

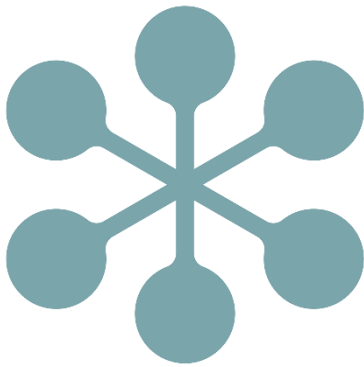
Litmus

Proposed changes to the land transport
regulatory fees, charges and funding

Consultation feedback for
Waka Kotahi

18 August 2022





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Executive summary

This document presents a summary of submissions received on the proposed changes to land transport regulatory fees, charges, and funding as detailed in the Waka Kotahi consultation document: *Proposed changes to land transport regulatory fees, charges and funding* (March 2022).

Overview of consultation purpose

As New Zealand's lead transport regulator, the role of Waka Kotahi is to ensure the system is safe, effective, efficient, and functions well for everyone in New Zealand. Two independent reviews found gaps and system weaknesses in the regulatory function of Waka Kotahi. Since then, Waka Kotahi has significantly changed regulatory governance, leadership, and activities.

One review found that Waka Kotahi does not get sufficient funding to enable critical regulatory activities. As a result, Waka Kotahi has started to rectify and rebuild to achieve improved compliance and safety outcomes across the land transport system. Waka Kotahi developed a funding model to support the funding required to maintain and progress their regulatory function. The consultation document detailed Waka Kotahi funding proposals to recover costs (of regulating the land transport system) from all users who benefit from the land transport system, including individuals, industry, organisations and the government.

Between 21 March and 13 May 2022, Waka Kotahi consulted on eight proposals to change land transport regulatory fees, charges and funding.

Waka Kotahi sought feedback on the new fees, charges and funding through:

- 10 industry workshops with 77 attendees
- meetings with key service delivery partners
- engagement with 30 local authorities at 7 workshops
- seven focus groups with whānau Māori and rangatahi Māori, people over 65, disabled people, advocates for disabled people, Pasifika families and Pasifika young people.

Waka Kotahi received 144 written submissions from the general public, car licence holders, data users, fleet owners, professional bodies, certifiers, local authorities, commercial drivers, government agencies, a finance company and an Iwi organisation.

Overview of cross-cutting submission themes

Many submitters appreciated the importance of Waka Kotahi being a strong regulator. Some submitters acknowledged that the leadership and regulatory function at Waka Kotahi have strengthened over time. Many submitters recognised more funding is needed for Waka Kotahi to continue to enhance its regulatory role.

However, some submitters did not want increased fees and charges. Many industry-related submitters noted they could not absorb increased fees and charges, and would pass them on to their customers. Industry-related submitters highlighted rising costs are adversely impacting their businesses, mainly due to COVID-19 and inflationary pressures.

The general public also opposed increasing costs. They highlighted that even small cost increases are not manageable due to the rising cost of living, particularly for those with low incomes, Māori and Pasifika families, disabled people and retirees. In addition, some general public submitters perceived the increased costs as a tax hike.

Support was evident for changes intended to address existing inequities (eg removing financial access barriers to driver licences).

Disabled people noted the high costs associated with ensuring their mobility and the need for more support across government agencies.

Industry-related submitters also emphasised the workforce challenges in attracting and retaining staff to undertake regulatory functions (eg certifiers, heavy vehicle engineering).

Many submitters considered Waka Kotahi needs to urgently upgrade technology and systems across the regulatory framework (i.e., industry groups, data users, and professional bodies). Some submitters linked their support to the proposed changes to evidence that Waka Kotahi will improve its systems, processes, and service responsiveness to increase user value.

Many industry stakeholders were pleased Waka Kotahi was proactively engaging about the proposed changes. They hoped this engagement would continue throughout implementation and regular future review cycles. In addition, submitters directly affected by proposed changes wanted reassurance on a sufficient lead-in timeline for any changes enacted.

Rōpū and tangata Māori feedback

Submissions came from an iwi organisation, whānau Māori, and rangatahi Māori in the focus groups.

One iwi organisation noted the Crown's obligation to co-design with iwi any regulatory changes which directly or indirectly affect their settlement legislation. They support the intent of the funding and fees review to find sustainable and equitable options for households and businesses.

Like the whānau Māori and rangatahi focus group participants, the iwi organisation noted the wider costs and other barriers in enabling vehicle and licence compliance for Māori. They recommend *'Waka Kotahi review the full ecosystem that are the beneficiaries and contributors to land transport and how this can create a value proposition for funding models across sectors rather than in isolation to the transport.'*

They explained that someone holding the correct licence and driving a roadworthy vehicle benefits the whole community. An iwi organisation, whānau Māori, and rangatahi Māori suggested decreasing vehicle licensing (rego) fees to further lower the financial barriers. They also wanted further implementation of driver education in schools. One iwi organisation wanted more iwi members endorsed as driving instructors and assessors to allow Māori to see themselves in the sector and increase their engagement ability.

Proposal 1: Recommended allocation of land transport revenue for regulatory activities

Waka Kotahi asked submitters' views on the best way to fund future core regulatory capacity and capability, efficient and fair collection of the costs of specific services, and rectification loans.

77 people and organisations commented on Proposal 1. In addition, participants in all 10 industry workshops (76 attendees) and 5 focus groups (25 attendees, i.e., Pasifika families, Pasifika young people, older people, disabled people, and disability advocates) commented on Proposal 1.

Most submitters who commented directly supported the three recommended allocations of land transport revenue for regulatory services, as follows:

- 56 submitters (car licence holders, business owning a fleet, Transport Service Licence (TSL) holders, professional bodies, government agency, data users, local authorities, commercial driver, certifiers) agreed with the recommended option that land transport allocation of up to \$20.4 million per year is used to **fund oversight of the regulatory function**. Feedback from the industry workshops and focus groups also supported the recommended allocation.
- 52 submitters (car licence holders, business owning a fleet, TSL holders, professional bodies, government agencies, data users, local authorities, commercial driver, certifiers) agreed with the recommended land transport revenue allocation of up to \$14.8 million per year to fund costs for regulatory **services that cannot be efficiently or fairly collected from specific user groups**.
- 47 submitters (car licence holders, business owning a fleet, TSL holders, professional bodies, government agency, data users, local authorities, commercial driver, certifiers) agreed with the recommended allocation of \$4.6 million in funding over seven years from 2023 from land transport revenue **to repay the rectification loan**.

Submitters' reasons for agreeing with the recommended allocations included:

- the recognition of the need to strengthen the regulatory function of Waka Kotahi
- that government needs to contribute, given underfunding contributed to the regulatory failure
- costs are fairly distributed across users of Waka Kotahi services
- not wanting the proposed fees and charges in Proposals 2–8 to increase further.

While supporting the recommended allocations, some submitters wanted the government to forgive the rectification loans. A few submitters wanted the National Land Transport Fund allocation to be increased to repay the loans or strengthen the regulatory function (or specific parts of the regulatory function). For example, without a further funding increase, a professional body noted the significant burden placed on specialist certifications targeted for significant increases and additional administrative costs.

