



THE NEWSLETTER
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MOTORING CLUBS

WHEEL TORQUE

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South Island AGM a first for FOMC

WoF reviews and biofuels were the two hot topics discussed at the 18th annual general meeting of the Federation of Motoring Club held at the VCC's clubrooms, McLeans Island Christchurch

The FOMC's first foray across Cook Strait to meet with South Island members drew around fifty representatives from more than two dozen clubs and was one of the best attended annual general meetings since the Federation was formed.

The morning programme mainly comprised the formal presentations from the invited speakers Mark Stockdale (AA) on biofuels, Kevin Clarkson (VCC) on public liability insurance, and "Classic Driver" editor Tony Haycock and publisher Wes Davies.

Also the Vintage Car Club's Speed Steward, "Classic Driver" editor Tony Haycock focussed on his interactions over the past year with the wide and varied activities of car enthusiasts all around the country.

He was able to assure the meeting there are still lots of interesting things happening in the world of classic motoring, while publisher Wes Davies both amused and frightened with a recounting of all the form filling and fees required by Australian officials just to arrange a photo of rally cars in front of the Sydney Harbour Bridge.

All delegates at the AGM were also gifted a complimentary copy of the "The Best of Classic Driver – A Dashboard View" the collector's edition celebrating the first 10 years of the magazine. Thanks for that Wes.

There was also extensive discussion of the outcome of the recent WoF/Vehicle Licensing Review and general consensus support for the follow-up submissions prepared the previous day by the FOMC executive.

Removing the risk – Kevin Clarkson, VCC

Much has been written about public liability insurance and Kevin said most present a challenge just to get past reading the first two pages without your eyes glazing over, or worse!

By becoming incorporated some protection is provided to the members and officials of a club or society but it does not go as far as many presume. Prudent incorporated societies do not want their clubs and members exposed to any risk at all. But while we don't live in a perfect world, many of the risks can be covered and, in many cases, for a surprisingly small amount of premium.



For all clubs there are a range of different risks but not all will be applicable to every club so it is a matter of selecting the covers that will suit the specific circumstances of each. As always the advice of your broker, or insurance company if you are dealing direct, should be sought.

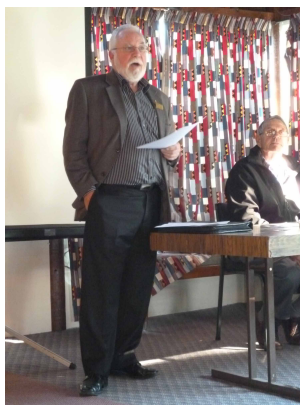
The general indemnity section of public liability insurance covers the club in the event of a situation arising where the club or its members have caused a problem and are thereby liable for meeting compensation claims for any costs incurred.

Usually there are sub covers under general indemnity which are usually automatically included clauses and removing them would not reduce the premium. Even if they don't currently apply to your situations they are best left there as they may at some time in the future.

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These can include:

- *Bailees' Liability* which is cover for property held in trust and for which there is remuneration.
- *Fire Authorities memorandum* which protects the club from meeting damages claim in the event of a fire being caused by the club.
- *Exemplary Damages Memorandum* which covers the club for personal injury damages as a result of wrongful acts where the club has shown flagrant disregard for safety. While personal injury accidents are covered by ACC there is a small possibility of a case being brought against the club for punitive damages in an unusual case of serious injury or death where the club is deemed responsible.



Kevin Clarkson

Other liability covers available are:

- *Employers Liability* which covers claims made by employees against employers for injury or illness occurring in the workplace where cover falls outside the scope of cover provided by ACC – stress for example.
- *Statutory Liability* protects against liability or fines arising out of a breach of most New Zealand statutes. Among statutes specifically excluded though are those relating to crime.
- *Association Liability* policies have been developed to provide insurance protection to non-profit organisations and their officers against the financial strain of litigation or prosecution.

Association liability includes:

- *Officers and trustees liability.* This covers each insured person against personal liability for claims for damages made against them arising from the discharge of their duties on behalf of the insured organisation for a wrongful act committed or attempted or allegedly committed or attempted by them.
- *Organisation Reimbursement* – covers the insured organisation where it indemnifies insured persons for claims arising from a wrongful act.

