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## **RTF asks again for RUC relief**

Trucking companies have missed out on the Government's Covid-19 money lolly scramble and this will mean increased costs across the already damaged economy, Road Transport Forum (RTF) chief executive Nick Leggett says.

"Despite working through the various lockdown stages of the Government's response to Covid-19, often at cost to themselves and their companies, the trucking industry has been refused any relief on Road User Charges (RUC)," Leggett says.

"The RTF wrote to Transport Minister Phil Twyford on 19 March, asking that the Government reconsider the RUC increase coming on 1 July 2020. That increase is 5.3% unilaterally across all current RUC rates. The Minister rejected that request (20 April 2020) but the RTF is calling on the Government to reconsider that decision.

"The RTF request was at the start of when businesses were seeing the economic impacts of Covid-19 and we pointed out there was a strong case for cancelling the RUC increases due to the economic headwinds, for both trucking companies and their customers. Things are even worse than we imagined and not only is our economy in serious trouble, many New Zealanders are now unemployed and cannot cope with an increasing cost of living.

"Increased costs for moving goods mean increased costs all down the line at a time when many businesses are either struggling for survival, or are terminal. Everything comes on the back of a truck at some point, so that will mean prices going up everywhere, including essentials such as food.

"We believe the Government doesn't need this tax revenue at this time, taking into account that spending from the National Land Transport Fund (NLTF) was about 7% below budget in the year to 30 June 2019 and was about 5% below budget in the first (September) quarter of the 2020 financial year. Added to this is the \$15 billion of new money the Government has announced for infrastructure building.

"RUC for many heavy vehicles over-recovers the roading costs it is tagged to pay for. Government spending on works that relate to road wear and tear caused by heavy vehicles is less than the growth in revenue generated from those vehicles. They are taking more, but spending less.

"Experience from the 2008 economic downturn indicates road wear is likely to decrease, due to lower traffic volumes. But trucks will still need to travel the

distances they always travel to ensure the flow of goods, so they will keep paying regardless.

“In his response, Minister Twyford advised the Government had many ways of giving substantial and direct assistance to businesses and workers affected by Covid-19. However, he said pausing the RUC increase would not only reduce the NLTF revenue at the very time we need to be investing in transport infrastructure, and when revenue is taking a hit because of falling vehicle kilometres travelled, it would also create disparity between RUC and fuel excise duty which has already had its increase legislated.

“We think that is not good enough. We don’t believe one tax should be increased just because another one has been. We think New Zealanders can’t face any more increases in the prices of essential goods at this time and businesses also cannot sustain increased costs when they are doing everything to keep people employed,” Leggett says.

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**About Road Transport Forum New Zealand (RTF)**

RTF provides unified national representation for several regional trucking associations. RTF members include Road Transport Association NZ, National Road Carriers, and NZ Trucking Association. The affiliated representation of the RTF is about 3,000 individual road transport companies which in turn, operate 16-18,000 trucks involved in road freight transport, as well as companies that provide services allied to road freight transport.

The road freight transport industry employs 32,868 people (2.0% of the workforce), has a gross annual turnover of \$6 billion, and transports 93% of the total tonnes of freight moved in New Zealand.