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THE NEWSLETTER OF THE NZ FEDERATION OF MOTORING CLUBS

WHEEL TORQUE

ISSUE 19 | NOV-DEC 2014

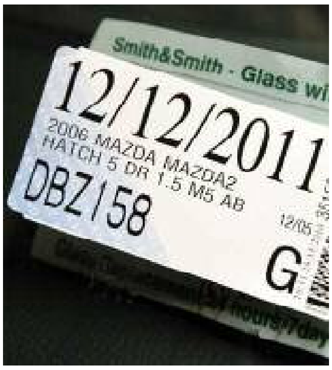
How to save on rego costs

With significant reductions in ACC levies coming into effect next July, owners can make sizable savings by not relicensing for a full year as regos come due for renewal.

From 1 July 2015, the ACC levy component of the motor vehicle licence (rego) is being reduced by an average of 45 per cent (excluding motorcycles). To minimise the number of months their vehicle is licensed at the 'old' levy rate, owners should select from the different licensing period options, such as three or six months or even consider changing their renewal date

Contrary to advice in an email widely circulated amongst clubs, the lower re-licence fees are being introduced in July not April. For some petrol cars the drop is about $132, or $11 a month with the cost of re-licensing virtually halved.

If a vehicle becomes due for re-licensing between now and June 30, 2015, you can take fuller advantage of the decrease, by not paying the full current fee for 12 months. Re-license only for the number of months from when your current licence expires, up to and including June next year. Make sure the renewal expires in July, not June, because if you re-license again in June, you will still be charged the current higher levy rates, not the much lower new fee.



While the re-licensing form invites you to select from 3 months, 6 months and 12months, you can in fact apply to re-license your vehicle for any period you choose from one day to one year.

If it is your intention to use a heritage vehicle for a one-off special event it is possible to re-license it for only two or three days at a cost of just a few dollars plus administration fee, by using a "change the date of expiry" form. But if it is less than 40 years old and subject to continuous licensing, an application to put it back on hold must be lodged before the licence expires or else an automatic three month fee is charged. The application to put it on hold can be filed at the same time as you re-license.

With the reduction in levies the ACC is introducing risk-ratings for the passenger vehicle fleet aged less than 40 years. The levy reductions will depend on a car's safety rating as determined by New Zealand and Australian crash data. For owners of the safest cars the ACC levy reduction will be 66 per cent from the current standard $198.65 down to $66.71.

But the majority of heritage vehicles aged less then 40 years will most probably be classified in Band One of the risk ratings and be charged a levy of $156.71, little more than a $40 annual saving. Risk rating does not apply to vintage cars (aged 40 years and over), but they will enjoy a reduction in ACC levies from $69.53 to $37.42.

As well as the reduction in vehicle licence levies there will be a 3 cent per litre cut in the ACC excise component of petrol tax from next July. But this reduction will make little noticeable impact as motorists' contribution to the transport fund are scheduled to increase by an additional 3 cents per litre at the same time.

With the rejection by previous Associate Transport Minister Michael Woodhouse of the NZFOMC's request that the 60,000 mainly heritage vehicles aged between 30 and 40 years be reclassified as vintage, their owners will now effectively be paying the highest licensing fees and ACC levies imposed on passenger vehicles.

So while there will be some paperwork and careful scheduling involved, the owners of multiple classics who make only intermittent use of the individual vehicles in their fleet may be able to achieve significant savings by only re-licensing them for the limited periods they will be used on the road.

