



15 February 2016

Ministry of Transport
PO Box 3175
Wellington 6140
By email

Submission on Land Transport Rule: Vehicle Dimensions and Mass 2002

Introduction

Thank you for the opportunity to provide our views on the proposals to update and improve the Land Transport Rule: Vehicle Dimensions and Mass 2002 (the Rule).

We would like for Z Energy (Z) to be identified as a submitter and for this short submission to be included in the summary of submissions. This is an issue Z feels strongly about – both from an environmental sustainability and a public safety perspective - and we intend to publish this submission on our own website and make it available to our stakeholders as part of our commitment to encouraging discussion and debate on this matter.

Z provides up to 30 per cent of New Zealand's bulk liquid transport fuel requirements through its 212 retail service stations and 90 truck stop sites across New Zealand. Z also supplies fuels directly to commercial customer sites by road transport.

This activity is undertaken by Z's contractor, Pacific Fuel Haul (PFH), and its Mini Tankers fleet of direct-to-machinery diesel re-fuellers. Typically some 120 heavy vehicles travelling about 11 million kilometres each year are involved in delivering Z's products to markets.

As a consequence of the nature of this activity, alongside the company's commitments to operational safety and reducing carbon emissions, Z has a keen interest on proposed changes in this area.

Context

Z has placed considerable effort in completing its road transport logistics activity in the most efficient manner because there are societal, environmental and commercial benefits in doing so.

In Z's 2012 Annual Report, the company stated two sustainability goals that it committed to achieve by 2015, namely: to reduce the distance travelled by 15 per cent for every litre of fuel

delivered; and to reduce trucking emissions by 25 per cent, independent of kilometres travelled. In achieving this we would reduce our CO2 footprint by some 3,300 tonnes per annum.

In pursuing these goals, Z has taken a collaborative, partnership-style approach with PFH: investing in people, vehicles, infrastructure and systems. Highlights include:

- The training of about 160 tanker drivers on Z's delivery task has been upgraded to include the Safe and Fuel Efficient Driver NZ techniques, and the bulk tanker fleet is in the Energy Efficiency Conservation Authority heavy vehicle programme.
- Three high productivity 50MAX (50 tonne) truck trailers are now in use in the fleet. Unfortunately Z is constrained in the rollout of more high productivity vehicles due to their longer length becoming problematic in fitting on some sites.
- Fifteen new Euro5 trucks have been introduced into the fleet.
- Z has completed a large programme rolling out real-time tank gauging which allows greater visibility on current stock levels. This in turn enables more accurately scheduling deliveries to site, and fewer kilometres travelled.
- Z operates specialist forecasting software that optimises load schedules.

The outcome of the above initiatives is that Z's delivery efficiency now is in the order of 20 per cent better than in 2012, and with that are the associated benefits of reduced emissions, reduced costs and reduced risk to safety as a consequence of reduced road travel.

The Ministry reports a heavy vehicle fatal crash rate of two deaths per 100 million vehicle kilometres, and on that basis and balance of probabilities, rather than Z experiencing two such tragedies every 10 years, we have extended this theoretical model to 12 years.

The proposals

In broad terms Z understands the substantive proposals are as follows:

- Firstly, to increase the mass limit for large heavy combination vehicles from 44 to 45 tonnes and allow other changes respective of vehicle and load types.
- Secondly, to make small increases to the width and height limits of trucks.
- Thirdly, to remove the need for permits for 50MAX trucks operating on the 50MAX network.

Z supports the recommendations

On balance, Z agrees with the intent of all the proposals.

Z acknowledges that allowing heavier vehicles to be used on the roads enables more goods to be carried and, consequently, fewer trips made to deliver the same amount of product.

That being said, the actual degree of uptake and benefit can be complex to establish.

Historically, the regulations have included a 1.5 tonne allowance to accommodate the inherent discrepancies associated with early weigh scale technology and the practicalities of weighing a 44 tonne truck and trailer. Z understands many operators have taken advantage of this allowance and loaded their vehicles to 45.5 tonnes. Z has not taken advantage of the 'tolerance' and its tankers are loaded to 44 tonnes, therefore the extra tonne (increasing from



44 to 45 tonne) of payload will be of benefit to Z. That being said, due to the practices Z applies when loading compartmentalised tankers, Z has yet to establish how much productivity benefit this proposal will provide. Presuming Z can realise half of the potential benefit available, on average Z could reduce the number of trips per year from 65,000 to 63,000 and make a corresponding 160 tonne reduction in CO₂, which is roughly equivalent to a year's worth of CO₂ produced by 50 medium cars.

With regard the proposed changes that are limited to vehicle types (for example buses and car transporters) or specific goods (for example crane booms) Z's view is that if the infrastructure is adequate for a given size and weight, then those dimensions and mass limits should apply regardless of activity type. For example, if fuel tankers were allowed higher mass limits like buses, Z could take advantage of further productivity, safety and environmental improvements. Z is confident it could develop systems and processes to rigorously manage route restrictions. Z believes the current piecemeal approach is a missed opportunity and needs to be addressed for consistency.

Z supports the second proposal around increased width and height limits because New Zealand is largely reliant on international truck manufacturers, particularly those in Europe and America, to provide vehicles for the local fleet. These proposals will enable New Zealand to keep up with changes being driven internationally. The larger fuel tankers undertaking Z's deliveries can travel one million kilometres in less than four years and therefore there is a relatively high vehicle turnover rate and access to new imported vehicles is correspondingly important.

Regarding the third proposal, while Z does not disagree with the proposal to remove the current permits that allow 50MAX vehicles, now is a great opportunity to mandate the use of modern technology, such as GPS tracking, to ensure these vehicles stay on the appropriate parts of the network – i.e. those suitable for heavier vehicles. Z notes some 3,000 of 14,000 local road bridges are currently unavailable for 50MAX vehicles and, in the absence of a good management system, we see increased risk to compliance levels.

In a similar vein, the Discussion Document refers to the rule changes around heavier vehicles likely leading to accelerated fleet turnover and the introduction of new vehicles with intelligent technologies that can improve safety and efficiency. Z's experience indicates that in the past this assumption has not played out across the industry to anywhere near the degree it could have with the right policy settings.

There is an inherent dilemma between desiring higher payloads and thereby requiring the lowest vehicle weight, and that can directly conflict with purchasing trucks with intelligent technologies and the best safety equipment. As a consequence, Z believes the current consideration of change should include mandating desirable safety technologies.

Conclusion

Z does not disagree with any of the specific proposals in the Discussion Document. They will result in safer roads for all New Zealanders, more financially competitive businesses and better environmental outcomes. However, we think New Zealand should go further.

Z encourages the government to be bold and take advantage of this opportunity by accompanying these proposed legislative changes with a more active approach, in particular to upgrade the heavy vehicle fleet and improve the way on-road compliance is managed.

I hope these comments help in this process and look forward to continued improvements on our road transport activity.

Queries of a technical nature in regard this submission can be addressed to me, on 04498 0345 or dom.kalasih@z.co.nz

Dom Kalasih
Z Energy Limited