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25 October 2018

Levy Consultation  
ACC  
PO Box 242  
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### **2018 Levy Consultation**

The New Zealand Federation of Motoring Club is appreciative of the opportunity to contribute to the consultation on the proposed ACC levy changes and review of the Motor Vehicle Account.

The NZFOMC represents approximately 130 member clubs catering for motor caravans and heritage and collectors vehicles including cars, trucks, military vehicles, motorcycles and tractors covering all years of manufacture. Our member clubs represent more than 75,000 individuals

#### **Proposed Motor Account levies**

When previously commenting on proposed ACC levy adjustments the NZFOMC has advocated for increases in the petrol excise and reductions in the licence levy as this ensures those exposed to the greater risks make a larger contribution to the funds. But with petrol prices reaching record highs and the taxes already imposed both exceeding \$1 a litre and making up 43% of the petrol price, a further 1.9 cents per litre can be expected to lead to curbs on vehicle usage and resulting reductions in the revenue received. As the cost of relicensing a car has been substantially reduced in recent years and is now significantly lower, a slightly larger increase than proposed in the re-licence fee may be a better option than further rises in petrol prices.

#### **Motor Vehicle Account review**

The NZFOMC supports an investigation of distance-based levying for all roads users, especially for non-petrol vehicles. If the funding of road accident injuries is to be maintained on an adequate and fair basis, in the longer term the owners of electric vehicles must be required to make equitable contributions to cover their risk exposure, rather than being charged just a flat levy regardless of the distances they travel.

With the expected changes in the makeup of New Zealand's vehicle fleet in the proposed new regulatory environment, eventually a distance-based levying scheme will be needed. So the NZFOMC supports the ACC commencing an investigation into distance-based levying, including the possibility of an opt-in scheme. Such a scheme could be fairer for vehicle collectors who currently pay multiple levies even though they can only drive one vehicle at a time.

## **Discounts for owners of multiple vehicles**

Under the current ACC funding model multiple vehicle owners, especially motorcycle collectors, can be charged unfairly excessive fees. So the NZFOMC supports the ACC investigating more equitable options for owners of multiple vehicles. .

Such a scheme would be worthwhile implementing if distance-based levying is not introduced in the medium-term. Otherwise distance-based levying would be the fairer and administratively-simpler means to address the equity issues for owners of multiple vehicles. Particularly as owners of multiple vehicles sometimes allow them to be used by other family members and friends.

A possible solution for the owners of classic motorcycle collections might be a reduction to a lower rego level for classic bikes registered with a recognised club with the owners able to transfer their ACC coverage to the bike they are using at the time. They can then ride whichever of their classics they prefer as the ACC insurance will be linked to them rather than the bike. If they allowed a mate ride another of their bikes to an event (effectively using 2 of their bikes at the same time), each rider would need ACC insurance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'RH', with a long horizontal flourish extending to the right.

Roy Hughes  
Submissions Secretary NZFOMC  
03 332 7500

***Representing the responsible special interest and heritage motoring enthusiast***