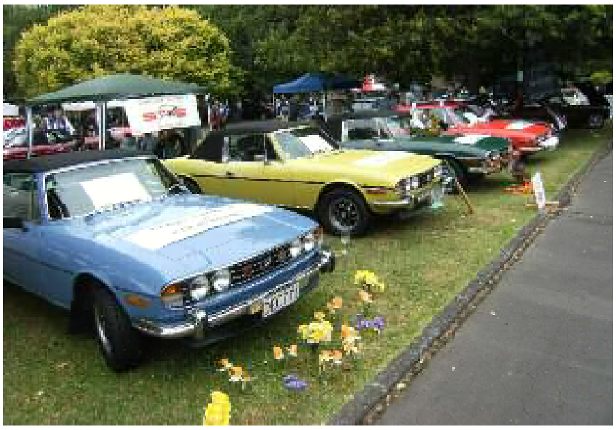
NZ Federation of FOMC Motoring Clubs Inc

Minister rejects vintage age range change

The FOMC's request for vehicles more than 30 years old to be reclassified as vintage and charged a low rego fee has been refused by the Government so we are seeking feedback from clubs on whether they want us to continue to pursue this issue.

Because 30-39 year-old vehicles are still subject to six month WoF checks and now incur the highest ACC levies imposed on car owners, the FOMC sought a change in classification to vintage as we believe most are owned and only used infrequently by heritage vehicle collectors.

Despite hopeful expectations of a positive response, the proposal we put to-then Associate Transport Minister Michael Woodhouse to reduce the current legal age of vintage vehicles from 40 to 30 years was rejected on the advice of his officials.



If the eligible age for vintage vehicles was reduced to 30 years, then late-model Triumph Stags would pay lower licence fees like their Mk1 cousins

The FOMC contended that reducing the re-licensing fees for over 30 year old vehicles to the vintage rate could actually increase safety by encouraging year-round use of vehicles while also alleviating the inequitable costs imposed on the owners, many of whom cover less than 1000kms per year in their collectable classics.

The condition of older vehicles owned by enthusiasts is generally higher than younger models. But when they are laid up in storage with regos on hold for part of the year, brake systems and other parts can deteriorate faster than if they were used all year round.

Under the Motor Registration and Licensing Regulations 2011, vehicles manufactured on or after 1 January 1919 and at least 40 years old on the date that they are registered, reregistered or licensed are defined as vintage.

The Ministry of Transport's figures provided to the minister indicate vintage vehicles represent 4 percent (around 147,000 vehicles) of the light passenger fleet. Vintage vehicle owners pay lower registration, licence fees, and ACC levies, and are also exempt from continuous licensing requirements.

Currently, the annual vehicle licensing fee for a car is $280, compared with $104 for a pre-1974 vintage vehicle. But the ACC levy component of the licensing fee for vintage and veteran cars will reduce from $69.53 to $37.42 next July.

Of all the vehicles currently registered in New Zealand 83,164 are aged between 30-39 years (1974-1983) and around 73 percent (60,715) are classed as being in the light vehicle fleet. Based on these figures, transport officials estimate the Government would lose $10 million annually in vehicle licensing revenue if the 60,715 light vehicles were reclassified as vintage.

The ACC has advised the Ministry of Transport that if the legal age of vintage vehicles was reduced to 30 years, it would expect a rise in associated injury costs because a larger number of higher performing vehicles would now fall within this definition. This would subsequently mean an overall levies increase for vintage classification vehicles to better match the increase in the accident risk posed.

Transport officials advised Minister Woodhouse that reducing the legal age of vintage vehicles to 30 years would be a significant change in current policy, and they argued that as the costs would outweigh the benefits, it was neither necessary or justified. The costs they were particularly concerned about were the likely reduction in licensing revenue, a need to increase the ACC levies set for vintage vehicles, and the significant expense involved changing the existing vehicle register system.

So at this stage there is no immediate prospect of a more significant reduction in licensing fees and ACC levies for the 60,000 or so vehicles aged between 30 and 39 years old. But the FOMC executive suspects the data analysed by the officials may not have taken into account the periods 30-39 year-old vehicles are licensed or on hold each year and the average mileages they cover.

We are seeking further data and feedback from clubs on the impact of licensing fees on how owners decide when to licence and use their cars and what annual mileages are being covered, because we suspect the majority of 30-39 year-old cars are not daily drivers but heritage vehicles and thus the licence fees being charged are too high for the ACC risk they constitute.

