



28/10/21 | File Ref: 1/15/58 |

Released by: Kerry Arnold

## Cost recovery is essential for alternative routes required due to bridge limitations for HPMVs and other heavy vehicles

RTANZ Region 2 members recently raised an important concern relating to the functional and capacity status of some bridges in the wider region that were previously able to be accessed by HPMVs, including 50MAX and other heavy vehicles, now being downgraded to unladen use or limited to combination gross weights that are less than optimal.

We suspect this situation isn't unique to Waikato/Bay of Plenty.

The down grading of bridge load capability on certain routes often results in significant increases in costs arising from the truck operator having to use an alternative route to complete the transport task. A problem then manifests itself in that the operator is left trying to absorb these increased costs. With low margins there is little scope to do so.

The reality is bridge refurbishments and rehabilitations are unlikely to resolved quickly. There are number of reasons for this which include, but are not limited to, the budget constraints of the National Land Transport Fund (NLTF) project programmes, and labour force and resource limitations that have been impacted by the COVID-19 lock downs. The NLTF has also been milked for various Government mandated objectives that contribute very little to the freight transport network resilience.

At this stage, we can't see any short-term solution to bridge capacity downgrades and it seems there will be considerable delays in improving and upgrading the bridge stock, it is inevitable operators will have to consider recovering the additional costs arising from using alternative routes. It is our view it is imperative companies broach the question of cost recovery with clients. We understand this may present some difficulties, as many transport service arrangements rely on not having formal contracts with clients. The necessity of using alternative routes does however illustrate the merit of having appropriate formal contracts for service which have sufficient flexibility to recover costs that are beyond the operator's direct control.

**Please note:** The content of this Advisory has been issued to inform members of RTANZ. It is for road freight transport industry circulation, not for media publication. It can be forwarded in its entirety to RTANZ members. It cannot be reproduced, or printed in parts, under any logo other than Ia Ara Aotearoa Transporting New Zealand's logo, without written permission from Transporting New Zealand.