Eleven submitters (car licence holders, business owning a fleet, data users, Key Service Delivery Partner) selected the alternative option of further increases to most land transport fees and charges listed in Proposals 2–8. The main reason for selecting this alternative option reflected a preference for a user-pays approach.

A few submitters disagreed with the recommended options as they did not believe Waka Kotahi could use the funding appropriately. In addition, a few disagreed as they did not believe the funding would address specific unresolved industry issues. Examples included increasing investment in compliance officers in the small passenger sector and improving efficiencies in Certificate of Fitness (CoF) inspections, driver testing, and heavy vehicle certifications.

Proposal 2: Changes to driver licence and driver testing fees

Waka Kotahi sought feedback on reducing driver licence test fees and removing resit fees, increases to driver licences fees, decreases to renew driver licence fees, and cost changes to licence endorsements.

46 people and organisations submitted on Proposal 2. In addition, participants at three industry workshops with 28 attendees commented on Proposal 2 (Key Service Delivery Partners, TSL passenger, and GSL and rental). People at seven focus groups also commented on Proposal 2 (37 attendees - rangatahi Māori, whānau Māori, Pasifika families, Pasifika young people, older people, disabled people, and disability advocates).

Feedback on having a **single fee for each step in getting a driver licence** (with no additional fee for resitting your test) was mixed:

- 17 submitters commented positively about the proposed change, including Iwi or Māori business, government agency, professional body, local authority, the general public, business owning a fleet, Māori, Pasifika families, Pasifika young people, retirees, and disabled people who attended a focus group, and those in the Key Service Delivery Partners industry workshop. Submitters supported this proposed change as improving access to getting a driver licence that had social, economic, and cultural benefits, cost certainty, and making the driver test less stressful.
- 14 submitters (commercial drivers, professional body, driving instructor/educator, the general public) disagreed with the proposal to have a single fee for each step of the driver licence. The reasons for disagreeing varied, including the change removes the incentive to be prepared for the test and people passing the first time will subsidise resits.

20 submitters commented on the impact of the single fee for their business or industry. These submitters included the industry group (workshop), data users, professional bodies, businesses owning a fleet, the general public, certifier, and other. They noted the change would increase the burden on an already stretched driver testing system, as they thought the number of resits would increase.

More submitters agreed with the **new licence fees for additional TSL labels and the New Zealand Defence Force exemption**:

- Submitters who commented generally agreed with new fees for additional TSL labels as the proposed fee was reasonable on a user-pays basis (11 agree and 6 disagree).
- Submitters generally agreed with the New Zealand Defence Force exemption as they are not a commercial entity (11 agree and 5 disagree).

Submitters were divided on the **fee increase in new licence classes or stages** (11 agreed and 11 disagreed). Reasons for agreeing and disagreeing varied.

Submitters tended to disagree with **increasing the price of endorsements** (7 agreed and 12 disagreed). Those agreeing supported the user-pays approach and recognised the activities and work of Waka Kotahi in this area. Those disagreeing noted that the increased fee, particularly in the P endorsement, will create an entry barrier to the industry and employment.

Submitters were also divided over the other proposed licence fee increases.

Submitters generally agreed with **proposed fee decreases**.

Proposal 3: Changes to motor vehicle licence and registration fees

Waka Kotahi sought feedback on changes to many fees for vehicle licensing and registration, including increasing the amount paid to renew rego (vehicle licence) and to register a vehicle for the first time, and decreasing the amount paid to re-register a vehicle (previously cancelled/lapsed).

44 people and organisations submitted on Proposal 3. In addition, participants at 5 industry workshops commented on proposal 3 (44 attendees - Key Service Delivery Partners, LVV stakeholders, data users, border entry, and industry agents). Participants in 7 focus groups also commented on proposal 3 (37 attendees - rangatahi Māori, whānau Māori, Pasifika families, Pasifika young people, older people, disabled people, and disability advocates).

14 submitters commented on the **proposed new fees** for vehicle identification numbers (VINs), fleet licensing, exemptions, and permits. Feedback was mixed. Submitters who agreed appreciated Waka Kotahi needed to recover costs and supported a user-pays approach. Reasons for disagreeing included the increase being unaffordable, and suggesting the new fees are incorporated into entry certification fees in Proposal 6.

22 submitters commented on the **proposed increase to 26 fees**. Again, submitters' feedback was split, with half agreeing and half disagreeing. Reasons for disagreeing reflected the industry would pass on the cost to consumers, and the general public cannot afford increased costs.

Most of the 19 submitters who commented agreed with the **proposed fee decreases**. Reasons for agreeing included the need to reduce fees to alleviate pressure on the public and businesses facing wider increases in business and living costs.

Few submitters commented on the proposal that **fees be grouped into various charges**.

Proposal 4: Changes to fees for RUC administration

Waka Kotahi is proposing amending (increasing and decreasing) the administration fee paid to purchase RUC distance licences and new fees to change odometers and hubodometers.

23 people and organisations commented on Proposal 4. In addition, participants in five industry workshops with 36 attendees also commented on Proposal 4 (eRUC, Key Service Delivery Partners, industry agents, GSL and rental, and TSL passenger).

Feedback from the 10 submitters who commented was mixed on **new fees relating to RUC administration – distance recorder and purchasing facilities**. Reasons for supporting the change included understanding fees need to reflect the cost of the service and support for a user-pays approach. Those who opposed the new fees noted the rising costs for business and increasing general living costs.

Of the 12 submitters who responded to **the fees going up**, most disagree due to rising costs for them and their business. However, submitters who supported and opposed the change also noted increases will be passed on to consumers.

Submitters mostly supported **proposed decreases to fees**. Reasons for supporting the change included considering the changes necessary.

Some submitters provided **general feedback on Proposal 4** but did not comment explicitly on the proposed fee changes. General feedback included:

- They supported the change to a cost-recovery model and noted the increases would not significantly impact costs.
- Proposal 4 would increase their administration costs resulting in ‘substantial’ annual increases, even though the amounts per transaction were small.
- A few noted the need to invest in software if the proposed changes occur.
- Some submitters recommended technological improvements to improve RUC processing. One submitter noted many charges only existed ‘due to the Waka Kotahi manual process’.

Proposal 5: Changes to TSL holder fees and charges

Waka Kotahi is proposing decreasing the fee for new TSL – single applicant – with 1 controlling person; increasing the fee for new TSL – multiple applicants – with two or more controlling people; different charges for TSL holders by type; and recovering costs for the regulation of dangerous goods from GSL and RSL holders through a charge.

17 people and organisations commented on Proposal 5. In addition, two industry groups with 18 attendees (TSL passenger and TSL – GSL and rental) commented on Proposal 5.

Most submitters supported the **fee reduction for a new TSL – single applicant** – with one controlling person (seven agreed and two disagreed). Submitters who agreed considered the decreased fee reasonable and aligned with the cost-recovery approach.

Submitters were divided in their support for **increasing the fee for new TSL – multiple applicants** – with two or more controlling people (four agreed and 54 disagreed). Submitters who supported the fee increase recognised the increase aligned with the cost-recovery model as the multiple applicants’ application takes more time to process. Some considered the increase justifiable as applicants have a commercial gain from TSL licences. Submitters who disagreed with the fee increase for new TSL – multiple applicants were opposed to any price increase due to increasing living costs.

