



Media Release

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Road user charges must not fund light rail

Road Transport Forum Chief Executive Ken Shirley is warning political parties to stop using the National Land Transport Fund (NLTF) as a convenient slush fund for their pet projects.

“The latest proposal from New Zealand First to fund light rail projects in Wellington out of the NLTF and pay for that through road user charges (RUC’s) shows a blatant disregard for the user-pays integrity of the fund and the RUC system,” says Shirley.

“The NLTF must remain ring-fenced and reinvested back from where it comes from.”

“The reason why the road transport industry broadly accepts the already-high level of road user charges is due to the direct relationship that RUC’s have to the provision and maintenance of the roading network.”

Heavy vehicle RUC’s are calculated using precise engineering models that determine the wear and tear caused by different types of heavy vehicles to our roading network.

“The vast majority of road user charges are paid for by the road transport industry and account for around 15 percent of an operator’s expenses. A further increase in RUC, as New Zealand First suggest, would therefore add significant costs to the freight task, which would ultimately have to be passed on to consumers.”

“Using the NLTF and RUC’s for a project such as Wellington’s light rail destroys the integrity of the user-pays system and turns it into little more than a slush fund for politicians.”

“If New Zealand First wish to expand the use of the NLTF to pay for rail projects then they should consider introducing a ‘rail user charges’ scheme that would allow the fund to be used to maintain and develop the rail network while maintaining it’s overall integrity,” says Shirley.

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