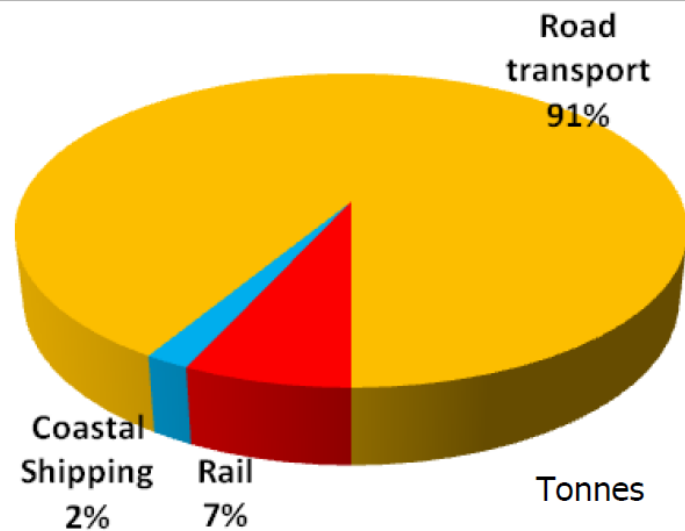


Figure 1
The Freight Task in 2012 by Mode

The Freight Task

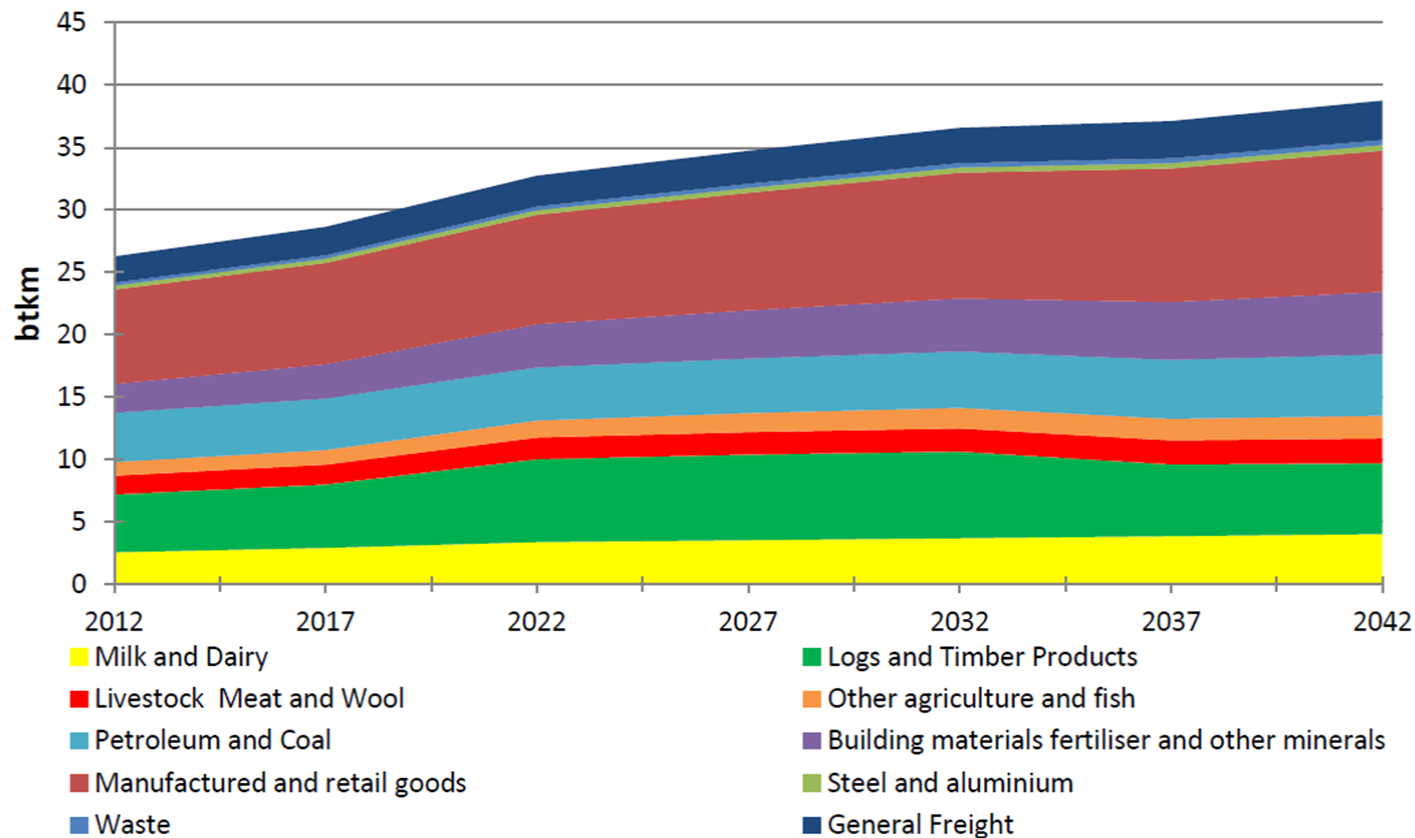


Figure 8
Total Freight Forecasts by Broad Commodity Group 2012 to 2042 (billion tonne-kms)