Waka Kotahi is proposing to **change five TSL fees to charges that will go up**. Submitters were divided on the increase. A few who disagreed questioned the added value to their users. Some submitters disagreed with the additional charge to cover costs of regulating potential and actual carrying of dangerous goods. They argued the charge is unreasonable across all TSL users as not all TSLs carry dangerous goods.

Proposal 6: Changes to fees and charges for motor vehicle certifier activities

Waka Kotahi sought feedback on removing application fees to become vehicle certifiers and incorporating these fees into certifier group charge, changes to charges for vehicle certifiers, and amending the rates of seven charges.

24 people and organisations commented on Proposal 6. In addition, participants in 8 industry workshops attended by 64 people commented on proposal 6 (data users, border and entry, TSL/GSL and rental, industry agents, Key Service Delivery Partners, heavy engineer and manufacturing, LVVs, and WoF and CoF). Two focus groups attended by eight people also discussed Proposal 6 (i.e., disabled people, disability advocates).

Feedback was mixed on **removing application fees to becoming vehicle certifiers** (eight agreed and nine disagreed).

- Those supporting the change cited the need to increase the number of certifiers in sectors with shortages. In addition, simplifying the application process would make the process easier for small operators to become certifiers.
- Those opposing the change appreciated the need to increase the number of vehicle certifiers. However, they had concerns that removing the application fee may reduce the quality of applicants and certifiers.

Most submitters opposed **fees that change to a charge and that charge increases**. Those supporting the change noted that using charges instead of fees will simplify the fee structures for certification, will support regulatory functions, and the change will not significantly impact the industry.

Those opposing the fee increases noted the different group charges:

- In-service certifiers group – WoF charge – larger users will be substantially impacted as they need to carry more labels.
- Border inspector organisations and entry certifiers group charges – submitters questioned why current staff levels are not recovered at current rates. Submitters highlighted large fee increases would have a cumulative effect on sectors requiring multiple certifications, and the increases do not reflect the level of risk.
- Specialist heavy vehicle certifiers group charge – submitters highlighted their industry was struggling due to other inflationary pressures. They would pass on the cost to consumers and be required to justify that increased cost to them.
- Specialist heavy low volume certifiers group charge – submitters highlighted increased charges may lead to non-compliance and will negatively impact their business.
- LT307 and LT308 charge – submitters argued the LT307 is a simpler transaction than LT308 and should cost less to complete.

Waka Kotahi proposed changing **one fee to a charge, and that charge decreases for the in-service certifiers group – CoF** (5 agree and 7 disagree). Those disagreeing noted the system worked, so there was no need to change it, the certifiers would not pass the decrease to the public, and regulatory failure occurred in the CoF area, so more regulation was needed.

Proposal 7: Changes to charges for commercial users and councils that access Waka Kotahi data

Waka Kotahi is proposing introducing and changing charges for access to Waka Kotahi Motor Vehicle Register (MVR) and Driver Licence Register (DLR) data, and establishing an individualised mechanism to recover costs from future commercial entities who wish to connect to Waka Kotahi data systems as requirements vary by applicant. Waka Kotahi also proposes replacing some fees with a fixed charge and clarifying the regulations to enable charging councils and council-controlled organisations.

23 people and organisations submitted on Proposal 7. In addition, four industry workshops (44 attendees - data users, border and entry, Key Service Delivery Partner, and HVE) and participants at seven events with 30 local authorities also discussed Proposal 7. Submitters did not always specify whether their comments were about the MVR or DLR data charge.

10 submitters supported the proposed data charges to maintain the data system at Waka Kotahi. Of these, **eight supported the MVR data charge**, and **seven supported the DLR charge**. Submitters supported the proposed changes because they accepted the data costs that Waka Kotahi incurs, noted data users profit from Waka Kotahi data, were not significantly affected by the cost increases, or were exempt from the data cost increases. A few submitters who supported data charges recommended exemptions for data users, such as data for research and innovation or data that provides a public good.

12 submitters on Proposal 7 disagreed with the proposed data charges. Of these, **seven opposed the MVR data charge**, and **five opposed the DLR charge**. Submitters argued:

- Data for compliance purposes should be exempt from data charges (eg local authorities who use data to manage parking services and enforce regulations).
- Data supporting public good outcomes should be exempt (eg reducing stolen vehicle sales).
- Data charges will make the cost prohibitively expensive for data users and costs will be passed on to consumers and ratepayers.

A few submitters suggested alternative ways to manage data access (such as a one-off fee for local authorities). Most submitters did not comment on the proposed DLR data charges.

Proposal 8: Changes to fees and charges for electronic road user charges (eRUC) providers

Waka Kotahi is proposing a new application and approvals fee for new eRUC providers, new fees for modifications and requests for approval using new technology and innovation, and a new set charge for eRUC providers.

15 people and organisations submitted on Proposal 8. Three participants in one industry workshop also commented on Proposal 8.

Almost half of the submitters commenting supported the new fees and the new set charge. **Six submitters supported the new fees, and five supported the new set charge**. Submitters supported Proposal 8 as it removes cross-subsidisation and is a fairer cost distribution. These submitters are less affected by the proposed new fees and set charge.

eRUC providers are significantly affected by the proposed new fees and set charge. **eRUC providers strongly opposed the new fees and the new set charge** because they considered Proposal 8:

- would negatively impact their business
- did not adequately consider the cost savings eRUCs provide Waka Kotahi
- did not acknowledge the risks electronic service providers carry to provide eRUC
- overly expands the authority of Waka Kotahi
- seems unfair when Waka Kotahi pays agents for their services.

eRUC providers suggested alternatives for eRUC regulation and suggested systems improvements.

Safety regulation

This section provides the background and context of the role, regulation, and the funding model of Waka Kotahi.

Waka Kotahi is New Zealand's land transport regulator

The role of Waka Kotahi is to ensure the land transport system is safe, effective, efficient, and functions well for everyone in New Zealand. Their land transport regulatory services include:

- driver testing services (making sure drivers are safe to be on the roads)
- issuing driver licences
- TSL
- vehicle certification (making sure vehicles are safe to be on the road)
- vehicle registration and licensing
- collecting RUC and other road revenue
- supporting NZ Police and other agencies to regulate speed and enforce safety on roads
- oversight of the land transport system, including governance, monitoring and auditing, and developing strategy, policy and rules.

The land transport regulatory system needs strengthening

In 2018 and 2019, two independent reviews found gaps and system weaknesses in the regulatory function of Waka Kotahi. One of those independent reviews found the current funding situation for Waka Kotahi is unsustainable. Waka Kotahi has reviewed resources, determined what is required to be a good regulator, and agrees that current fees and charges do not reflect the costs of regulating and providing services.

Since then, Waka Kotahi has worked to make significant changes to regulatory governance, leadership, and resources to support regulatory activity. In 2020, a new regulatory strategy, *Tū ake, tū māia*, was released. *Tū ake, tū māia* aims to support 'a safe, fair and sustainable transport system for everyone' and to contribute to a 40 percent reduction in deaths and serious injuries by 2030.

Waka Kotahi developed a new funding and fee model

Waka Kotahi built a sustainable and fair funding model to support the level of funding required to maintain and progress their regulatory function. The consultation document detailed their fees, charges, and funding proposals to recover the costs of regulating the land transport system from all users who benefit from the land transport system, including individuals, industry, organisations, and the government. Appendix 1 contains the consultation document.

