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Countering the costs of compliance with our classics

By Roy Hughes, FOMC Secretary

In this modern age of ever mounting obsessions with imposing maximum safety requirements on everybody and everything the longer term wellbeing of many of our treasured older vehicles is increasingly imperilled.

Feedback from member clubs suggests there has been an increase in the excessive or unnecessary costs and other frustration being encountered by heritage vehicle owners as they negotiate their way through the rules and requirements imposed by some vehicle inspectors and compliance agents.

There are increasing indications a different approach to safety inspections for older vehicles is becoming more and more necessary as automotive engineering and technology continue to develop. Many if not most earlier models never did and never will completely comply with modern requirements, but in their own way they are as safe as needed if maintained to the standards prevailing when they were manufactured.

Obviously in terms of what they are and can do, most of our older vehicles will be no significant threat to the bodily health of either their occupants or the public. For example Morris Minors will never need the stopping power of an Aston Martin or a Tesla.

So our more astute and experienced vehicle inspectors usually apply a sensible degree of professional discretion when assessing older heritage vehicles. But like the vehicles, many of those mechanics and inspectors with wide experience of collectable cars are aging too, and their knowledge and shrewd judgement will soon be lost. Research has found that around 14 per cent of our vehicle inspectors are aged over 60 and

are therefore expected to exit the workforce in the near future if not quite immediately.

There is widening concern that many heritage motorists will probably encounter increased rejections and disputes with compliance authorities as today's younger automotive technocrats apply tomorrow's rules to last century's vehicles.

When newer vehicles covering much larger mileages are only inspected once a year, the still required six monthly WoF check for vintage vehicles is being seen as onerous and unnecessary. Especially when it is probable many vintage cars may be driven only a few hundred miles, or even less, between inspections.

While the United Kingdom has abolished both registration fees and MOT checks (the equivalent of our WoF) for cars forty years and older, the FOMC believes some form of safety check should be retained for New Zealand heritage vehicles. But

only once a year at most. This would encourage owners to ensure their cars were warranted and in use all year round, which would effectively keep them in better condition than leaving them parked up for some months to avoid the fees.

As well as including this issue on the agenda for its upcoming AGM in Christchurch, the FOMC executive has resolved to discuss possible approaches with the Motor Trade Association.

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We will also be seeking more data from clubs and owners on the annual mileages covered by vehicles aged over 40 years and the kind of difficulties being encountered in getting vehicles approved for road use.

And following up on a survey by our sister organisation in the United Kingdom which found the restoration and maintenance of historic vehicles makes a multi-billion dollar contribution to the British economy, the FOMC is considering commissioning similar research in New Zealand.

A survey to establish both the number and the details of firms or person who undertake work to preserve or restore classic and heritage vehicles could be compiled into a Federation Register. As well as using the data to establish the overall value of heritage motoring to the New Zealand economy to support our case when negotiating issues with the government, the register of industry participants could also be made available to clubs for the benefit of their members.

Combating compliance costs and how to compile a compendium of classic motoring service providers will be the two main issues discussed at this year's FOMC National Conference and AGM to be held on **Sunday May 28 in Christchurch** in the Barn at the Canterbury VCC's headquarters, Cutler Park in McLean's Island Road. The conference is open to the registered delegate from each club plus observers. Those delegates and observers who have paid the \$15 registration fee will be served a catered lunch, but all other car club members are welcome to attend the morning or afternoon sessions at no charge.

- www.fomc.org.nz/events

PRESERVING OUR CLASSICS IN CHANGING TIMES

The final admonition from retiring FOMC President Malcolm Lumsden may prove to be the most significant of the wide range of valuable advice and guidance he provided during decades of service to our movement.

"Again I remind you all to remember that the future of the heritage vehicle movement in New Zealand is dependent on getting young people interested," Malcolm said in his 2016 annual report. "You cannot take your vehicles with you. Ensure you take an interest in the young person looking at your vehicle, because one day, if his interest is cultivated, he may want to own it."

Both here in New Zealand and around the world a demographic shift and economic conundrum looms as millions more baby boomers pass retirement age. As well as forcing up the cost to the community of healthcare and superannuation, many boomers can be expected to begin turning their accumulated assets into cash. So perhaps a greater concern for aging classic car collectors has to be who is going to buy all our cars?

An American provider of classic-car insurance and publisher of the Hagerty Price Guide undertook detailed research which found the total number of collector cars in

the United States is roughly 5 million, of which 58 percent are owned by baby boomers, or those born between 1946 and 1965. The data indicates the median age of heritage vehicle owners is 56 years. But as the oldest boomers approach 70, their interest in the hobby is waning and no doubt a similar pattern can be expected to evolve here in New Zealand.