But if we did succeed in persuading the incoming minister to revisit the issue the indications are that the ACC may increase the levy on vintage vehicles. So a gain for the owners of younger cars could result in increased costs for current vintage vehicle owners.

Cull of older cars not cost effective

A proposed "Safer Journeys" project to accelerate removal of less-safe, older mainstream vehicles from the national fleet will not be pursued.

Research undertaken by a project team of transport officials has confirmed that newer vehicles are safer than older ones but a cost-benefit analysis showed that significant government intervention to accelerate the exit of less-safe vehicles would not be economically beneficial.

While the officials found that 1-star vehicles manufactured in the 1990s are involved in proportionately more injury crashes than the 5-star vehicles manufactured in the same decade, the research also showed that by 2020 over half of the target vehicles (58%) will have exited the fleet through natural attrition.

The project is shifting its focus to assessing actions that support the natural attrition of less-safe vehicles. The focus will be on low-cost actions to improve the information provided to consumers so they can make more informed decisions about replacement of their vehicles.

These include targeted advice on easy exit and replacement choices at the point of Warrant of Fitness failure, personalised information with relicensing letters that will explain easy replacement and exit options for people with less-safe vehicles that have travelled more than 200,000km, and a campaign to identify less-safe vehicles.

It will be supported by wider work to improve the overall safety of the vehicle fleet, including the recent announcement of mandatory electronic stability control for new and used light passenger and goods vehicles entering the New Zealand fleet.

Driver licensing system to be reviewed

A review of parts of New Zealand's driver licensing system has been announced by Associate Transport Minister Craig Foss .

"A lot has changed since the current driver licensing system was introduced in 1999. The review will look at modernising the system by making it more customer-focused and reducing compliance costs," Mr Foss says.

"It will consider whether the heavy vehicle driver licensing process could be simplified by reducing the number of heavy vehicle classes and related endorsements."

Mr Foss says while fundamental elements of the licensing system will not be reviewed, such as the photo driver licence and the minimum licensing age, there are a number of opportunities to make the system easier to understand and use.

"For example, the review is an opportunity to consider online licence renewals and whether the full licence test needs to evolve, given the recent changes to make the restricted test more difficult," Mr Foss says.

Any proposed changes to the law will be consulted on and progressed in 2016.

Sellers should also cancel insurance

Not cancelling the insurance on a classic bike he had sold has left a UK enthusiast liable for the cost of the damage caused to another vehicle when the new owner died in a road accident.

In the case reported in the November issue of *"Practical Classics"*, the vendor of the Kawasaki Ninja had sent off the change of ownership documents to the Driver and Vehicle Licensing Agency but forgot to cancel his insurance policy.

Seven days later when the purchaser was killed in a collision it was found he was uninsured, six months into a four year driving ban, and only recently released from prison. But as the bike was still insured in the vendor's name his insurance company had to pick up the bill.

And according to the law the vendor technically breached his insurance contract by allowing a banned driver to ride his bike even he was no longer the registered owner. So his insurance company is seeking compensation for its losses from the former owner.

Local insurance broker John Barley says the laws applying in New Zealand are similar to England and our insurance policies for motor vehicles hinge upon the Transport Act and the various regulations applicable. But in the general conditions of insurance policies there are also some important clauses which define the responsibilities of the insured and the insurer .

"The two clauses in question, usually encountered in the small print at the back of the policy after boredom and inattention are most likely to have crept in, state 1) that the insured shall always protect the interest of the insurer and 2) should always act as though they were uninsured and therefore mitigate the costs of the loss as much as possible," says Barley. "So the vendor of the bike failed dramatically on these two points.

"But the question remains as to whether the owner of the bike (the vendor) knew that the buyer had a criminal record and a bad driving record when he sold the bike to the individual. I must admit its probably not a question people would normally ask of a prospective buyer. Otherwise you might loose the sale of the bike. But then again instinct would or should have indicated to the vendor to cancel the policy as quickly as possible as well as changing the ownership papers."

Barley says basically the insurer is suing their client for failure to fulfil his part of the insurance contract. And at the end of the day it will most probably be up to the courts to decide as to how the game will be played out.