Consultation process

This section describes the consultation activities and processes.

Waka Kotahi sought feedback on the model

On 21 March 2022, Waka Kotahi released the consultation document on the proposed changes to land transport regulatory fees, charges, and funding. Waka Kotahi sought feedback from a broad cross section of Aotearoa, including people and organisations directly and indirectly affected by the proposed changes.

Waka Kotahi used an extended consultation period, from 21 March to 13 May 2022, to reflect that COVID-19 may impact people's ability to respond and the technical nature of the funding and fee model.

During the consultation, Waka Kotahi welcomed clarification questions on the proposed funding and fee changes. Waka Kotahi responded to all questions to ensure submitters could meaningfully comment on the proposed changes.

From this engagement, Waka Kotahi identified a GST calculation error in 15 charges and 1 fee omission (out of 178 fees and charges). The consultation document was updated and published on the Waka Kotahi Funding and Fees Review website on 24 April 2022¹, along with a supplementary document outlining the changes in detail. Waka Kotahi also directly advised over 5,200 industry stakeholders that could incur the affected fees and charges.

Submitters could provide feedback in several formats, including a PDF form in the consultation document, a SurveyMonkey questionnaire, emails, and other long-form formats preferred by submitters. The SurveyMonkey and PDF forms sought feedback in closed questions relating to the level of agreement or disagreement with the proposed change and in open questions seeking to understand the reasons for this. In addition, feedback was sought on the impact of the Proposals on people and organisations and other general feedback on each Proposal.

Waka Kotahi held 10 industry workshops

Between 30 March and 7 April 2022, Waka Kotahi held 10 industry workshops. The purpose was to offer industry stakeholders the opportunity to hear from Waka Kotahi about the proposed changes, discuss them, and give industry a chance to seek clarification on the proposed changes.

At each industry workshop, senior Waka Kotahi leaders attended, together with technical funding and fee experts and sector experts. In addition, several Waka Kotahi representatives were present to answer questions during the workshops.

¹ All references to the consultation document in this report refers to the April 2022 updated version.

In total, 76 people attended the 10 industry workshops. Table 1 provides a profile of the 10 industry workshops and the number of people attending.

Table 1: Overview of industry workshops and number of attendees

Industry workshop	Date	Industry attendees	Waka Kotahi attendees
Key Service Delivery Partners	30 March 2022	10	8
Low vehicle certifiers	30 March 2022	2	5
TSL: Goods service licences (GSL) and rental	1 April 2022	9	10
TSL: Passenger and recovery	1 April 2022	9	9
Warrant of Fitness (WoF) and CoF	4 April 2022	4	7
Border and entry	4 April 2022	11	8
Heavy engineer and manufacturing	6 April 2022	7	6
Industry agents	6 April 2022	5	7
Data users	7 April 2022	16	6
eRUC for diesel vehicles	7 April 2022	3	9

Attendees were asked how well the workshop helped them understand the proposed changes in the consultation document. Around half answered the in-session poll agreeing the workshop helped to explain the proposed changes. The feedback from the industry workshops has been incorporated into this report.

After the workshop, attendees were emailed the workshop notes and had the opportunity to amend the notes. When notes were updated for a workshop, all attendees at the workshop received them. Waka Kotahi also followed up and provided answers to any queries that could not be answered during the workshop.

Very useful session, and a great opportunity to get more insight into the rationale for the changes. Appreciate the time of the NZTA staff to be available for these sessions.

Waka Kotahi engaged with local authorities

In April 2022, Waka Kotahi engaged with 30 local authorities to present the proposed funding and fee changes. The same approach was taken for industry workshops – explanation, discussion, clarification. Local authorities also shared their preliminary consideration of the proposed changes. The feedback from local authorities has been included in this summary report on submissions.

Waka Kotahi sought input from diverse voices

Waka Kotahi commissioned Litmus to facilitate seven focus groups to hear from a diverse range of people to gain their feedback on the Proposals.

In total, 37 people attended the seven focus groups. Table 2 provides a profile of the focus groups and the number of people attending.

Table 2: Overview of focus groups and number of attendees

Focus group	Date	Attendees
People over 65 years on a low income with a driver licence	27 April 2022	6
Disabled people with a driver licence or wanting to get one	28 April 2022	4
Pasifika families with young people seeking to get a driver licence	2 May 2022	6
Pasifika young people aged 16–23 who recently got a driver licence	3 May 2022	5
Rangatahi aged 16–23 who recently got their driver licence.	3 May 2022	6
Whānau Māori with young people seeking to get a driver licence	12 May 2022	6
Disability advocates (CCS Disability Action)	16 May 2022	4

Whānau and rangatahi Māori groups were held in-person in Kaitaia. All other focus groups were held online.

The discussion focused on the Proposals most likely to affect them (Proposal 2 on the changes to driver licence and driver testing fees, and Proposal 3 on changes to motor vehicle licence and registration fees). Informed consent processes were used to ensure participants knew their information would be included in this report.

Litmus and our Māori and Pasifika partners facilitated the focus groups. A Waka Kotahi staff member attended to answer any questions. Due to timing, a Waka Kotahi staff member did not attend the whānau Māori focus group in Kaitaia. However, a funding expert was available by phone.

All participants across six focus groups received a koha of an \$80 voucher. Those attending the disability advocates focus group did not receive a koha, as they were representing an advocacy organisation.

Participants appreciated the opportunity to understand the proposed changes, share wider challenges relating to driver licences and registration, and comment on the proposed fee changes. Their feedback is included in this report.

144 written submissions were received

Waka Kotahi received 144 submissions on the proposed changes to the land transport regulatory fees, charges, and funding.

We received:

- 71 submissions that mainly followed the questions in the consultation document via SurveyMonkey² or PDF format
- 73 submissions that were in an email format or long-form submission and focused on the Proposals of interest to the submitter.

Table 3: The profile of submitters

Submitter type	Number*
General public	81
Car licence holder	46
Professional body	12
Agencies that access Waka Kotahi data (data users)	12
Business owning a fleet of vehicles	10
Certifier	8
TSL holder	7
Local authority	7 ³
Commercial driver	6
Government agency	2
Finance company, bank, insurer	1
Iwi or Māori business	1
Other	17

* Submitters could select more than 1 submitter type.

Appendix 2 contains the list of 34 submitters who agreed to be named in the submission analysis report clustered into the submitter types in Table 3. We also list the local authorities who Waka Kotahi engaged with.

² The SurveyMonkey form followed the same format as the PDF form in the consultation document. Following questions on their profile, submitters were asked which proposals they wanted to comment on and where guided to the questions on these proposals. Submitters could return to update and refine their responses in the SurveyMonkey until they pressed submit. We included both submitted surveys and those partially completed and not submitted to ensure all voices were heard.

³ 1 local authority made 2 submissions.

