

NO RUC INCREASE FOR 2021 - CONFIRMATION OF MINISTERIAL DECISION

Over the past few days, the Road Transport Forum has received numerous inquiries regarding the possibility of RUC increase for the 2021/22 yearly period.

It appears the then Transport Minister Phil Twyford's September 2020 press release and statement postponing any RUC increase until mid-2023 has gone somewhat unnoticed. The full press release is set out below with the relevant section highlighted in bold. To further emphasise the point, Ministry of Transport officials provided the following text from the Government Policy Statement (GPS). To remove any hint of doubt, this is what the GPS says:

Reference, Page 31, [Government Policy Statement on land transport 2021/22-2030/31](#)

*An increase in fuel excise duty and road user charges has not been modelled as part of this GPS. **There will be no increase to FED and RUC in the first three years of this GPS.** Track user charges to be paid by rail operators will be introduced by 2021/22 and will contribute to the Fund. The revenue for the Fund is projected to increase from around \$4.4 billion in 2021/22 to \$5.1 billion in 2030/31.*

The Ministerial press release follows:

17 September 2020

Record transport investment to help economic recovery and save lives

Hon Phil Twyford, Transport

Transport Minister Phil Twyford released today the final Government Policy Statement on land transport (GPS) 2021 which outlines the planned \$48 billion investment in services and infrastructure over the next decade.

“The final GPS supports our Government’s five-point plan for economic recovery by confirming our record investments in transport infrastructure and services to create jobs,” Phil Twyford said.

“Our focus is jobs and the GPS is on top of ‘shovel ready’ transport projects and those being built through the NZ Upgrade Programme and Provincial Growth Fund – together they will create and support thousands of jobs.

“The GPS builds on our balanced transport policy and we are continuing to prioritise saving lives on the road, better transport choices to unclog our cities, moving freight more efficiently to support business, and tackling climate change.

“Based on feedback on the draft GPS, we’ve decided to increase the upper range of funding for state highway maintenance by \$510 million to help address the neglect under the last government and keep our roads safe.

“Rail also gets a \$500 million boost in the upper range to keep the network on track, which will help us reduce emissions, accidents and the costs of road maintenance by shifting more freight to rail.

“Safety remains our Government’s top priority and we’re aiming to reduce the number of deaths and serious injuries on the road by 40 per cent by investing \$10 billion in our Road to Zero strategy.

“That means on average \$1 billion a year being spent on better resourcing the police on our roads, safety infrastructure like median barriers, and public safety campaigns.

“We’re making good progress addressing the infrastructure deficit we inherited with the revenue from GPS 2018, so I am confirming the Government will not raise petrol taxes and road user charges during 2021-23,” Phil Twyford said.

The GPS is how the Government guides Waka Kotahi NZ Transport Agency to invest more than \$4.5 billion a year raised through the National Land Transport Fund; and how it expects them to allocate funding towards roads, rail, walking and cycling infrastructure, coastal shipping and public transport over the period of 2021/22 - 2030/31.

Revenue collected from fuel excise duty, road user charges, vehicle and driver registration and licensing, state highway property disposal and leasing and road tolling is all put into the National Land Transport Fund. These funds are used exclusively to invest in transport infrastructure and services. As part of the rail network being funded through the Fund, track user charges will be implemented to contribute to the costs of rail.

To read the final GPS 2021 go to: <http://www.transport.govt.nz/gps>

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