Regional Freight Task

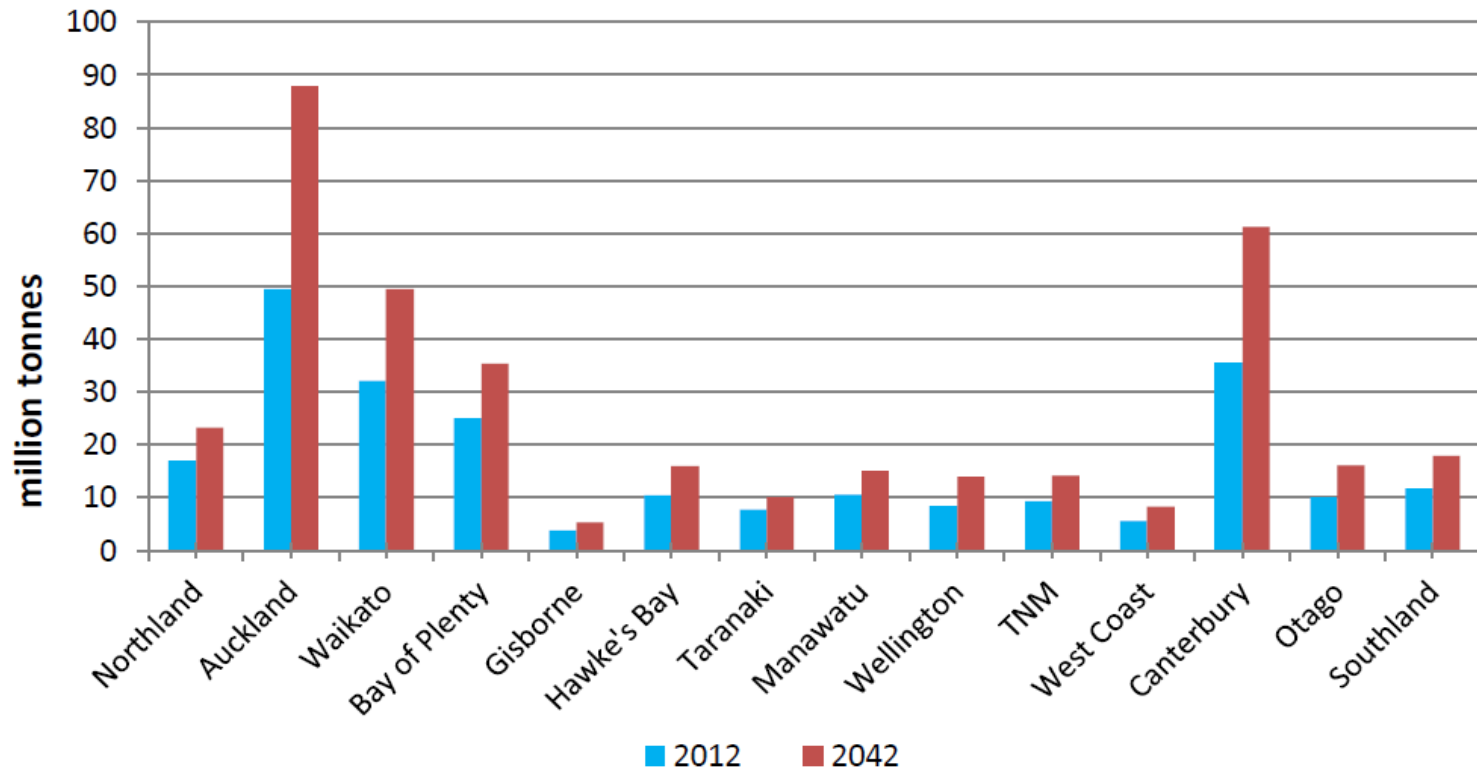


Figure 9
Changes in Freight Flows by Origin Regions 2012 and 2042 (million tonnes)

Why most freight is moved by trucks

- 1. Geographic flexibility:**
 - country wide point to point pick-up and delivery
 - 93,000 km roads v 4,000 km railway
- 2. Time flexibility:**
 - responsive to “just in time” requirements of customers
 - not constrained by railway timetable or shipping schedule
- 3. Responsive to unforeseen changes in:**
 - volume, type, origin and destination
- 4. Avoidance of transshipping:**
 - quicker, safer, cheaper
- 5. Readily adaptable to specialist and unusual consignments**

Why most freight is moved by trucks (cont' d)

Trucks are the only way to reach most factories, stores, restaurants or homes.

“Only 3-7% of the road freight task is contestable by rail”

Conversely:

“Most of the freight currently travelling by rail is contestable by road – with the notable exception of coal transport over the Southern Alps.”

Source: Mackie, Baas and MANZ (2006)

National Land Transport Fund (NLTF)

Revenue (2015/16)

- Petrol Excise Duty (PED)
(60c/litre, 30% retail price)
- Road User Charges (RUC)
- Motor Registration

\$1.93 Billion

\$1.43 Billion

\$220 Million

Total

\$3.58 Billion

National Land Transport Fund

- Hypothecated Fund
- User Pay
- Marginal Cost Pricing
(no recovery of Sunk Capital)