Submission analysis approach

To analyse submissions, we used the following process:

- Litmus and the policy team at Waka Kotahi read all submissions.
- Each submission, as well as each workshop and focus group, was analysed and the themes from the submission were entered into an analysis spreadsheet.
- The agree and disagree questions were analysed across the eight proposals, where submitters had completed these questions.
- For each Proposal, we identified the level of agreement or disagreement for the proposed changes, who agreed or disagreed, and the reasons for their position. We also identified other feedback on the Proposal or alternative suggestions to the proposed change.
- Across the submissions, we identified the differing perspectives of submitter types on the proposed changes.
- We also identified wider feedback on the consultation document and the work of Waka Kotahi.
- We identified themes not directly related to the focus of the consultation (i.e., out of the scope of this consultation). These themes are in Appendix 3.

Report approach

This report mirrors the consultation document and questions asked. The report is structured as follows:

- feedback on the 8 Proposals
- other feedback
- feedback by submitter groups
- appendices.

This report summarises the feedback received on the Proposals. We have endeavoured to capture the diversity of feedback.

Submitters used a range of formats to provide their feedback. About half of the submitters completed the consultation document's closed agree and disagree questions. Where the other submitters made a clear statement of 'agree' or 'disagree' in a free-form submission, we have added that agree or disagree to the quantitative tables. Where it was unclear which part of the Proposal the submitter agreed or disagreed with, we did not add it to the quantitative tables. However, we have ensured the themes from these submitters are included in the report.

Report terminology

We have used the following terms in the report:

- 'Submitters' refers to people and organisations who sent in a written submission.
- 'Focus groups participants' refers to those who attended a focus group.
- 'Industry workshop participants' refers to feedback from the industry workshops.
- 'Most' refers to themes said by more than two-thirds of submitters.
- 'Some' refers to less than half and more than quarter of submitters.
- 'Few' refers to less than a quarter of submissions.
- One-off comments are highlighted.

Proposal 1

Recommended allocation of land transport revenue for regulatory activities

Overview of Proposal 1, as in the consultation document

This Proposal affects all road users. If approved, funding would come from fees and levies paid by road users to the National Land Transport fund, so road users would not face additional charges.

Waka Kotahi proposed increasing funding for specific regulatory activities by either:

- Recommending allocation of land transport revenue (collected through RUC, FED, and motor vehicle licensing and registration). Waka Kotahi estimated this to be up to \$34.9 million per year, dependent on current interest rates, consultation outcomes, the date new fees and charges are introduced, and inflation.

or

- Increasing land transport fees and charges over and above the changes in Proposals 2–8.

Proposal 1 has three parts, each focused on services and activities that benefit all road users. The proposed funding strengthens the land transport regulatory system by:

- funding oversight of the regulatory function (through the Director of Land Transport, regulatory strategy and policy, including system reviews and monitoring, and strengthening partnership with industry)
- funding the costs of services that cannot be efficiently or fairly collected from specific user groups
- helping Waka Kotahi repay government rectification loans⁴.

77 people and organisations commented on Proposal 1

Those who commented on Proposal 1 represent a cross section of submitter types (Table 4). Most feedback was from car licence holders, the general public, professional bodies, businesses owning a fleet, and certifiers.

⁴ Waka Kotahi received government loans to address urgent regulatory gaps and rectify compliance issues.

Table 4: The profile of submitters who commented on Proposal 1

Submitter type	Number of submissions*
Car licence holder	44
Member of the public	32
Professional body	11
Business owning a fleet of vehicles	10
Agencies that access Waka Kotahi data	9
Certifier	8
Commercial drivers	6
Transport service licence holder	5
Local government or regional councils	4
Finance company, bank, insurer	1
Government agency	1
Other	13

* Submitters could select more than one submitter type.

In addition, participants in the 10 industry workshops (76 attendees) and five focus groups (25 attendees - Pasifika families, Pasifika young people, older people, disabled people, and disability advocates) commented on Proposal 1.

Submitter feedback on the allocation of land transport revenue

Waka Kotahi asked submitters' views on the best way to fund future core regulatory capacity and capability and to maintain and further fund improvements outlined in their strategy, *Tū ake, tū māia*. Waka Kotahi presented two options to consider – a recommended option (use of land transport revenue) and an alternative approach (build costs into fees and charges) across three areas:

- funding oversight of the regulatory function
- funding the costs of services that cannot be efficiently or fairly collected from specific user groups
- helping Waka Kotahi repay government rectification loans.

Most submitters supported the recommended allocation of land transport revenue to fund oversight of the regulatory function

67 submitters stated their preferred option to funding oversight of the regulatory function (p.22 in the consultation document):

- 56 submitters agreed with the recommended allocation of land transport revenue of up to \$20.4 million per year is used to fund oversight of the regulatory function (car licence holders, business owning a fleet of vehicles, TSL holders, professional bodies, government agency, data user, local authorities, commercial driver, certifiers). Participants in industry workshops and focus groups who commented on Proposal 1 also supported the recommended allocation.

- 11 submitters selected the alternative option of further increases to most land transport fees and charges listed in Proposals 2–8 (car licence holders, businesses owning fleet, data users, Key Service Delivery Partner).

Most submitters supported the recommended allocation of land transport revenue for costs of regulatory services that cannot be efficiently or fairly collected from specific user groups

60 submitters stated their preferred option to fund costs for regulatory services that cannot be efficiently or fairly collected from specific user groups (p.23 in the consultation document):

- 52 submitters agreed with the recommended land transport revenue allocation of up to \$14.8 million per year (car licence holders, business owning a fleet, TSL holders, professional bodies, government agencies, data users, local authorities, commercial driver, certifiers).
- Eight submitters selected the alternative option of further increases to most land transport fees and charges listed in Proposals 2–8 (car licence holders, business owning a fleet, data user, Key Service Delivery Partner).

Most submitters supported the recommended allocation of land transport revenue to repay the rectification loan

55 submitters stated their preferred option to repay the rectification loan (p.23 in the consultation document):

- 47 submitters agreed with the recommended allocation of \$4.6 million in funding over 7 years from 2023 from land transport revenue (car licence holders, business owning a fleet, TSL holder, professional bodies, government agency, data user, local authorities, commercial driver, certifiers).
- Eight submitters selected the alternative option of further increases to most land transport fees and charges listed in Proposals 2–8 (car licence holders, business owning a fleet, data user, Key Service Delivery Partners).

Most submitters agreed with the recommended options

Across submitter types, the reasons for agreeing with the recommended allocations differed. Discussed below are the key reasons for agreeing with the recommended allocations. Submitters' reasons for agreeing with the first recommended allocation tend to be the reason for agreeing with the other recommended options.

Many submitters agreed on the need to strengthen the regulatory function of Waka Kotahi

Submitters aware of the past regulatory failures agreed with the recommended allocation to ensure Waka Kotahi is an effective regulator (eg industry, certifiers, professional bodies, and local authorities). They noted previous regulatory failures due to Waka Kotahi being underfunded. Therefore, they appreciated the importance of increased funding to strengthen their regulatory function.

As a local authority explained, using the National Land Transport Fund was the fairest mechanism as it ensured all users of the land transport system paid some regulator costs. In addition, they noted all users would benefit from having increased trust and confidence in the land transport regulatory system.

A few submitters caveated their agreement with concerns about this use of the land transport revenue. They perceived the fund was stretched, and the recommended allocation may diminish the funding available for other projects. For example, one council raised concerns about the impact on funding for the Road to Zero strategy. Some industry respondents pointed to other activities like roading maintenance and investment in road safety, which are underfunded and may be impacted by the recommended allocation.

