

RUC RATE INCREASES: EFFECTIVE FROM 1 OCTOBER. RATES ARE NOW AVAILABLE FOR VIEWING

Transport Minister Steven Joyce has confirmed increases in Road User Charges¹ that will take effect from 1 October 2010. In March 2009 the government announced it would not proceed with regional fuel taxes and would instead make smaller increases to fuel excise duty and road user charges to make more funding available for roading projects across the country.

Members may recall that amendments have been made to Section 20 of The Road User Charges Act so that 42 days notice of road user charges increases are provided to transport operators to assist them to budget for increased RUC costs.

Refunds

RUC licences for vehicles over 3.5 tonnes bought at the old rate will expire a month after the new rate takes effect. Heavy vehicle operators will receive an automatic refund in the form of a credit on any unused portion of the RUC licence when they purchase their new licence.

Information access

The NZTA website has been updated and includes shortcuts to the soon to be introduced RUC fees as well as shortcuts to the Minister's RUC press release and to a Q & A section.

These shortcuts are available at the following web address:

www.nzta.govt.nz/about/media/releases/790/news.html

While viewing the new RUC rates members may wish to also take into account the cumulative effect that the recently advertised October 1 GST increases will have on the new RUC rates².

Q & A

The NZTA website (web address provided above) also contains a Questions and Answers section which members may wish to view. The Q & A section is mostly directed at informing the general motoring public of the effects of the RUC increases and as such might not provide commercial transport operators with

¹ Members should be aware that these new RUC rates and are in no way associated with the RUC review that is currently under consideration.

² However, it is expected that GST increases on RUC will be fiscally neutral as transport operators will pass the GST increases on to their clients.

any new or practical information which will assist with assessing the commercial effects of the RUC increases.

Having said this we thought we'd include the following excerpt from the Q & A section as it may provide members with an indication of the effects of the RUC increases.

Members will no doubt be able to better assess the commercial influence of the RUC increases by referencing the RUC rates that are provided on the NZTA website (at the web address provided above) and applying them to their own business examples.

What will this mean for operators of heavy vehicles?

RUC represents about ten percent of the total costs for road transport operators (the largest costs are wages and depreciation).

The 1 October RUC increases will add about five to six percent to the RUC payable for combination vehicles running at maximum weights – this represents an increase of 0.5 to 0.6 percent to total operating costs.

For some operators RUC will be a higher proportion of costs, or their vehicle fleet will have higher average increases in rates. For them the increase will have a slightly larger impact, but this is still unlikely to be much more than one percent of total operating costs.

Comparison table

Also provided below for member's convenience is a table which compares existing RUC rates to the new October 1 2010 rates. The sheet below is not a comprehensive comparison between all vehicle types and masses. The time required to create a comprehensive comparison would have been excessive and thus we have provided comparisons for the more commonly used commercial vehicles and their masses.

NOTE

While every effort has been made to ensure that the rates within the comparison table are accurate we wish to remind members that the tables primary purpose is to enable a quick comparison to be made between existing and new RUC rates. Therefore members are advised to ensure RUC rate accuracy by referencing the new RUC fees that are available on the NZTA website.