- PAYGO
 - Full maintenance and Expenditure on State Highways
 - Road policing
 - 50% Subsidy for local roads
 - Public passenger transport

Productivity Gains

50 Max

>10,000 - 50 Max permits issued

Q4	31 March 2016	82 Million Km
Q3	31 Dec 2016	100 Million Km
Q4	31 March 2017	112 Million Km

36% increase in 50 Max Km over past 12 months

30,000 Km of travel saved

\$60 Million benefit to economy

Some Heavy Transport Issues with RCAs

- Program to replace one-way bridges
- Access to Ports – better planning
- Loading/off loading/parking facilities
- Roundabouts – too many under-designed
- Alternative HPMV roads (road closures)

Some Heavy Transport Issues with RCAs (cont' d)

- HPMV permitting
 - One central point
 - improved regional collaboration to minimize multi-permitting
- General road maintenance
- Vegetation control
- Livestock effluent dump sites

Guidelines for Equitable Funding/ Pavement Maintenance for low volume roads

- RTF supports RCA' s draft guidelines
- Transparent formulae to allocate costs to ratepayers of different primary industries in accordance with their level of annual traffic loading is appropriate and right in principle
- Attempts to charge vehicle types direct should be discouraged.

Future Outlook

- Road Pricing
- New Technologies
- Intelligent Transport Systems
- Autonomous and semi-autonomous vehicles
- Electric trucks