Some submitters and industry workshop attendees spoke highly of the current Waka Kotahi leadership working to address past failures and strengthen the regulatory function. Under their leadership, Waka Kotahi was described as openly engaging with their partners and sector and taking on board insights to enhance their regulatory role.

We believe using the fund to assist Waka Kotahi to carry out their function within the transport industry is appropriate. (Certifier)

Submitters felt the recommended allocation was fair

A range of submitters described the recommended allocation as fair (certifiers, TSL, some general public, local authorities, industry agents, Key Service Delivery Partners, and eRUC industry workshop attendees). Reasons to explain the fairness of recommended allocations varied across submitters.

Submitters said the Proposal was fair because:

- Underfunding by the government resulted in regulatory failure (TSL, other).
- Government sets the regulation, so should contribute (TSL, focus group with older people, certifiers, professional body).
- Costs were fairly distributed across users of Waka Kotahi services (certifiers, TSL, local authorities, focus groups with Pasifika families and Pasifika young people).

Some submitters, particularly the general public, did not explain why the recommended allocation was fair. Feedback from the focus group with older persons offered some insight. The focus group with older persons highlighted a limited understanding of how Waka Kotahi was funded. They had assumed the government funded Waka Kotahi directly, like in health. In understanding the funding and the need for additional funds, they wanted a fair allocation that did not directly impact their costs.

Because [it is a] fairer way to fund, as these regulations are required by Government, so they should fund them. (Professional body)

Many submitters did not want the costs in Proposals 2–8 to increase further

Many submitters noted their support was based on not wanting any further cost increases imposed in Proposals 2–8 (eg certifiers, data users, the general public). They noted the recommended allocations would indirectly save road users and industry groups costs.

A few submitters commented if the recommended allocations are not adopted, costs would increase further for road users and exacerbate the risks of non-compliance (certifier). A few submitters (certifiers and data users) cited that if the alternative proposal of further increasing Proposals 2–8 costs were adopted, these costs would be passed on to their customers. On this basis, they accepted the recommended allocation and rejected the alternative proposal.

Most general public submissions and all focus group attendees opposed further fee increases. They cited the pressures of increased living costs. Māori who attended a focus group also noted the wider expenses incurred to gain driver licences and ensure cars are roadworthy. Disabled people also noted the high costs associated with ensuring their mobility.

The alternative proposal would see a larger increase to fees which would increase the costs for transport businesses and other road users. While there is acceptance that users should contribute to the cost of the transport system, any fee or charge increases should be kept to a minimum to reduce the financial burden on consumers and to ensure costs are not a barrier for users to enter into the system. (Key Service Delivery Partner)

Many submitters agreed costs need to be fair across users

Waka Kotahi sought feedback on the best way to fund regulatory services that cannot be efficiently or fairly collected from specific user groups. Most submissions did not directly comment on this information area or repeated agreement reasons. However, feedback across submitter types demonstrated a strong desire for fairness in the new funding and fee approach and for cost increases to be kept to a minimum.

Some submitters want the government to forgive the loans

Waka Kotahi sought feedback on the best way to fund the government loan repayment used to rectify system failures. Waka Kotahi is preparing to recommend that \$4.6 million be allocated over seven years from 2023 from land transport revenue.

Some submitters agreed that the regulatory function of Waka Kotahi benefits all road users and is a public good (eg eRUC, industry group). On this basis, some felt Waka Kotahi should not be required to repay the two rectification loans.

Some submitters argued the government should forgive the Crown loans and not pass these costs on to industry and road users (eg professional bodies, local authorities, industry groups, data users, the general public). These submitters note the regulatory failures were due to a lack of government oversight of Waka Kotahi; therefore, the loan should be forgiven. A Key Service Delivery Partner recommended a one-off appropriation should be used to repay the 2018 Crown loan.

1 local authority is concerned the government seeking repayment of the loan deviates from accepted practice. Requiring Waka Kotahi to repay the loan was seen as setting a 'dangerous precedence' which needed further exploration.

Some general public submissions and some in the focus groups expected the government not to seek repayment of the loans. These submitters did not understand why the government sought the loan repayment and felt the costs were being passed to them.

People with disabilities and disability advocates argued the government is responsible for taking on the loans and ensuring affordable access for those with disabilities.

Our past experience with circumstances such as these is for the government to directly provide funding to fix a 'Government failure', or where a loan is provided, for this to be forgiven by the Crown. (Local authority)

Some submitters wanted the allocation increased

The funding and fees review is a cost-recovery approach. That means the fees and charges are the cost of providing services to make the regulatory system work. The costs reflect the regulatory functions Waka Kotahi currently delivers.

A few submitters (eg the general public) argued for increased funding in the recommended allocation to optimise the regulatory function of Waka Kotahi. A few submitters suggested increasing the recommended allocation to repay the rectification loans.

Some submitters highlighted a need to improve regulatory functions through IT infrastructure and digitalisation (discussed under Other Feedback in this report). Some suggested increasing the recommended allocation from the National Land Transport Fund to drive service improvement.

A professional body respondent noted the need to discuss further funding and investment to support specialist certifiers. They noted specialist certifications are targeted for significant increases, additional administration, and costs for agents supporting the delivery of the regulatory system.

11 disagreed with the recommended options

11 submitters disagreed with the recommended allocations.

A few submitters wanted a 'full' user-pays approach

A few submitters did not want Waka Kotahi to access the National Land Transport Fund. They preferred that Waka Kotahi funds regulatory costs through a user-pays approach. (eg commercial drivers). This respondent argued Waka Kotahi should collect costs for driver training and licensing from the fees associated with that activity.

Some of the general public also supported a user-pays option and agreed with the alternative proposal to increase fees.

1 submitter noted the alternative approach was fair but did not say why. Another did not see the need for change.

A few submitters disagreed due to unresolved issues

A few submitters cited ongoing issues with Waka Kotahi as a reason for disagreement. These submitters felt the recommended funding allocation would not address these issues. Examples include:

- one submitter raised concerns about the efficacy across specific regulatory activities, including CoF inspections, driver testing, and heavy vehicle certification. They believe using the National Land Transport Fund and further consultation will not address these issues.
- one submitter stated their support for the recommended proposal was contingent on investing in compliance officers to deal with the neglect in the small passenger sector (i.e., commercial drivers).

A few submitters disagreed as they did not trust Waka Kotahi

Some industry respondents thought Waka Kotahi should provide evidence that the recommended allocation will be used for regulatory improvement and not in other road areas.

A commercial driver submission disagreed with the recommended allocation. They wanted evidence that the increased funding would result in improvements in the regulatory functions. They were concerned with the capability of Waka Kotahi to use the funding 'wisely and prudently'. They opposed the additional funds being used for system reviews, monitoring and reporting. They noted duplication of the work of other government agencies monitoring commercial and other drivers (eg Police, specifically the Police Commercial Vehicle Safety Team).

Key themes from industry workshops and focus groups

The key themes reflect discussions at 10 industry workshops and 5 focus groups.

Overall, stakeholders at industry workshops supported Proposal 1 and the cost-recovery model. In addition, they identified the following.

