

**READY MIXED CONCRETE ASSOCIATION MEETING
KINGSGATE HOTEL, HAMILTON
26 FEBRUARY 2008**

**Hon Tony Friedlander
CEO, RTFNZ**



Subjects to be covered

- **2007 Forum results**
- **Increased Gross Weight Limits**
- **Work time/Driving Hours Rule**
- **Replace RUC with Diesel Tax**

2007 Results

- **Good when dealing with officials:**
 - Driving hours
 - TSL fees
 - Brake testing
 - Enforcement approach
 - Lighting Rule
 - Range of technical issues
- **Ministers were unhelpful:**
 - RUC increase without notice
 - No RUC review
 - Immigration
 - Poor progress on weight increases

Increased Gross Weight Limits

▪ **RTF Propose:**

- **Gross combination 44 to 50 tonnes**
- **Axle**
 - **tandem rear 15 to 16 tonnes**
 - **Tri axle 18 to 20 tonnes**
 - **Twin tyre 8.2 to 8.8 tonnes**
- **Longer term look at 62 tonne B doubles**

▪ **After 7 years studying the issue:**

- **2008** - **trials and evaluation**
- **2009** - **design permit system and Rule**
 - **public consultation**
- **2010** - **Cabinet paper**
 - **Selective issuing of permits**
- **2011** - **complete changes to Rule**
- **Timetable is designed to delay**

- **If there was a political will:**
 - **1 April complete permit system design for 50 tonnes and new axle weights**
 - **1 April issue selected permits e.g.**
 - Tankers
 - Aggregate / ready-mix
 - Livestock
 - Within metropolitan regions
 - Fresh fruit and vegetables
 - Logs from East Coast etc
 - **Permits would protect rail**

- **Strange policy stance:**
 - Productivity benefits for economy
 - Reduced CO2 emissions
 - Fewer truck trips
 - Improved road safety
 - Increased RUC revenue
 - Trials acknowledge the benefits
the argument now is over the timetable
 - Forum annoyed at Governments “take it or
leave it” approach

The New Work time Rule

- **Gained 14/10 hours split**
 - Risk was 12/12
 - Simplified driving/work time
 - Worldwide trends
 - Major risks in further reviews
 - Individual industries may seek exemptions under fatigue management
 - Form will not re-open issue

Replace RUC with Diesel Tax & Registration Fee

- **Forum 2007 conference remit:**
 - Passed unanimously
 - Supported case made to Minister
 - January 07 sought major review
 - Government refuse to consider issue
- **Exactly the same amount of revenue can be raised e.g.**
 - Registration fee ave \$2,000 per truck and \$1,000 per trailer
 - Diesel tax under 40¢ per litre

- **Reasons for change:**
 - RUC is unique to NZ
 - RUC wastes \$90-\$100 million more than diesel tax system
 - RUC causes poor vehicle design resulting in productivity loss etc
 - RFT introduces admin costs of two systems
 - Govt cannot get RUC Act right:
 - 29 legislative and regulatory changes
 - 215 individual amendments
 - More planned for 2008
 - Court rulings on section 18a audits provide incentives for evasion
 - RUC is difficult to comply with
 - Evasion is high:
 - Disadvantages honest operators

- **Fuel Tax is easier for private motorists**
- **RUC Fourth Power Rule is overcharging heavier vehicles**
- **Diesel tax would place better focus on fuel efficiency:**
 - **Greater percentage of costs**
 - **Accelerate vehicle replacement**
- **Diesel tax rewards light vehicle fuel efficiency**

- **Where to from here**
 - **Government have made no progress on RTF call for review of RUC**
 - **Increased RUC with 48 hours notice**
 - **Approaches on fuel tax proposal fruitless**
 - **RTF have called for a decision in principle by 1 July**
 - **Consulting with members**

- Prepared to take direct action to make Govt listen:**
 - Register as Third Party**
 - Members organise truck demonstration in major centres**
 - Major advertising campaign**
- Call on Government to stop wasting our money and listen**
- Ready Mixed Concrete Association are welcome to join us**