



National Road Carriers Association (NRC) submission on:

Land Transport Management (Time of Use Charging) Amendment Bill



About National Road Carriers Association

National Road Carriers Association (NRC) is New Zealand's progressive nationwide organisation representing 1500 supply chain company members, who collectively operate over 16,000 trucks throughout New Zealand. NRC advocates on behalf of members and works with central and local government on road transport infrastructure and regulations.

NRC members are committed to providing an efficient, productive, resilient, safe and value for money service that supports the wider economy. To achieve this, trucking operators need a safe, efficient, and sustainable operating environment that enables the efficient and safe movement of goods. Our members primarily operate road freight however a number also operate air, sea and rail freight services.

Some 54% of NRC's membership comprises single vehicle operators and 89% employ 10 or fewer employees.

General Comments

NRC agrees that there is a need to influence the travel time choices of road users to enable the road networks to cope with demand.

We support the use of Time of Use Charging to help achieve this where there are viable alternatives available such as reliable public transport, realistic alternative routes, or non-congested periods.

NRC's members are impacted by congestion and have little ability to change their travel times or routes as they are dictated to them by their customers.

Any additional charges imposed on them will result in increased freight costs to customers.

Subpart 3

NRC suggests that clause **65A** tightens the definition of a time of use charge so that it applies to travel only on a road.

NRC fully supports the purpose as set out in clause **65B**. NRC will vigorously oppose any attempt to use a time of use scheme as a means to generate excessive revenue for local authorities beyond what is needed to operate the scheme.

NRC agrees with the wording of **65C**.

65D Proposed time of use charging scheme. NRC recommends including as part of 65D (3) a requirement to show the travel time impact outside of the proposed scheme and that the proposal can demonstrate the network has capacity to cope with demand shift without adversely impacting travel times.

This requirement would ensure the congestion is reduced rather than moved.

65E Consultation.

NRC would like to see a specific requirement to consult with the Freight Sector given the potential implication to the wider economy of increasing freight costs.

NRC agrees with wording of **65F** Submission of scheme to responsible Minister and **65G** Minister's decisions concerning time of use charging scheme. NRC strongly supports that ultimate control of schemes is maintained by central government.

65H Order in Council establishing time of use charging scheme.

NRC recommends that (2) (a) the date from which the scheme will apply be at least 42 days to bring it in line with similar provisions for Road User Charges. This notice period should also apply to increases to the charge rates over time.

(2) (g) should also include the changes to service levels for trips outside of the scheme timeframes and area.

65I Notification of time of use charging area.

(1) (b) places should be changed to roads.

(3) should be changed to 42 days to bring it in line with similar provisions for Road User Charges.

65J Notification of time of use charges.

(2) A notice must not come into force for at least 42 days to bring it in line with similar provisions for Road User Charges.

65K Termination of time of use charging scheme. NRC agrees with this clause.

65L Proposal to vary a time of use charging scheme. NRC agrees with this clause.

65M Responsible Minister may notify scheme board of concerns... NRC agrees with this clause.

65N Responsible Minister may issue a direction... NRC agrees with this clause.

65O Who is liable to pay time of use charge.

For a licenced transport service, the registered owner may not be the operator of the vehicle.

It would be more appropriate to charge the vehicle operator that holds the transport service licence the vehicle is operating under.

65P Who is not liable to pay... NRC agrees with this clause.

65Q How time of use charge is to be paid. NRC agrees with this clause.

65R Offences and penalties. NRC agrees with this clause.

65S Scheme revenue. NRC agrees with this clause.

65T Secretary must monitor and review... NRC agrees with this clause.

65U Scheme boards. NRC agrees with this clause.

65V Scheme boards: Representatives... NRC agrees with this clause.

65W Responsibilities of scheme board. NRC agrees with this clause.

65X Investment agreements... NRC agrees with this clause.

65Y Reporting obligations of scheme boards. NRC agrees with this clause.

65Z Time of use charging scheme impact assessments.

NRC recommends adding to (2) the impact on the efficient movement of freight within and adjacent to, a time of use charging scheme area.

Digitisation

NRC recommends that any time of use charging scheme be in line with the objective of this Government to digitise process. (e.g., no paper-based invoicing).

Single System

NRC recommends that a single system for collection of land transport revenue be deployed throughout New Zealand to avoid duplication of administration. Many of our members operate in multiple Road Controlling Authority areas so a single system is needed.

NRC believes there is opportunity to combine time of use charging schemes, tolling and universal road user charges into a single digital platform.

Creating separate systems will result in duplication of system management and hardware required.

Social Equality Challenges

NRC has participated in community engagement panels conducted by Auckland Transport and Auckland Council.

The concerns regarding the impact of time of use charges on vulnerable road users is a real concern.

However rather than introducing a complex set of exemptions to address social inequity NRC believes the time of use charging system should be universal with social inequity being addressed by the various tools available within the existing welfare system.

It is also likely that time of use charging would increase the commuting costs of workers leading to pressure on wages.

Closing Comments

In summary, NRC supports the objective of the Amendment Bill and welcomes further discussion on any points raised in our submission.

NRC believes any time of use scheme should be simple to administer and comply with and must be able to deliver travel time improvements across the entire network.

Any attempt to use it to generate revenue will be vigorously opposed.

A successful time of use scheme will deliver productivity savings that compensate for the charges therefore NRC believes all users including freight vehicles should participate.

Fees should be set at a similar ratio as to what is used for tolling.

Select Committee

NRC would like to appear before the select committee.

Contact

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