There will not be another generation of a matching size and wealth until the so-called millennials hit their peak earning years in a few decades. But so far there has been little sign that many if any millennials will care about the cars of their grandfathers and great-grandfathers.

Confusing the issue is the fact that the collector-car market appears to be still surging, with multi-million dollar record prices continuing to be paid at auctions for the rarer and more exotic examples. However Hagerty's maintains a stock-market-style index monitoring the various sectors of the classic-car market and the one for 1950s American classics is exactly where it was in January 2010, indicating that demand for the formerly fast appreciating blue chip investments, such as the 1955–57 Chevrolet Bel Airs and the 1955–57 Thunderbirds, has already passed its peak.



In America the roots of classic car restoration can be traced back to the Great Depression, which extinguished magnificent marques such as Auburn, Cord, and Duesenberg and ended the era of bespoke coachbuilding. After returning from World War II, members of the "Greatest Generation" turned to saving America's pre-war automotive heritage.

Prices for pre-war cars rose steadily until the late 1990s when they hit the wall, in part because of oversupply. As the "Greatest Generation" aged, they scaled back by selling off their collections. And as more collectors began to die, the market for pre-war cars dried up.

Stagnant prices for 1950s and 1960s cars hint that history is already repeating itself but the effect may be even more severe this time because of the baby boomer population bubble.

Even though age and market forces may be against us, it will be in the best interests of maintaining the value of our collective investment in preserving our heritage vehicles if all clubs develop initiatives to actively encourage the following generations to also take up our hobby.

HAZARD IDENTIFICATION TEMPLATES NOW AVAILABLE

In the lead up to Parliament passing the Health and Safety at Work Act 2015, the FOMC committed to providing member clubs with safety planning templates to help them meet the obligations expected to be imposed on volunteer organisations.

Our plan then was to adapt the templates developed by our sister organisation in Australia to comply with the similar law revisions already in effect there.

But as a result of the discussions the FOMC and others had with Government ministers and MPs, the Bill was pulled before its third reading and drastically rewritten. As finally passed the new H&S Act imposes no significant additional obligations on voluntary motoring clubs so implementing the Australian templates was no longer appropriate.

However the FOMC executive still felt it would be constructive to develop a set of safety guidelines to assist clubs to take a responsible approach to health and safety risks. But the issue arose as to how we could avoid the possibility of being held legally liable if a club implemented our guidelines and blamed us if something went wrong. It would also be difficult to make it clear to all clubs that complying with any safety templates we provided was not actually required by the H&S Act as eventually passed into law.

Indeed the-then WorkSafe NZ CEO Gordon MacDonald personally assured all voluntary organisations concerned about the implications of the new law, that they have nothing to fear. After the danger of limiting the contributions of volunteers to community activities was recognised, the Bill was rewritten to ensure volunteering would not be negatively affected while WorkSafe concentrated on those industries with poor safety records (farming, forestry, construction and manufacturing).

Nothing in the new H&S Act applies to organisations made up entirely of volunteers, even if they are involved in what might normally be thought of as work activities. But where clubs or other community organisations have a mix of volunteer and wage workers the health and safety law does apply to the paid employees.

However volunteers undertaking certain types of activity are specifically excluded from being treated as volunteer workers and they are:

- *Assisting with sports or recreation for a sports club, school or recreation club;*
- *Assisting with school activities outside the school grounds (eg school camps);*
- *Fundraising;*
- *Providing care for someone in your own home (such as foster care).*

If your organisation has unpaid volunteers doing any of these activities they are not considered a worker under the law. That said, clubs still have a duty to take reasonable measures to keep them safe from any hazards, just as

you would do for any member of the public who could be harmed.

The Act only treats volunteers as workers if they are working in an ongoing basis with the knowledge of the business, and doing something that is an integral part of the business. In that case the volunteer is considered a “volunteer worker” and is effectively treated the same as any other worker under the law.

But while the H&S Act does not specifically apply to the activities of most motoring clubs and their volunteer workers, eliminating any risk of accidents and injuries is always the right thing to do. The standard required by all existing legislation is that you should take all reasonable measures to prevent or reduce the risk of accident and injury.

So while it may not be specifically required by the updated law it is open to clubs to draw up their own event safety plans. And WorkSafe is now providing a generic “Hazard Identification Form” template which can be downloaded from its “Information and Guidance” section.

- www.business.govt.nz/worksafe/hswa

If clubs encounter difficulties downloading the Hazard Identification template from the WorkSafe website they can be obtained from the FOMC Secretary.

ASBESTOS STILL A FATAL THREAT

A former automotive industry worker recently diagnosed with mesothelioma, the fatal cancer caused by inhaling asbestos, is urging all owners of older vehicles to remember this crippling disease remains a continuing threat.