Insured person means any past, present or future director, secretary, officer, trustee, committee member or employee of the insured entity or any other person acting on behalf of the insured entity at the direction of an officer or board of directors or committee of management of the entity.

Wrongful act means any actual or alleged breach of duty or trust, neglect, error, omission, misstatement, misleading statement, or other act committed or attempted by an insured person in the course of his duties.

Professional Indemnity covers the insured organisation for claims for wrongful acts for which the insured shall become legally liable to pay where there is alleged financial loss arising from negligence in the conduct and execution of its business. Association liability can be extended to cover the insured entity as a publisher and distributor and an example is the VCC and its "Beaded Wheels" magazine.

Biofuels and classic cars – Mark Stockdale, AA

Although biofuels – renewable low-carbon fuel – are not retailed in the South Island (except at one Canterbury site), he warned there was a likelihood of biofuels being sold by Z nationwide in the next few years, so it was timely to remind heritage vehicle owners of compatibility issues.

In the North Island, Gull sell a 10% ethanol (E10) blend in their 98 octane fuel at all of their 48+ service stations. Mobil also sell a E10 98 octane and a E3 (3%) 91 octane blend at selected sites in Wellington and Manawatu.

Although the South Island misses out on ethanol-blended petrol, BP do sell a 5% biodiesel fuel at their Hoon Hay service station in Christchurch.

Mark said it was important for classic car owners to know which service stations are selling these fuels, because carburettor-fed cars, and some more modern cars, cannot run on ethanol-blended fuel. There are no compatibility issues with biodiesel blends up to 5% though.

Government-commissioned research showed that over one-third of our fleet were not compatible with more than 3% ethanol, which mainly includes used Japanese imports which were never designed to run on ethanol because biofuels were not sold Japan. On top of that, most pre-1986 vehicles (carb-fed) are not compatible at any blend.

In addition, ethanol-blends are also not recommended for lawnmowers and chainsaws unless manufacturer advises otherwise. Its also shouldn't be used in boats due to risk of phase separation: when water is present in the fuel, ethanol and water will drop to the bottom of the fuel tank meaning the engine may draw straight ethanol or water, causing a 'no start' situation which is potentially life-threatening at sea.



The reason older vehicles are not compatible is because the presence of oxygen in ethanol reduces the air/fuel mixture causing a leaner mixture. This is a bigger issue with engines fitted with carburettors. Some adhesives used in fuel filters may dissolve in ethanol which may cause blocking of the filter. Therefore owners also need to consider the compatibility of after-market fuel lines and components.

Mark said that even if your (modern) vehicle is compatible (check the owner's manual or ask the dealer), motorists should also be aware that ethanol blends contains less energy than pure petrol (although they do boost octane). A litre of ethanol contains 67% of the energy of a litre of mineral petrol, meaning a litre of E10 ethanol/petrol blend has 96.7% of the energy of unblended fuel. A real-world test by the AA using the same vehicle and driver on an identical route confirmed that vehicles don't travel quite as far on biofuel blends, which explains why they are priced slightly less than conventional petrol.

- A copy of Mark's presentation is on the FOMC website

DÉJÀ VU FOR NEW FOMC PRESIDENT

There are changes at the top for the Federation of Motoring Clubs this year with long serving executive member Ross Hopkins standing down after four years as president.

Military vehicle and machinery collector Malcolm Lumsden has returned to the role and brings with him his vast experience of dealing with the Government on transport issues at the highest level. His long service on the executive of the



Malcolm Lumsden

FOMC dates back to the mid-1990s and he has previously served as vice-president and then president, continuing on the executive over recent years.

The owner of an extensive collection of vintage machinery and military vehicles, Malcolm is a past president of the Franklin Vintage Machinery Club, member of the Waikato and Taranaki Machinery Clubs, and past national secretary of NZ Military Vehicle Collectors Club.

