



ROAD TRANSPORT FORUM NEW ZEALAND INC

SUBMISSION ON THE NEW ZEALAND POLICE CONSULTATION DOCUMENT

"PROPOSED CHANGES FOR THE COMMERCIAL VEHICLE INVESTIGATION UNIT" 20 MARCH 2017

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**ROAD TRANSPORT FORUM NEW ZEALAND'S
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REPRESENTATION

Road Transport Forum New Zealand (RTFNZ) provides unified national representation for its members. The Forum members include Road Transport Association New Zealand, National Road Carriers, and New Zealand Trucking Association. The affiliated membership of the Forum is some 3,000 individual road transport companies which operate 16-18,000 trucks involved in road freight transport as well as companies that provide services allied to road freight transport.

The Forum is the peak body and 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 70% of New Zealand's land based freight on a tonne/kilometre basis.

1. RTF's Assessment of the Proposal

In response to what N.Z. Police assess to be a \$35 million funding shortfall for road policing over the 2015-2018 period some 111 dedicated, full-time equivalent positions will be cut including some 22 constabulary positions from the Commercial Vehicle Investigation Unit (CVIU).

CVIU currently has 116 full-time equivalent positions and the proposal is to disestablish all of the 26 Vehicle Safety Officer (VSO) positions as a contribution to the required cut in the overall road policing programme.

The rationale for this is that the VSO Officers are highly specialised in a very narrow activity and while they are sworn police officers they are not adequately trained for broader police duties. This severely constrains the flexible deployment of human resources within New Zealand Police.

2. User Pay - User Say

- The New Zealand Government collects some \$1.4 billion per annum from Road User Charges on diesel powered vehicles. The bulk of this sum is derived from commercial road transport operators and members of Road Transport Forum New Zealand. This revenue stream together with the Petrol Excise Duty and motor registration fees is paid into the hypothecated National Land Transport Fund.
- Road User Charges on HMs are determined by a complex Cost Allocation Model (CAM) which attributes costs on the basis of benefits derived.
- The CAM model specifically attributes \$7.49 per thousand kilometres travelled to enforcement activities. The model shows that \$21,421,592 is allocated each year specifically to commercial vehicle investigation and Road User Charges enforcement.
- \$315 million was allocated from the National Land Transport Fund for the Road Policing Programme in the 2015/16 year.
- The 2015-2018 Road Policing Programme specifically provides the following three outcomes under the "Economic Growth and Productivity" Strategic area.

(i)	VDAM Compliance	Vehicles comply with VDAM and by-laws that modify VDAM or apply to the VDAM regime.
(ii)	Economic Enforcement	All users pay their fair share of levies for road usage.
(iii)	Commercial Vehicle Operators	Operators comply with all vehicle licencing and permitting regulations.

It is clear that New Zealand Police are commissioned by Government and funded from the National Land Transport Fund to play a key enforcement role in road policing which includes the promotion of economic growth and productivity. This function is additional to the promotion of road safety and protection of citizens.

3. The Importance of Effective Policing to Commercial Trucking

While the discussion document correctly focusses on the safe operation of commercial vehicles it is silent on the other important role of CVIU – the maintenance of commercial neutrality and protection of infrastructural assets. This is a critical role that seems to be overlooked by the Enforcer, (N.Z. Police) and inadequately provided for by the Regulator (NZTA). The commercial road transport sector is a highly competitive industry that is lightly regulated in a business sense but of necessity heavily regulated in its access to and use of public roads. The industry is characterised by low barriers to entry and high rates of business attrition.

In the absence of effective regulatory control and policing irresponsible operators will “push boundaries” beyond acceptable limits. Enforcement with adequate deterrence thresholds are vital.

If operators can speed, overload, breach permit conditions, breach work-time rule requirements underpay RUC and operate defective equipment with impunity or low probability of detection, they can compete unfairly for business. This has the effect of driving down freight rates below sustainable levels.

All of these commercial characteristics have a direct impact on road safety through fatigue, inadequate training, inexperienced drivers, etc. In addition, some of these characteristics exert an adverse impact on network structures and pavements placing financial burdens on NZTA and other road controlling authorities.

With inadequate policing, the commercial road transport sector would quickly descend into a downward spiral in a “race to the bottom” where the compliant subsidise the non-compliant.

Many commercial and road transport operators observe that there is a serious imbalance in policing cover with some convenient localities being over-policed while other locations are seldom, if ever policed. It is also observed that there appears to be a non-existent policing of commercial vehicles below 6 tonne gross mass. In addition, agricultural vehicles regularly abuse the regulatory advantages they have been granted with minimal risk of detection.

Some operators are of the view that a “tipping point” has already been reached with inadequate policing and confusing regulations.

Operational tensions between NZTA and New Zealand Police does not help this situation.

The excessive rate of truck roll-overs on New Zealand's road network and the upward accident trend within the HPMV fleet might well be a reflection of the pressures outlined above.

4. The Importance of Vehicle Safety Officers within CVIU

This role of the vehicle safety officers grew out of the 1996 House of Representatives Transport Committee Report into Truck Crashes which found a number of commercial vehicle owners were failing to ensure vehicles were meeting road worthiness standards between the periodic inspection regime (COF) inspections. The committee also recommended a Responsible Operator Programme be put in place supported by fleet safety auditing and regular road-side inspections. This culminated in the development of the operator safety rating scheme (ORS) and categorisation of defects inspection regime (COD) both of which were modelled on overseas programmes. These fully documented processes resulted in standardised processes for technical compliance of vehicle safety systems identifying vehicle attributes that, if not maintained, had the potential to result in degradation of safety and potentially result in increased crash propensity, severity, and frequency. ORS and COD were fully supported by RTF and the road transport sector advocated strongly for their implementation.