In regards to regulations the ownership of the vehicle remains with the registration papers. So if the ownership had not been transferred to the new owner, the bike still belonged to the vendor and the vendors policy is being required to pick up the damage to the other vehicle.

"I think the vendor has a problem and the insurance company is within its rights to recover against their own insured," says Barley.

So to avoid a similar predicament the best course of action is to immediately advise your insurance company when disposing of a vehicle. An additional benefit of doing so can be a refund of the unused portion of the annual premium.

News From Around The World

Restoration apprenticeship established in UK

An apprenticeship in historic vehicle restoration has been successfully initiated by the Federation of British Historic Vehicle Clubs, the UK equivalent of the NZFOMC.

After almost two generations without an official restoration qualification relevant to its needs, the UK's historic vehicle industry now has a formal qualification to help meet the skills shortage threatening to undermine its future.

As a result of the survey commissioned by the FBHVC of more than 100 firms, it was discovered that over next five years more than 1000 apprentices will be required to take up expected job vacancies in the UK's historic vehicle restoration businesses.

By establishing the apprenticeship the FBHVC aims to fill a pending skills gap with "…a whole new generation of craftsmen and craftswomen who will replace many of the specialist technicians now approaching retirement."

Under the new framework any UK college with the necessary facilities and teaching staff can provide government-funded apprenticeships in maintaining, repairing and restoring historic and classic light vehicles and motorcycles.

The historic vehicle restoration apprenticeship scheme runs for 2 or 3 years and involves both college and workplace activity, to ensure a general training in all aspects of vehicle restoration skills. The UK government is generally funding those colleges which enrol 16 to 18 year old students to take up the apprenticeship scheme.

The new vehicle restoration apprenticeship scheme will offer two levels of hands-on studying and experience, teaching key skills essential for vehicle restoration work as required in mechanics, bodywork, electrical, paint refinishing and interior work. The course framework is broad to build the essential appreciation required of how to understand the restoration process and the diverse nature of the vehicles involved.

Colleges throughout the UK can now run the course but they must comply with the framework and deliver the course syllabus. The FBHVC is the guardian of the framework and will be responsible for upholding the standards of the training and therefore the quality of the craftsmen and women graduating.

To meet the skills gap identified by the survey, the FBHVC worked with the Institute of the Motor Industry to create the course framework to gain OFQUAL accreditation. The framework was reviewed by a team of industry experts to ensure it addresses the needs of students, colleges and businesses.

French driving diesels out of cities

The French government has decided promoting the use of diesel cars was a big mistake and is putting in place programmes to force the oil burners off the road by limiting their access to major cities

France has the highest number of diesel cars in Europe with about 80 per cent of French motorists driving diesel powered cars – 65 per cent of new cars sold in the first six months of this year were diesel.

A combination of high fuel efficiency, useful torque in tightly packed cities, low CO2 emissions and tax incentives have all contributed to the popularity of diesel fuels but not any more.

"We have long favoured the diesel engine. This was a mistake, and we will progressively undo that, intelligently and pragmatically," says French Prime Minister Manuel Valls. Under his plan, the country will begin ranking vehicles by the pollution they create, and cities will be invited to ban the worst offenders.

Other parts of the French PM's plan include raising the tax on diesel fuel by two cents per litre in 2015, and drivers who trade in their oil-burner for an electric vehicle will be eligible for up to 10,000 euros (NZ$15,500).

While diesel fuel has advantages, when burned it emits more nitrogen dioxide than petrol and one health study suggests it could be causing 420,000 premature deaths in Europe each year.

Meanwhile Paris Mayor Anne Hidalgo has announced a plan to ban diesel cars from the French capital by 2020. Her anti-pollution drive could also see the imposition of pedestrianised zones and only essential vehicles allowed on the streets at weekends

Vehicle use inside the zones would be limited to the cars of residents, and emergency and delivery vehicles. Buses, taxis and bicycles would not be affected.