

## MINISTERIAL BRIEFING NOTE

<b>Subject</b>	Update on Heavy Vehicle Enforcement
<b>Date</b>	4 August 2023
<b>Briefing number</b>	BRI-2835

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 <sup>st</sup> contact
Neil Cook	Director of Land Transport and General Manager Regulatory Operations	s 9(2)(a)	s 9(2)(a)	✓

### Action taken by Office of the Minister

- ☐ Noted
- ☐ Seen by Minister
- ☐ Agreed
- ☐ Feedback provided
- ☐ Forwarded to
- ☐ Needs change [please specify]
- ☐ Withdrawn
- ☐ Overtaken by events

4 August 2023

**Hon Damien O'Connor – Associate Minister of Transport**

## Update on Heavy Vehicle Enforcement

### Purpose

1. To provide you with an update on compliance monitoring and enforcement of heavy vehicles (trucks and trailers) for compliance with Road User Charges (RUC) and weight limits.
2. To update you on Waka Kotahi NZ Transport Agency's programme of work (the RUC programme) which aims to deliver improved weight compliance of heavy vehicles.

### Background

3. This update was initiated following a conversation with Waka Kotahi executives.
4. Money is gathered from a variety of sources for the National Land Transport Fund (NLTF). The fund is pre-dominantly driven by revenue from Fuel Excise Duty (50 percent) and RUC (45 percent). Waka Kotahi is concerned with the level of overloading on the network impacting the state of New Zealand's roads. Collecting heavy vehicle operators fair share of RUC is a high priority to ensure the National Land Transport Programme (NLTP) can deliver its outcomes.
5. For heavy vehicles, RUC are charged depending on weight and axle spacing for each vehicle to mitigate damage to New Zealand's roading infrastructure. RUC rates increase proportionate to weight carried, likely damage, and wear and tear of the roading network. Monitoring of weight compliance for heavy motor vehicles on the road is undertaken by the NZ Police Commercial Vehicle Safety Team (which has ~110 staff). Additionally, 17 Waka Kotahi Revenue Compliance staff perform RUC audits on operators who pose the highest risk to revenue. Waka Kotahi has recently uplifted this function and now interacts with more than 100 of the worst operators each year.
6. Maximising revenue collection for the NLTF is critical to fund maintenance and safety improvements on the network. Furthermore, it makes for a more level playing field for transport service operators when they all pay their fair share, in what is a low margin industry where many contracts are let on price.
7. The RUC regime is a weight-based user/exacerbator pays system that provides significant revenue to the NLTF; and where ensuring compliance across the system is a critical component.

### Road User Charges (RUC) and heavy vehicle enforcement

8. Waka Kotahi estimates that overloading by heavy vehicles leads to approximately \$60 million in under-paid RUC per year (weight non-compliance). This is a conservative estimate and is based off the current monitoring of approximately 7 percent of freight kilometres travelled. For context, the total estimated missed RUC revenue due to all non-compliance is \$102 million per annum, heavy vehicle weight non-compliance is circa 60 percent of the total missed revenue per annum.

9. To enforce compliance with the RUC regime (alongside safety risks) the NZ Police Commercial Vehicle Safety Team intercept and weigh trucks at a number of weigh stations/pits located around the country. The results of approximately 40,000 commercial vehicle inspections are sent to Waka Kotahi annually detailing this work.

10. s 9(2)(g)(i)

11. The Commercial Vehicle Safety Programme is underway to strategically rationalise and modernise the current weight compliance infrastructure across the country. New sites will contain in road weigh-in-motion scales and allow for NZ Police targeted regulatory activity, and 24/7 remote sensing of overweight vehicles. There is also additional screening on safety information including checking if a vehicle has a current Certificate of Fitness. More detail on these is outlined later in this briefing.

12. Waka Kotahi has a revenue compliance function which uses data coming from the new Commercial Vehicle Safety Centres (CVSC) and all existing weigh stations for targeting non-compliance to identify and audit transport operators assessed as posing the highest risk of RUC non-payment and to recover outstanding debt.

13. Where necessary, Waka Kotahi will revoke a transport service licence for repeated, deliberate non-compliance. Waka Kotahi also has a number of debt enforcement instruments and in the past 12 months has liquidated a number of companies who do not meet debt payment arrangements.

14. s 9(2)(g)(i)

15. s 9(2)(g)(i)

16. Key industry stakeholder groups such as la Ara and National Road Carriers Association are supportive of our compliance and enforcement work for RUC payment and the need for a more even playing field in this area to ensure compliant operators are not disadvantaged. Industry is keen for Waka Kotahi to move quicker in this area.