In the ensuing years, the need to carry out these inspections has not diminished despite vehicles and their components becoming more reliable with improved longevity. Commercial vehicles in service today are required to meet more demanding applications such as carry greater and more frequent loads and travel greater distances annually. A more demanding duty cycle places higher demands on componentry and safety systems underscoring a continuing need for regular road-side safety evaluations.

The periodic inspection regime is incapable of providing an assurance that vehicles are being adequately maintained and in all developed jurisdictions periodic inspections are supplemented by regular targeted road-side inspections carried out by some form of enforcement agency.

The competition intensity and commercial imperatives have resulted in well documented levels of deferred core maintenance by some participants in the commercial sector. That aspect of poor decision

making by those participants can only be detected by a skilled group of inspectors. The Truck Crash Report identified this as a typical issue by stating 'that additional staff are essential for road side enforcement to ensure that the irresponsible operator does not have an unfair economic advantage over those who obey the law'. These hard-earned gains could quickly be lost.

While component failure appears to be a minor causative factor in the overall accident data today it could be argued that the independent road-side inspections carried out by the specialist VSOs has contributed to this favourable outcome. The removal of the VSOs might well see a deterioration in the road worthiness of the overall fleet.

The importance of the VSO contribution to maintaining vehicle safety cannot be overstated and an obvious example of recent times (2013) has to be the spate of crashes involving the rollover of container transporting vehicles. In some cases, the vehicles CVIU identified the vehicles as being over loaded and in one case the vehicle did not have the load restrained or blocked in the container. It is acknowledged these aspects would have contributed to the resulting crash. However, the thoroughness of the post-crash investigations found a number of the vehicles couldn't meet the required Static Roll Threshold (SRT) of 0.35g. This resulted in NZTA issuing a new edict within the permit approval system that all container vehicles were required to be issued with a new permit that showed they met an SRT of at least 0.35g. However, this far from solved the safety and vehicle performance requirement. It was subsequently discovered that many of the vehicles had neither the chassis rating nor the brake force capability to be operating at the permit mass. and that was why they didn't have SRT certificates commensurate with the permit mass.

Interestingly, within CVIU non-VSO officers can carry out level 3 road side vehicle inspections. This is non-invasive walkaround inspection but is totally inadequate for resolving the issues outlined above. However even at a level 3 inspection, officers will detect vehicle related problems that they require advice on. Therefore, the National Technical Safety Advisor would seem to be an essential role within enforcement to:

- (i) Train and counsel enforcement staff on technical matters.
- (ii) Liaise with the Regulator (NZTA) and the Government policy adviser (MoT) on policy and implementation issues.

- (iii) Liaise with industry on complex technical matters.

The independence of the road side inspection process is essential to maintain confidence in the process and absolute neutrality of decision making. That's not to say RTF agrees with every decision of CVIU inspectors but the current system allows contestability of decisions without commercial interests creating undue pressure either way. Although there have been past aspirations for commercial interests to undertake these aspects of road-side enforcement, RTF remains implacably opposed.

5. The Proposed Name Change

The discussion document proposes that CVIU be renamed the "*Commercial Vehicle Prevention Team*". This name is totally unacceptable to the commercial road transport industry. While we understand the "importance of prevention" that name states (not implies) that commercial vehicles are to be "prevented". A more appropriate name would be "Commercial Vehicle Policing Unit" (CVPU) or simply "Commercial Vehicle Unit" (CVU). It would probably make more sense to retain the current name "*Commercial Vehicle Investigation Unit*."

6. Summary and Conclusion

- (i) Comprehensive, balanced and effective enforcement of road transport rules together with adequate deterrent thresholds are critical to the long-term success of the commercial road transport sector which "drives" the New Zealand economy.

Without this enforcement and deterrence, we have a distorted and perverse business climate where the compliant operators subsidise the non-compliant while losing business to them.

- (ii) New Zealand Police are commissioned by Government and funded from the National Land Transport Fund to play a vital enforcement roles in the promotion of economic growth and productivity. This function is additional to the promotion of road safety and protection of citizens and their property.
- (iii) The road transport rules and permitting regimes controlling Heavy Motor vehicles are extremely complex. Effective policing of them requires sufficient numbers of highly specialised and well-trained officers.

- (iv) The commercial road transport sector is concerned that the disestablishment of the 26 Vehicle Safety Officer (VSO) positions within CVIU will leave a serious vacuum of talent.
- (v) The Regulator (NZTA) has lost much specialised, institutional knowledge on the management and operation of Heavy Motor Vehicles (HMVs) and now it seems New Zealand Police are also shedding this capability.
- (vi) General CVIU sworn police officers may be better trained for broader police duties but without the specialist, technical support of VSOs they will be unable to undertake informed judgements. This could prove very disruptive, costly and frustrating for transport operators and the freight task generally.
- (vii) The role of the VSOs grew out of the 1996 House of Representatives Transport Committee's Report into Truck Crashes which identified deficiency in road worthiness in the HMV fleet.

The Consultation Document justifies the removal of the 26 VSO positions on the evidence that today only 4% of HMV crashes (where the vehicle is at fault) are caused by vehicle defects.

Arguably, this turnaround is an expression of success of the VSO specialists and their demise could result in serious regression.

- (viii) The loss of the specialist knowledge held by VSOs will diminish the effectiveness of road policing and lead to a regression in road safety outcomes.
- (ix) The proposed renaming of CVIU to "Commercial Vehicle Prevention Unit" is utterly unacceptable to the commercial vehicle sector for obvious reasons.