A Waikato dairy farmer, Malcolm was President of Waikato Federated Farmers from 1985-1988, Vice President of the national organisation from 1988-1993, and also their transport spokesperson, dealing with the Ministry of Transport on a wide range of transport law issues.

For his extensive involvement in service to the community Malcolm was one of the recipients of the NZ 1990 Commemoration Medal. He also makes occasional appearances on the TV programmes hosted by his more famous son Andrew, who is better known as Te Radar.

Now in the position of vice-president is long-time active member of the Motor Caravan Association and long-serving Automobile Association Waikato District councillor Fred Fellows.

After more than a decade on the FOMC executive as Submissions Secretary, Model T Club and VCC member Andrew McClintock was also farewelled at the AGM with a small gift to recognise his many years of voluntary effort on behalf of his fellow enthusiasts.

For most of his years on the executive he has been responsible for the key role of reading and researching proposed amendments to our transport laws and preparing the FOMC submission on behalf of member clubs. His skill, technical knowledge, judgement, expertise, and conscientious application to the task has been very much appreciated by his colleagues and will be much missed.

Taking up the role of Submissions Secretary is Motueka-based motorcycle enthusiast Murray McLean who runs his own mechanical repair business.

Joining the executive this year is another Model T Club member, Chris Dyer, a power line surveyor based in Rangiora. Owner of three Fords and half a Cadillac, he has been involved with Model Ts since 1969.

LEGISLATION UPDATE

Vehicle Compliance Amendment Rule

Reducing the frequency of WoF checks for vintage and classic cars has been rejected by the Government because officials advised any change could create complications and loopholes and would have "no real economic benefit".

During the government's review of the WoF/vehicle licensing system last year, and the consultation on the draft Rule which will implement the changes for later model vehicles, a range of views were received from various submitters on reducing the frequency of inspections for veteran and/or vintage vehicles.

The issues raised included unintentionally creating loopholes and complications in the system, and whether the current definitions of veteran and vintage vehicles were appropriate. Officials concluded that no clear view had been presented and there would need to be further investigation to ensure there are no unintended consequences from any changes.

So the government has chosen to only reduce the WoF frequency for vehicles first registered from January 2000, with the 6-month status quo remaining for all other vehicles regardless of the nature of their use.

The Federation of Motoring Clubs will continue to pursue this issue with the government, and a meeting with Associate Transport Minister Michael Woodhouse has been scheduled for November.

As one of the reasons for rejecting annual WOFs for heritage vehicles was the advice of officials that "there is no economic benefit", the FOMC is asking member clubs to provide evaluations of what would be the reduction in costs for their members if six monthly WoF inspections were reduced. To counter the NZTA findings, the FOMC plans to provide Government with our own research and suggest practical implementation methods which could be used. So all suggestions and feedback from member clubs will be most welcome.

During the consultation on the proposed rule changes the FOMC submitted that all veteran vehicles should be exempt from any inspections, and that those light vehicles currently defined in the legislation as vintage should be subject to only annual WoF inspections. We also said that the definition of 'vintage' should be extended to include vehicles aged 30 years and older, and that this class should be renamed 'heritage' vehicles.

On the basis of member feedback and the results of our research, the Federation strongly believes that annual WoF inspections for vehicles over 30 or 40 years of age makes good economic sense and would be more equitable given that they comprise such a small portion of the fleet, and travel very limited distances annually.

Despite even some industry support for a reduced WoF frequency for over 40 year old vehicles, we believe officials have underestimated the inequitable and significant financial impact the present regime has on the owners and collectors of older vehicles for no appreciable improvement in safety factors.

We have evidence from our membership that many heritage vehicle owners are now choosing to reduce costs by only obtaining a WoF and licencing their vehicles during the warmer months of the year, and then leaving them parked up over the winter.

And it is not only the fee, but also the cost and inconvenience of often taking time from paid employment to obtain a WoF, and deal with the questions from a tester quite often unfamiliar with the mechanical features and construction of an older vehicle.

For wage earners or retired people on fixed incomes, many of whom own one or more vehicles, and even more so for those who own vehicles requiring a CoF, not submitting them to six monthly inspections makes economic sense.

