



The NZ Federation of Motoring Clubs is an incorporated society representing over 125 clubs with individual membership of some 60000 plus enthusiasts who collectively own special interest heritage and hobby vehicles comprising cars, motorcycles, trucks and military vehicles, motorhomes, tractors and traction engines, and vintage machinery spanning all years of production.

This correspondence is from:

The President
New Zealand Federation of Motoring Clubs Inc.
352 Ruakura Road
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Hamilton
16th December 2011
Email: smartcar@xtra.co.nz

Attention Mr Jonathan Petterson,
Principal Advisor,
Ministry of Transport,
P O Box 3175,
Wellington 6140.

Dear Sir,

Re: New Road User Charges: Consultation on weight bands and vehicle types.

Earlier this year the Federation appeared before the Transport select committee and presented a Submission on the LAND TRANSPORT Road User Charges bill 261-1 2010 on behalf of our membership

General comment.

We were hampered in making that earlier submission as we had to calculate the effect of the proposed changes on the existing schedule of charges as they stood at that time. We received an indication from officials that our suggestions for the impact of the proposed new RUC charging regime were inflated. Now that the figures have been announced, we consider the only parties to benefit from the changes are the heavy commercial operators who consistently operate their vehicles to maximum weight, and the long haul operators who given their very high laden ratios compared to the wider industry, do not in effect pay their fair share of RUC.

What this Bill may do over time is encourage operators to use lower size combinations of vehicles and operate these closer to their maximum laden weight. This will increase the road wear factor, and will create safety issues through the use of less appropriate vehicles. One would have thought this to be a potentially undesirable safety outcome. For example the carriage of an 8 tonne item of wheeled plant on a class 14 with a RUC of

18 tons at a current cost \$179.06 - the same vehicle is now rated at up to 26 tonnes with a charge of \$315.74 per 1,000kms even though its maximum rating is only 22T. Place the same load on a class 2 15 tonnes 2 axle vehicle with RUC in the 11 – 15 tonnes band which costs \$206.50 per 1,000kms [up from \$125.16 per 1,000kms] and the savings are apparent, including running costs. However what is sacrificed is an immensely stable Class 14 platform and lower tyre loadings on the road surface. The Federation's interest in this example is that we have a number of operators who now rely on this class to transport their heritage vehicles to displays and events. In our opinion, this example is but one that demonstrates that the imposition of weight bands is grossly inequitable for many road users.

Equitable pricing

This Bill adds costs to small local operators and non commercial operators in a manner that is inequitable. Attempts by officials to justify this do not have credibility and run contrary to the commonly accepted user pays principal. Suggestions that operators go back to their users with higher charges does not remedy the situation for the non commercial users and small business operators who solely carry their own goods or tools of trade and who cannot recoup such costs. Suggestions that the cost of RUC in terms of overall heavy vehicle operating costs is minimal is also misguided. Where vehicles are used by non commercial owner operators who do not have the overheads and standing charges associated with running a commercial operation, the RUC component forms a more significant part of the operating cost.

Heritage non Commercial Vehicles.

The Federation specifically sought relief through recognition of the difficulties facing our members owners of Heritage non commercial vehicles. Where the owner runs a vehicle solely for display purposes, the charging bands have become inequitable. Perhaps the outstanding example which is also quoted by the Motor Caravan Association is that of one heritage Military Vehicle. We repeat the example given by them as but one example among many.

A 6x6 military collector's truck of type 6 has a Gross Vehicle Mass of 16,987kgs. The operator uses this for show purposes only and operates on an 8 tonne RUC licence at a cost of \$66.89 per 1,000kgs. This vehicle is not used to carry any loads. Under the proposed changes the operator will be required to purchase a 22 tonne licence at a cost of \$339.06 per 1,000kms. This equates to an increase of 406.89%.

Granted that example vehicle will travel a very limited mileage, but add in the cost of bi annual certification, registration, fuel and insurance and it becomes completely impractical to maintain that vehicle that never operates in a laden condition solely for Heritage display or demonstrations purposes. We are disappointed that those concerns have not been addressed. We do not see relief in **section 34** of the Bill - RUC collector may waive or refund road user charges if satisfied charge is excessive

The suggestion that a discretion is given to the collector of fees where “payment of road user charges that are excessive in the circumstances” is not clear if this could or would be applied to heritage vehicles. The federation would need some concrete assurances if this was so as the clause is unclear, and the Federation has regrettably had a long experience of the reluctance by this department to grant any such dispensations.

The conclusion is that any un-laden heritage vehicle will be required to continue paying as a fully laden commercial vehicle. We submit that this is grossly unjust and will continue to seek a remedy.

FOMC position

- 1 The Federation reaffirms its position that the proposed charging regime remains inequitable and does not comply with the statement in Clause 3(a) of the Bill.
- 2 We therefore support the submission of the Motor Caravan Association who strongly oppose the adoption of this Bill in its current form as it permits the collector of road user charges to introduce proposals in the Road User Charges Regulations that do not meet with the statements in Clause 3(a) of the Road User Charges Bill Act changes.
- 3 The legitimate relief sought for heritage vehicles has not been recognised.
- 4 We conclude that the concept of weight band for the purposes of setting RUC is fundamentally flawed, and may increase trends to undesirable future outcomes such as increased axle loadings and inappropriate type vehicle usage impacting on safety matters.
- 5 The Federation endorses the submission points made by Fred Fellows representing the NZ Motor Caravan Association Inc.
- 6 **We strongly submit that The Purpose of the Act** which is set out in sec 3 of the proposed Bill to;
'(a) continue the road user charges system by imposing charges on heavy vehicles and certain other vehicles for their use of the roads that are in proportion to the costs that the vehicles generate'; has not been met

We do not support the proposed RUC weight band proposal that our membership sees as inequitable and contrary to the principal of user pays as contained in the purpose of this bill Clause 3a. We therefore request a full review of what is proposed within this bill.

Ross Hopkins

President of The New Zealand Federation of Motoring Clubs Inc.