Asbestos was a commonly used material in the automotive industry up until the 1980's because of its heat resistant characteristics. Automotive parts that contained asbestos include brake shoes, pads, rotors, clutches, heat seals, various gaskets, bonnet liners and more.

Many old automotive parts containing asbestos are still being sold. Even some newer aftermarket parts such as brake components may contain asbestos since they are manufactured in countries where it is still legal to use it.

Enthusiasts undertaking repairs on the brakes, clutches or exhaust systems of older vehicles should take care to avoid excessive inhalation of the dust associated with the work. The experts also advise against using vacuum cleaners to clean away asbestos as they just disturb the dust without removing it.

When dealing with small amounts the best way is to wet spray and wipe away. But where significant quantities of asbestos are uncovered it is best to call in professional disposal experts.

NEWS FROM AROUND THE WORLD

Heritage motoring - a \$10b industry in UK

In Great Britain the contribution heritage motoring makes to the total economy is now estimated to be nearly ten billion New Zealand dollars annually and has grown almost 28 per cent in just five years.

Comprehensive updated research by our UK equivalent, the Federation of British Historic Vehicle Club's has shown the classic motoring industry there is not only providing jobs for around 34,900 people, it also earns more than NZ\$1 billion in overseas revenue.

The dramatic rise in the economic value of heritage motoring over the last five years is revealed in the FBHVC's recently released report "The 2016 National Historic Vehicle Survey". The update builds on the FBHVC's earlier study, "The £4 Billion Hobby" published in 2011 and shows the movement to be now generating annual revenues totalling £5.5 billion, a 27.9% increase.

Great Britain now has much wider ownership of classic and historic vehicles and a larger number of active enthusiasts supporting an extended range of events, publications and specialist facilities. The value of the historic vehicle fleet has risen significantly to total more than NZ\$30 billion overall.

The 2016 research included the study of data from the Driver and Vehicle Licensing Agency, which found the number of pre-1985 historic vehicles to be 1,039,950 with 58 per cent still registered for road use. And an omnibus survey revealed high levels of support for the movement with 8 million adults having an interest in historic vehicles and 23 million agreeing they are an important part of Britain's heritage.

Since the 2011 FBHVC survey the number of people employed within the UK heritage motoring industry has risen from 28,000 to 34,900, also an increase of 28%.

The survey does indicate a number of potential difficulties are being faced by historic vehicle clubs. Like New Zealand the average age of members is steadily rising



Even Her Majesty Queen Elizabeth II supports heritage motoring by making the back lawn at her personal residence, Windsor Castle available as the venue for an annual Concours d'Elegance

and they are experiencing problems reaching out to younger members. And six out of ten heritage motoring businesses fear increasing government regulatory controls will have adverse impacts on their future prosperity.

While not yet a ten billion dollar industry in New Zealand, it has been reliably estimated that on a per-capita basis involvement in heritage motoring is even more intense here than in Great Britain. So we can presume people supplying goods and services to classic car enthusiasts may be making a much greater positive contribution to New Zealand's economic activity than has been fully appreciated previously.

With the assistance of member clubs the FOMC executive plans to compile similar research data to establish just how important the heritage vehicle industry is to our overall economy.

- www.fbhvc.co.uk

PRESIDENT'S COLUMN

While the FOMC has had another good year of making positive progress on various problems which affect heritage vehicle owners it has been a relatively quieter time with less direct activity required. Following the successful campaign to secure key changes to the new Health and Safety legislation, in order to curb the resulting increase in our expenditure and the financial demands on member clubs your executive opted to have one less meeting during this past year as there were no immediate major issues to be addressed.

For our hobby to be unified in its approach to government and the authorities is still really important. Therefore, it is pleasing to have the continuing participation of so many clubs in the FOMC. But, as always, there are many more clubs which are also eligible and that we would welcome as members.

In the coming year there are already new or developing issues we plan to do more to pursue; compliance for older vehicles re-entering the fleet, reports of variations in standards of inspection for WoFs and CoFs, concerns about the capacity of some inspectors to accept the different tolerances and standards that vintage and classic vehicles were built to compared with modern vehicles, overdue official acknowledgement by way of reduced licensing costs for over 30 year old vehicles (currently 40 years) that our older classic and vintage vehicles are not usually used as daily drivers, travel fewer kilometres and are generally kept in a very good state by enthusiast owners, and the use (or otherwise) of the monies collected from motorcycle licensing fees to improve safety etc. These are all matters that have been raised as worthwhile taking up with the authorities and government.

We look forward to the active participation of our many member clubs in achieving these objectives and hope to see you at our coming AGM.

*(Hon.) Harry Duynhoven,
FOMC President*

