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21 September 2007

Hon Annette King
Minister of Transport
Parliament Buildings
WELLINGTON

Dear Minister

Notice of HMV RUC Increases

Following my meeting with you earlier this year you asked your officials to discuss with the Forum how notice could be given for future HMV RUC increases to avoid the type of difficulties the industry encountered when RUC rates were increased earlier this year.

The Ministry of Transport has now advised us that you have agreed to a solution being included in a RUC Amendment Bill to be introduced into the House later this year. The Forum Board reviewed the solution of adding a modified s.21 clause to the current RUC Act as outlined by the Ministry and welcomed that intended improvement to the legislation.

They have asked me to write to thank you for listening to the concerns I raised with you on behalf of our members and thank you for the steps you and your officials are taking to address them.

Yours sincerely

Hon Tony Friedlander
Chief Executive Officer

Heather Slater

From: Barry Kidd [B.Kidd@transport.govt.nz]
Sent: Wednesday, 5 September 2007 2:28 p.m.
To: tony@rtfnz.co.nz
Cc: Ben Peacey
Subject: Notice of heavy RUC increases

Tony

Following on from our meeting in July, I have outlined below a brief summary of the issue with giving notice of future heavy RUC increases and a proposed solution that the Minister has indicated should be included in a RUC amendment bill to be introduced into the House later this year.

The Problem:

- o Current RUC legislation does not have provisions that allow notice of increases and protect the revenue from pre-purchasing.
- o Legislation used to have a provision (s21) but this was repealed as it required light diesel vehicle operators to repurchase RUC a month after any increases and pay an admin fee.

The Solution – adding a modified s21 clause to current RUC Act

- o All RUC licences over 3.5 tonnes would become invalid one month after any RUC increase and would need to be repurchased at the new rate.
- o The proposed amendment to the RUC Act would mean that one month's notice could be given for an increase to RUC rates over 3.5 tonne
- o It would mean that light diesel vehicles are excluded from the requirement to repurchase RUC licence at the new rate within one month.

Proposed draft clause

Validity period for distance and supplementary licences for vehicles exceeding 3.5 tonne

(1) If a road user charge rate specified in Schedule 3 is altered in accordance with section 20(1), or by any other Act, a distance licence or supplementary licence for a vehicle with a gross weight exceeding 3.5 tonne that was issued before the commencement of the alteration becomes invalid after the expiry of 1 month from that date.

Regards

Barry

24/09/2007