



Media Release

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Road User Charges increase to cost consumers

The reality of the increase in Road User Charges (RUC's) announced by the Government is that it is consumers who will end up paying, says Road Transport Forum Chief Executive Ken Shirley.

"Combined with the Auckland Regional Fuel Tax, which will inevitably be spread around the country, these RUC increases will add significantly to a road transport operator's fixed costs."

The Road Transport Forum estimates that RUC's will increase around five percent per year over the next three years.

"Trucking companies already operate on extremely tight margins so any additional expenses they incur have to be passed on down through the supply chain and inevitably those costs end up with the consumer."

"As RTF indicated in our submission to the draft GPS we acknowledge the necessity to improve New Zealand's transport infrastructure. Transport operators accept the high level of RUC is due to the direct relationship the National Land Transport Fund (NLTF) has to the roading network. It is also accepted that road users derive benefit where passenger transport on rail and ferry services eases road congestion."

"Unfortunately, the cross-subsidisation of road user taxes to fund modes that make no contribution to the NLTF and projects that have dubious economic benefit makes a mockery of the key GPS theme of 'mode neutrality'."

"If these other modes are to receive funding from the NLTF then they should contribute to the Fund comparable to Road User Charges and fuel excise. That would provide for mode neutrality based on true and fair comparative advantage," says Shirley.

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