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Levy Consultation
ACC
PO Box 242
Wellington 6140

Submission on Levy Consultation - From New Zealand Federation of Motoring Clubs

The NZ FOMC represents approximately 130 member clubs catering for heritage and collector vehicles including cars, trucks, military vehicles, tractors, motor homes and motorcycles covering all years of manufacture. Our member clubs represent more than 60,000 individuals. Thank you for the opportunity to provide this submission on the proposed ACC levy changes.

- The proposed reduction in the vintage vehicle levy is supported.
- Proposed reductions in levies for light Goods Service Vehicles are supported.
- No increase in levies for heavy GSVs not in the Fleet Saver programme is supported as we expect this will prevent potential adverse impacts on owners of motor homes.
- The reduction in levies for passenger vehicles not subject to risk rating (e.g. buses) is supported as this may also benefit some motor home owners.
- No change to motorcycle levies is accepted as the best achievable outcome for this category of vehicle owners.

- **Risk-Rating**

While there may be wide support, or at least no strong opposition amongst our members, for the proposed risk-rating of passenger cars, as the scheme is currently structured, it is likely to have unfair economic impacts on some owners of special interest and younger heritage vehicles.

SIVs tend to be rare vehicles or US muscle-cars, so Australasian crash data or ANCAP safety ratings are unlikely to be available. It is proposed to assign these vehicles to Risk Group 3, the second safest rating, which attracts a \$50 discount off the levy all passenger cars currently pay. However the safest group attracts a \$100 discount so the later model SIVs could be missing out on a deserved discount due to a lack of data.

The FOMC suggests the NHTSA star ratings (USA equivalent of ANCAP) could be used instead, with a default to Group 3 if no information is available. Many of the newer SIVs would be as safe as any other new car, so should be Group 4 (the safest).

Alternatively the rating for rare vehicles/SIVs should be the same as for other vehicles of the same age; new cars could be allocated to Group 4.

Representing the responsible special interest and heritage motoring enthusiast

While we commend excluding all vintage and veteran vehicles from the risk rating proposals, there will be an unfair discriminatory impact on heritage vehicles less than 40 years old. Ministry of Transport statistics obtained by the FOMC and our own membership survey results show that most vehicles more than 30 years old are no longer used as daily drivers, and have both a lower crash rate and WoF failure rate. Under the rules of the New Zealand Vintage Car Club vehicles more than 30 years old qualify for membership as officially vintage, and similar standards are applied by other heritage vehicle associations around the world.

As collectors' vehicles are usually kept in better condition by their enthusiast owners, and do only low annual mileages, they are significantly under represented in crash statistics. In the period 2005-2011 in only 22 of the crashes involving vehicles with defects were any of vehicles older than 40 years, none of the crashes were fatal and only three resulted in serious injury. Of all the crashes in which vehicles were found to be defective only 139 (4.5%) involved vehicles now aged 30 years and older (1984 or prior, although the majority were less than 30 years old at time of crash), 7 (3.8%) of which were fatal (almost all being 1984-model year vehicles), and only 29 (4.8%) resulted in serious injury.

Our contention that older vehicles are generally maintained in better mechanical condition is supported by WoF Statistics which show failure rates for cars aged between 11 years and 25 years old are all above 30%, and ranging up to 36%, but drop to 28% for those older than 25 years. In fact the failure rate for light vehicles aged over 25 years is only slightly more than for those aged under 10 years.

Surveys of our member clubs found the largest percentage of owners, 49%, drive their collector vehicles less than 1000kms per year, with most of the remainder, 41% travelling between 1000/3000kms. Of the respondents to our survey 37% had just one heritage/SIV vehicle, with 22% owning two, 15% owning three, 10% owning four and nearly 17% owning five or more either currently licensed or on hold. So the vast majority of heritage and special interest vehicles are covering very limited mileages each year, and much less than the average of 12,000kms per year for ordinary vehicles. And as many enthusiasts own and use more than one heritage or special interest vehicle, more than half are paying multiple registration fees and ACC levies each year.

Because of the lower accident risk profile of mainly enthusiast-owned, low-use, 30 plus year old vehicles, and the payment of multiple motoring related ACC levies each year by most if not all heritage and collector vehicle owners, the FOMC submits they should be accorded the same risk rating as Group 4 vehicles or the vintage levy. This would conform with the internationally accepted practice of classifying vehicles older than 30 years as vintage. Thank you for considering our submission.

Regards



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