The FOMC believes there would be significant economic and safety gains derived from facilitating more frequent and year-round use of older vehicles by making them road legal for the full 12 months. Such year round use of heritage vehicles would ensure more regular maintenance, keep brakes and oil seals in better working condition, and avoid flat spots developing on tyres, all of which would improve safety factors, as well as increase licencing fee revenue and reduce administration costs.

Our research also indicates there may even be some economic gains for compliance providers in reducing WoF frequency for the heritage fleet as dealing with the older vehicles is clearly taking longer than more modern cars and involving inspection staff in time consuming disputes and discussions with disgruntled owners.

BILLION DOLLAR BENEFIT IN PRESERVING “UNECONOMIC” CARS

By Roy Hughes FOMC Secretary

With a recent media release the Motor Trade Association launched a “road safety” campaign to persuade New Zealand motorists to scrap their older “uneconomic” cars and thereby upgrade the age of our vehicle fleet, now averaging 13.8 years.

While the MTA statement did distinguish between ‘classic or vintage cars’ and older ‘everyday runners’, it called for Government initiatives to reduce the number of earlier models still in use. To force what it perceives as low value, poorly maintained, high mileage, older vehicles off the road, it is supporting such measures as in-service emissions testing and scrappage incentives.

But as all vehicle enthusiasts know, today’s older, low value, everyday runner can quickly become tomorrow’s collectable classic. Any artificial initiative to increase the natural attrition of our vehicle fleet will quite probably have unforeseen and unfortunate consequences.

Ironically, considering the MTA’s stance on WoF test intervals, there is anecdotal evidence that suggests six monthly vehicle testing is actually helping to keep more old crocks on the road. When required to invest in a new tyre, balljoint or brake pads in order to pass their latest safety test, owners of older, low value vehicles feel

compelled to keep using them for just a bit longer to obtain a return on their money, and whilst they replenish their savings in order to upgrade to a replacement.

If the incoming annual WoF regime was extended to the pre-2000 models the potential cost of the repairs needed to bring a deteriorating vehicle back up to standard after 12 months of misuse and too little maintenance may be just enough to make replacement the only economic option.

But while the MTA may not be wrong to contend there are some worn out, high mileage cars in the vehicle fleet which should be retired, age alone cannot be a justifiable reason for curbing the continuing use of older classics and potential collectables.

A study of WoF statistics by the FOMC has confirmed that the mechanical condition of older vehicles is generally higher than more recent models. The inspection failure rates for cars aged between 11 years and 25 years old are all above 30 per cent, and range up to 36 per cent, but drop back to 28 per cent for those older than 25 years. Indeed the failure rate for light vehicles aged over 25 years is only slightly more than for those aged under 10 years.

Possibly because they are usually better maintained, or maybe because they do lower annual mileages, older vehicles are also under represented in crash statistics. In the period 2005-2011, in only 22 of the crashes involving vehicles with defects were any of vehicles older than 40 years. None of those crashes were fatal, and only three resulted in serious injury. Including vehicles aged 30 years and older (1984 on), 139 (4.5%) were involved in crashes where the vehicle was found to be defective, 7 (3.8%) of which were fatal (almost all being 1984-model year vehicles), and only 29 (4.8%) resulted in serious injury.

And contrary to the contentions that older cars comprise an uneconomic portion of the national vehicle fleet, the care and feeding of classics and collectables does in fact make a positive contribution to both the cultural richness and financial wealth of our nation, not to mention the turnovers of many MTA members.

Extensive research by our sister organization, the Federation of British Historic Vehicle Clubs found the classic and vintage vehicle movement generates business worth nearly \$10 billion a year in the United Kingdom, almost \$2 billion of which comes from overseas. More than 850,000 vehicles made before 1981 still survive in the United Kingdom, and more than 28,000 people earn some or all of their income providing services to the historic vehicle owners.

So what may appear superficially to be just a wasteful hobby reliant on the continuing care and use of uneconomic cars, actually has a multi-billion dollar positive economic and social impact. But just like us, British car collectors are concerned the increasing regulatory burden imposed by transport authorities will discourage activity and hamper both the desire and ability to grow their movement.