17. s 9(2)(g)(i)

#### Weight based enforcement

18. The roading infrastructure suffers wear and tear from all vehicle movements on it. The impact of heavy vehicles is managed through the design of the vehicle i.e., weight distribution of the load being carried and through the weight of the load.

19. This potential damage is managed through the issuing of permits which restrict the weight, and the route heavy vehicles can use.

#### *Permitting*

20. A permit is issued to a specific vehicle (truck and trailer unit) where that vehicle wants to exceed the open access weight of 46 tonnes.
21. Permits are valid for varied time periods; from a couple of months for a one-off overweight move (such as a mobile crane or transporter), up to two years for vehicles that carry more general freight at heavier weights regularly.

#### *Enforcement*

22. Once permits are granted, that vehicle is required to meet the conditions of that permit when operating at the higher weight the permit allows. Compliance is monitored on the road by NZ Police in two ways.
  - Mobile scales where they pull a truck over at a weigh pit and weigh it.
  - Screen the vehicle at a CVSC site (two operational at present) then pull vehicles that exceed their weight allowance over for weighing at a weigh bridge.
23. Where non-compliance with permit conditions has been identified the level of severity of those breaches will result in:
  - a warning being issued (Waka Kotahi or NZ Police), or
  - the permit being revoked (Waka Kotahi), and/or
  - an infringement fine being issued by NZ Police.
24. In addition to this, the transport operator's compliance will be reviewed and if they have breached their permit conditions more than once and those breaches are sufficiently significant, they may face additional enforcement action including:
  - Conditions placed on permits requiring the implementation of additional safety features e.g., speed limiting vehicles.
  - The granting of new permits granted for a shorter term.
  - Permit applications being declined.

#### **Commercial Vehicle Safety Programme (CVSP)**

25. Currently, the on-road heavy vehicle compliance system is manual. Heavy vehicles are randomly pulled off the road at weigh pits and are inspected by NZ Police. The sites cover a wide range of the network, including some areas with low levels of heavy vehicle traffic.

26. A Waka Kotahi Research Report, titled *Strategic electronic monitoring and compliance of heavy commercial vehicles in the upper North Island (October 2012)*, identified that there was a 0.02 percent chance of an errant vehicle being detected. This has impacted compliance, pavement damage, vehicle and driver safety, and deaths and serious injuries (DSI).
27. This was the main driver for the development of the CVSP, (previously known as Weigh Right). The programme will deliver 12 new safety centres (as mentioned above) and represents a strategic improvement in the regulatory capability for heavy vehicle compliance. The CVSP is a national on-road networked, data-led, intelligent system.
28. These CVSC sites enable nationwide, real-time regulation, through 24/7, instant and automated screening and assessing of every heavy vehicle passing them via weigh-in-motion scales, camera screening and data transmission.
29. In addition to weight-based compliance, the CVSC sites are used for other vehicle safety-based compliance activities, such as checking e.g., brakes, and driver impairment.
30. The CVSP development will provide the ability to regulate the heavy vehicle industry at scale, with more enhanced screening than weight coming online, such as identification of drivers who exceed approved work hours. In addition to this, the collection of data 24/7 enables better targeting of non-compliant operators, at scale.
31. The 12 primary CVSC sites will provide 46 percent network coverage of freight kilometres travelled, and an additional (planned but currently unfunded) 34 regional sites provide a total 76 percent coverage.
32. The CVSP promotes:
  - a level playing field for industry.
  - industry productivity as they only stop those vehicles that are non-compliant.
  - checking vehicle improved safety.
  - reduced road wear and tear by reducing overloading.
  - intelligence led regulation and improved enforcement by collecting data 24/7 on those operators that operate non-compliant vehicles.
  - insight into light vehicle road usage.
  - RUC compliance.
  - checking impairment during stops at the sites.

#### Next steps

33. s 9(2)(f)(iv)

s 9(2)(f)(iv)

34. A bid is being made for NLTF funding to complete the CVSP site developments across the country and a bid for the next NLTP for smaller regional sites to ensure that more of the network is covered for weight non-compliance.

**It is recommended that you:**

1. **Note** the contents of this briefing.



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**Neil Cook**

Director of Land Transport and General Manager Regulatory Operations

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**Hon Damien O'Connor, Associate Minister of Transport**

Date: 2023