	VEHICLE TYPE													
	2		6		14		29		33		37		43	
	Existing	1-Oct	Existing	1-Oct	Existing	1-Oct	Existing	1-Oct	Existing	1-Oct	Existing	1-Oct	Existing	1-Oct
1	\$39.68	\$44.29	\$39.15	\$43.86	\$38.15	\$42.90	\$10.67	\$13.64	\$10.67	\$13.60	\$10.67	\$13.60	\$10.67	\$13.59
2	\$39.68	\$44.29	\$39.15	\$43.86	\$38.15	\$42.90	\$13.34	\$13.64	\$13.30	\$13.60	\$13.30	\$13.60	\$13.29	\$13.59
3	\$41.48	\$46.41	\$40.92	\$45.83	\$39.89	\$44.85	\$16.55	\$16.92	\$16.34	\$16.70	\$16.36	\$16.72	\$16.30	\$16.66
4	\$42.78	\$48.10	\$41.04	\$46.15	\$39.97	\$44.95	\$20.17	\$20.62	\$19.49	\$19.92	\$19.55	\$19.98	\$19.35	\$19.78
5	\$45.35	\$51.00	\$41.16	\$46.28	\$40.06	\$45.05	\$24.48	\$25.02	\$22.84	\$23.35	\$22.98	\$23.49	\$22.50	\$23.00
6	\$48.03	\$54.00	\$41.28	\$46.42	\$40.15	\$45.15	\$29.72	\$30.38	\$26.49	\$27.08	\$26.79	\$27.39	\$25.78	\$26.35
7	\$67.53	\$75.93	\$53.03	\$59.63	\$50.61	\$56.91	\$34.31	\$35.07	\$28.61	\$29.25	\$29.11	\$29.76	\$27.41	\$28.02
8	\$84.21	\$94.68	\$59.49	\$66.89	\$55.35	\$62.24	\$43.64	\$44.61	\$33.92	\$34.67	\$34.76	\$35.53	\$31.88	\$32.59
9	\$106.93	\$120.24	\$67.33	\$75.71	\$60.71	\$68.26	\$55.51	\$56.74	\$39.93	\$40.82	\$41.28	\$42.20	\$36.66	\$37.47
10	\$137.29	\$152.20	\$76.92	\$86.50	\$66.85	\$75.17	\$70.55	\$72.12	\$46.83	\$47.87	\$48.88	\$49.97	\$41.61	\$42.53
11	\$175.79	\$193.53	\$88.70	\$99.47	\$73.94	\$83.14	\$89.55	\$91.54	\$54.75	\$55.97	\$57.83	\$59.12	\$46.68	\$47.72
12	\$224.56	\$246.26	\$102.66	\$114.14	\$82.20	\$92.01	\$113.39	\$115.91	\$63.84	\$65.26	\$68.39	\$69.91	\$52.41	\$53.57
13	\$284.05	\$311.40	\$119.18	\$131.75	\$90.97	\$101.23	\$147.61	\$150.89	\$74.66	\$76.32	\$80.86	\$82.66	\$58.92	\$60.23
14	\$358.30	\$392.77	\$139.29	\$153.25	\$101.35	\$112.20	\$188.20	\$192.38	\$87.51	\$89.45	\$95.60	\$97.72	\$66.34	\$67.81
15	\$450.35	\$493.50	\$163.57	\$179.25	\$113.58	\$125.16	\$235.41	\$240.64	\$102.55	\$104.83	\$112.96	\$115.47	\$74.82	\$76.48
16	\$560.13	\$614.36	\$192.63	\$210.43	\$127.91	\$140.41	\$292.41	\$298.91	\$119.86	\$122.52	\$133.33	\$136.29	\$84.52	\$86.40
17	\$691.88	\$759.51	\$226.70	\$247.16	\$144.66	\$158.27	\$360.55	\$368.56	\$139.94	\$143.05	\$159.01	\$162.54	\$95.60	\$97.72
18	\$848.40	\$932.06	\$265.24	\$289.26	\$164.13	\$179.06	\$441.26	\$451.07	\$164.86	\$168.52	\$189.95	\$194.17	\$108.25	\$110.66
19	\$1,032.71	\$1,135.34	\$310.30	\$338.53	\$186.64	\$203.16	\$536.07	\$547.98	\$194.48	\$198.80	\$224.07	\$229.05	\$122.66	\$125.39
20	\$1,247.97	\$1,372.85	\$362.62	\$395.79	\$212.51	\$230.89	\$646.57	\$660.94	\$227.19	\$232.24	\$263.53	\$269.39	\$139.01	\$142.10
21			\$422.99	\$461.89	\$241.28	\$262.04	\$774.48	\$791.69	\$264.72	\$270.60	\$308.88	\$315.74	\$157.53	\$161.03
22			\$492.22	\$537.74	\$273.35	\$297.02	\$921.56	\$942.04	\$307.55	\$314.38	\$360.75	\$368.77	\$178.44	\$182.41
23			\$571.19	\$624.31	\$309.73	\$336.74	\$1,089.70	\$1,113.92	\$356.20	\$364.12	\$419.75	\$429.08	\$201.97	\$206.46
24			\$660.79	\$722.57	\$350.81	\$381.64	\$1,280.84	\$1,309.30	\$411.21	\$420.35	\$486.55	\$497.36	\$228.36	\$233.43
25			\$761.98	\$833.57	\$397.02	\$432.17	\$1,497.03	\$1,530.30	\$473.15	\$483.66	\$561.86	\$574.35	\$257.87	\$263.60
26			\$876.91	\$959.30	\$448.79	\$488.81	\$1,740.40	\$1,779.08	\$542.61	\$554.67	\$646.38	\$660.74	\$290.75	\$297.21
27			\$1,002.75	\$1,097.92	\$506.57	\$552.07	\$2,013.17	\$2,057.91	\$620.19	\$633.97	\$740.88	\$757.34	\$327.30	\$334.57
28			\$1,142.98	\$1,252.45	\$570.83	\$622.46	\$2,317.64	\$2,369.14	\$706.54	\$722.24	\$846.13	\$864.93	\$367.79	\$375.96
29			\$1,298.70	\$1,424.12	\$642.06	\$700.52	\$2,656.20	\$2,715.23	\$802.32	\$820.15	\$962.94	\$984.34	\$412.52	\$421.69
30			\$1,471.05	\$1,614.17	\$720.78	\$786.81	\$3,031.33	\$3,098.69	\$908.22	\$928.40	\$1,092.16	\$1,116.43	\$461.80	\$472.06