- Key Services Development Partners noted a further option would be for the Crown to absorb the loans instead of applying cost into the system.
- LVV stakeholders sought clarification on the distinction between club good and private/public good.
- Data users noted that the repayable loan component of Proposal 1 will not affect Proposal 7 costs.
- Stakeholders at the TSL passenger workshop discussed the distribution of fees between road users, businesses, and the Crown and sought information about the government loan and the rectification loan.
- WoF and CoF stakeholders sought information on future reviews of the regulatory system.
- Industry agents sought more information on the sources of land transport revenue and fees that would become club charges.

Stakeholders at the border and entry, HVE and manufacturing, eRUC, and GSL and rental workshops noted their support and had no other comments on Proposal 1.

Proposal 1 was challenging for the general public focus groups to engage with. However, participants supported using land transport funds to limit cost increases across the remaining Proposals.

Proposal 2

Changes to driver licence and driver testing fees

Overview of Proposal 2, as in the consultation document⁵

New Zealand has approximately 3.6 million licensed drivers, with approximately 100,000 new driver licence holders annually.

New Zealand has a driver licensing system to ensure everyone who drives on our roads has the skills and knowledge necessary to be a safe driver. The safer drivers are, the safer roads will be.

Driver licences do more than allow people to drive legally. They also provide proof of identity, better access to employment, and enable a range of other services, like opening a bank account.

Waka Kotahi contracts agents like AA and VTNZ to provide over-the-counter services such as applications for driver licences, scheduling tests, driver theory tests, eyesight tests, identity verification, and driver licence renewals.

Proposal 2 affects all drivers and people who want a driver licence. Waka Kotahi proposes:

- decreasing the average amount paid for each stage of a driver licence (learner, restricted, full)
- decreasing the amount paid to renew a driver licence
- removing resit fees for driver licence tests
- removing automatic entitlement to specific refunds or part refunds for driver licence class and endorsements
- increasing the cost of 1-year P (passenger), V (vehicle recovery), I (driving instructor), and O (testing officer) endorsements
- decreasing the cost of 5-year P, V, I and O endorsements.

Reducing average driver licence fees and removing resit fees is intended to help people to enter and move through the system, improve compliance, and provide incentives, simplicity, and price certainty (transparency). Proposal 2 is also intended to better recover administration costs for driver licence class endorsements and contribute to making roads safer.

⁵ Pp.38-48 in the consultation document.

43 people and organisations submitted on Proposal 2

Those who commented on Proposal 2 represent a cross-section of submitter types (Table 5). Most feedback was from car licence holders and the general public. Others commenting included professional bodies, TSL holders, businesses owning a vehicle fleet, commercial drivers, government agencies, and certifiers.

Table 5: The profile of submitters who commented on Proposal 2

Submitter types	Number*
Car licence holder	18
General public	16
Professional body	5
TSL holder	5
Business owning a fleet of vehicles	4
Commercial drivers	3
Agencies that access Waka Kotahi data	3
Government agency	2
Local authority	2
Certifier	1
Iwi or Māori business	1
Other ⁶	6

* Submitters could select more than 1 submitter type.

In addition, participants in the following events also commented on Proposal 2:

- three industry workshops (28 attendees), specifically Key Service Delivery Partners, TSL (passenger and recovery), and TSL (GSL and rental)
- seven focus groups (37 attendees) with rangatahi Māori, whānau Māori, Pasifika families, Pasifika young people, older people, disabled people, and disability advocates.

Of the 43 submitters, 29 completed the consultation form and 14 used another format for their submission.

Feedback on the single fee for getting a driver licence

Waka Kotahi proposed reducing average driver licences fees paid and removing resit fees to help people enter and move through the system. Submitters were asked for feedback on the proposal to have a single fee for each step in the driver licence, regardless of how many attempts are taken to pass the test.

⁶ Other includes philanthropic agency

Some submitters supported having a single fee for each step in getting a driver licence

17 submitters commented positively about moving to a single fee for each step in getting a driver licence (i.e., iwi or Māori business, government agency, professional body, local government, the general public, business owning a fleet of vehicles). Māori, Pasifika families, Pasifika young people, retirees, and disabled people who attended a focus group supported the change. Those attending the Key Service Delivery Partners industry workshop supported the proposed change.

Submitters saw the merit of cost certainty, transparency, the potential to increase people progressing through the graduated driver licensing system, and the removal of financial barriers all having social, economic, and cultural benefits. Detailed below are the reasons submitters supported this proposed change.

The change will improve the accessibility of getting a driver licence

A key reason for supporting the change was improving access equity in getting a driver licence (i.e., iwi or Māori business, data users). Submitters noted the current costs for resitting a failed driving test stop those on a low income from getting their licence. As a result, some people are driving without a licence which increases road safety risks.

Whānau Māori and rangatahi in the focus groups highlighted the cost barriers to getting a driver licence. They noted the cost of the resit, together with other barriers, impede rangatahi from gaining their licence (discussed below). A few submitters, including iwi, argued for a further reduction to the driver licence fees for Māori. They explained the reduction would significantly improve socio-economic benefits for Māori.

Disabled people supported the change as young disabled people can face communication and other difficulties when seeking to pass their driving test. In addition, they highlighted that disabled people have increased expenses to be mobile, creating access inequities. In recognising these challenges, they also called for wider government agency support to enable and cover mobility costs (eg subsidising taxis).

I have had to resit the restricted licence test several times and cannot afford to do so again. The current price prevents me from being able to drive. (General public)

Removing resit fees may make the driving test less stressful

Three submitters agreed that the removal of the resit fee may alleviate stress when people are taking their driving tests (i.e., focus group with disabled people, the general public, iwi, and Māori business). They argued that removing the resit driving test costs will reduce stress in the tests and positively impact driver licence pass rates.

8 submitters highlighted other barriers to gaining a driver licence

While 17 submitters generally agreed the proposed single fee removed one of the barriers to getting a driver licence, they also identified others. Other barriers noted to getting a driver licence were:

- Driving lessons are expensive.
- Limited testing locations, especially for Māori and other people living in rural areas. Whānau Māori in the focus group highlighted the challenges of getting to urban centres to take a test, the limited number of test spots available, the unfamiliar testing location.
- Other related costs such as having a roadworthy car (current WoF and registration) and the cost of getting to an urban testing centre (whānau needing to take time off work to drive someone to the testing centre).
- Driving instructors not being cultural, gender, or disability safe. A few submitters highlighted driving instructors tended to be male and European. Rangatahi noted they could feel uncomfortable around these driving instructors when taking the test. Disabled people highlighted communication challenges during the test.
- Not having the correct identity information to sit their learners or restricted licence. Whānau Māori noted travelling long distances to get to the licence provider and not having the correct information to get the licence (eg school ID not being accepted). They noted many rangatahi aged under 18 did not have other forms of photo ID such as a passport.
- Financial, language, and cultural barriers for refugee and migrant communities.

Reflecting on these challenges, a few submitters put forward solutions to enable more people to get their driving licence. Four public and professional body submitters proposed driver training should be heavily subsidised or free. They argued reducing the financial barrier to driver training and education will reduce the number of repeat tests.

A few submitters suggested getting a driver licence should happen in schools (iwi and whānau Māori in the focus group). They suggested the Ministry of Education could fund this training, as getting a driver licence is an essential tool for young people leaving school and entering the workforce.

We support, in principle, the proposal for free resits. But only for those who have had some form of driver education before the initial attempt or before the resit. If they haven't done driver education, then the current resit fee applies. (Driving instructor/educator).

