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SUBMISSION ON

2015/16 ACC MOTOR VEHICLE ACCOUNT LEVY CONSULTATION

ON BEHALF OF THE FEDERATION OF MOTORING CLUBS (NZFOMC)

The NZFOMC represents more than 125 member clubs covering heritage collector and recreational vehicles spanning all years of production and including cars, motorcycles, commercial and military vehicles, motor caravans, traction engines, tractors and farm machinery. Our member clubs represent approximately 60,000 individuals. Thank you for the opportunity to provide this submission.

In accordance with previous submissions we continue to support collecting a larger portion of the levy through a petrol tax as it is a fairer means of ensuring the cost to users is proportionate to their accident risk. Rather than reduce the petrol levy from 9.90cents/litre to 5.90cents/litre we submit a 50-50 split would be more equitable. Loading two thirds of the levy onto the licence fee requires those vehicles covering low annual mileages and owners of multiple vehicles to make inequitable contributions to the motor vehicle account and effectively subsidise high mileage users. This is inconsistent with the guiding principles of the ACC that the contributions made by levy payers should be their fair share of the costs incurred. We also support a distance-based levy on diesel vehicles, as this will reduce the disproportionate cost imposed on our members who own military vehicles, motor homes, and other hobby and recreational vehicles which are a low accident risk as they cover minimal mileages each year.

Enthusiast-owned collector vehicles of any age generally travel lower annual mileages, are well maintained, and driven carefully by their owners. While we appreciate this is recognised in the discount provided for vintage vehicles over 40 years old and are grateful for the intended further reduction, we submit the proposed risk rating regime will further increase the unfairness of the licence levy imposed on owners of vehicles aged between 30 and 40 years which, in the main, also no longer cover high mileages each year.

The percentage of the fleet aged between 30 and 40 years is less than 2%. With a few exceptions, only car buffs continue to drive and maintain vehicles more than 30 years old, and the distances travelled annually are generally small. A survey of our members showed 90 per cent drove their collector vehicles less than 3000kms per year. And a high proportion of the 30-40 years fleet are covered by classic vehicle insurance which restricts the owners to no more than 5000kms a year. At \$287.75 per year the cost of the fee prompts many vehicle enthusiasts to only licence them for brief periods in order to participate in rallies and similar events or use them just over the summer. As most collectors own multiple vehicles if they have more than one licensed at a time they are paying unfair and excessive ACC levies.

Possibly because many tend to be better maintained, or maybe because they cover lower annual mileages, older vehicles are relatively under represented in road crash statistics. But if the petrol levy is reduced as proposed in the consultation document, owners of 30-40 year vehicles could effectively be charged proportionately higher fees than all other car owners. Assuming a 30-40 year vehicle defaults to risk rating Band 1, its licence levy will be \$125.45 if petrol tax stays at 9.9cpl, or \$173.83 if it falls to 5.9cpl. But travelling just 3000km a year that car would only pay \$29.70 in ACC petrol tax at the lower rate, or \$10 for an annual mileage of 1000km. Keep the petrol tax at 9.9cpl, and the net ACC levy is \$135-155 depending on mileage. Decrease petrol tax and the net contribution is \$180-191.50, so some \$36-45 worse off.

In response to a request from the Associate Minister, the Ministry of Transport is currently assessing the merit of revising the classification of vintage vehicles to include those aged 30 to 40 years. This will bring New Zealand into line with many other countries where heritage vehicles aged over 30 years are charged much lower road user fees or even none at all. Data provided by the NZFOMC indicates there should be safety benefits if a reduction in costs results in the anticipated increase in year round licensing and more consistent use of heritage vehicles. As deterioration accelerates when vehicles are parked up with regos on hold and their seals and braking systems become inactive. We submit it will also be of assistance to the ACC if this requested change to vehicle classifications is approved.

To summarise –

1-We oppose the proposed decrease in the petrol levy and continue to recommend the introduction of a distance-based diesel levy.

2-We would appreciate ACC support for the reclassification of vehicles aged between 30 and 40 years as vintage or heritage so they can be charged the lower levy.

3-If it is practical the FOMC would like to see alcohol impaired drivers targeted such as with a levy on liquor sales.

Thank you for considering our submission.

Kindest regards



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Representing the responsible special interest and heritage motoring enthusiast