Some submitters disagreed with having a single fee for each step in getting a driver licence

14 submitters disagreed with the proposal to move to a single fee for each step in getting a driver licence (i.e., commercial drivers, professional body, driving instructor/educator, the general public).

The reasons for disagreeing with the proposed change varied, specifically:

- Having to pay for test resits is an incentive for people to be prepared to pass their driving test (the general public, professional body).
 - People passing their test on their first attempt should not subsidise people who fail and need to resit (the general public, professional body).
 - Removing the resit costs is counter to the proposed cost-recovery model. These submitters support a user-pays approach (the general public, industry group).
 - Increasing the one-off fee is a cost barrier to getting their licence (other).
 - Decreasing driver quality as people who have failed their test multiple times are likely to be poor drivers (certifier, professional body).
-

The removal of the resit fees seems to be counter to what's been proposed, that is people will pay for services used. For instance, with a large number of failed tests, seems like it would use lots of resources (Industry group).

Some submitters identified impacts on the driver licence industry

In total, 21 submitters commented on the impact of the single fee on their business or industry (industry group, data users, professional body, businesses owning a fleet of vehicles, the general public, government agency, certifier, other.)

Six submitters argued the proposed single fee for each step of gaining a driver licence would increase the burden on the driver testing system (i.e., industry group, professional body, other). They explained people might not study for their theory tests or seek driving training. They argued the proposed change would remove the incentive for people to come prepared for their test and pass on the first attempt, with the potential for more 'no shows.' Some submitters noted that learners might use the testing system (and testing officers) to learn how to pass the graduated driver licensing system rather than the driver education and training system.

To offset, one submitter suggested the number of free resits people can take be capped (certifier). They argued this change would limit the number of free resits while removing the financial barrier to getting a driver licence. Three submissions recommended a small fee to resit. One submitter suggested free resits only for those who could demonstrate that they had received lessons from an accredited driving instructor, while two argued that free resits did not support the Road to Zero strategy.

One submitter highlighted the payment of a single fee for the driver licencing process will need to cover the costs associated with resits at each level of the GDLS. Currently, a commission is paid to the tester on each occasion a test is conducted. If the proposed change is actioned, this cost will need to be factored into the fee calculation and structure.

Concerned learner drivers will choose to resit their test rather than face the costs associated with ongoing driver education. For some, this will not be a choice but the reality of their economic situation. GDLS resits will increase in frequency and will be booked sooner after a test failure. (Data users).

Feedback on new fees

Waka Kotahi proposed two new fees (Table 1, p.43 in the consultation document).

Submitters who commented generally agreed with new fees for additional TSL labels

11 submitters supported the proposed fees for additional TSL labels (instructor, the general public, data users, car licence holders, businesses with fleet of vehicles). They agreed as the proposed fee was reasonable on a user-pays basis.

Five submitters disagreed with the proposed fees for additional TSL labels (driving instructor, TSL holder, government agency). They argued that because the labels benefit the regulator and not the user, the costs should be covered by Waka Kotahi.

Submitters generally agreed with the New Zealand Defence Force exemption

10 submitters agreed with the New Zealand Defence Force exemption (government agency, the general public, businesses with fleet of vehicles, data users, driving instructor, car licence holder). They noted the New Zealand Defence Force has its driving instructors and testing officers. They noted the New Zealand Defence Force is not a commercial company and should be exempt.

Four disagreed with the exemption but did not state why (the general public, professional body, car licence holders).

Feedback on the fees that go up

Waka Kotahi proposed multiple fees that go up (Table 2, pp.43–44 in the consultation document).

Submitters were divided on the fee increase in new licence classes or stages

11 submitters agreed with the proposed changes to the limited licence and overseas licence (professional body, the general public, businesses with fleet of vehicles, data users, driving instructor). Submitters did not state why they agreed with the proposed changes.

11 submitters disagreed with the fee increases for new licence or stages (driving instructor, business with fleet of vehicles, the general public, government agencies, commercial driver).

- For the limited licence, a few submitters stated the fee should be increased further (commercial driver).

- One submitter argued the fee should be increased for overseas drivers who have not completed a recognised drivers education programme (driving instructor).
- For the overseas licence conversions, one submitter argued overseas licence holders should pay a higher fee as they believe these drivers do not pay tax (commercial driver). A few submitters believed overseas licence holders should go through the New Zealand driver licence programme and not receive an overseas licence conversion (commercial driver).

Submitters were divided on increasing the price of endorsements

Seven submitters agreed with the proposed increases to endorsements (driving instructor, the general public, professional body, government agency, business owning a fleet of vehicles).

A few submitters agreed with the increased fee for the 1-year P endorsement because:

- P endorsements are used for commercial gain; therefore, users should pay (certifier).
- The fee increase for a 1-year endorsement is balanced by the fee reduction of the 5-year P endorsement (other).
- Waka Kotahi has additional work with background checks and assessments for P endorsements (data users).

12 submitters disagreed with the proposed increases to endorsements (i.e., driving instructor, commercial driver, the general public, business with fleet of vehicles, government agency, data users) because:

- The cost of 1-year and 5-year P endorsements should decrease to remove entry barriers to the industry and employment (professional body).
- The increases for 1-year specialist licence applications and 1-year renewals are significant and will stop people from becoming a passenger vehicle driver. Therefore, they recommended subsidising these endorsements to reduce the cost to applicants and create employment opportunities (data users).
- An increase in the fee for P endorsements will increase the cost of public transport (general public).

One submitter raised that increasing the price of endorsements may impact on new entrants to the small passenger vehicle market and add further financial burden.

Submitters were divided about increasing the cost of endorsement renewals

Nine submitters agreed with the fee increase for endorsement renewals (driving instructor, the general public, professional body, government agency, business with fleet of vehicles, data users). A few submitters agreed with the proposed increase in renewal fees for the 1-year P endorsement. They noted paying the increased fee shows a commitment to working in the industry for a long time (business with fleet of vehicles).

13 submitters disagreed with the fee increase for endorsement renewals (commercial driver, business with fleet of vehicles, the general public, government agency, data users). Reasons for disagreeing reflect the value of renewing the 1-year V and P endorsements for older drivers approaching retirement or semi-retirement in the next 5 years. Increasing the price of 1-year V and P endorsements will mitigate this benefit and may result in older drivers not renewing, resulting in staff shortages (professional body, commercial driver).

Submitters were divided about increasing the cost of replacement cards

10 submitters agreed with the increase of replacement card fees (the general public, professional body, business with fleet of vehicles, data users). Submitters did not state their reasons for agreeing with the proposed changes.

11 submitters disagreed with the increase of replacement card fees (driving instructor, business with fleet of vehicles, the general public, government agency, professional body).

Submitters were divided about increasing the price of exemptions

10 submitters agreed with the increased fee for the DL4 exemption (driving instructor, general public, professional body, business with fleet of vehicles, data users). Submitters did not state their reasons for agreeing with the proposed changes.

Eight submitters disagreed with the increased fee for the DL4 exemption (business with fleet of vehicles, government agencies, the general public). A few submitters argued the increase to the DL4 exemption will adversely impact rural and low-income families. They noted that the DL4 exemptions allow licence holders to transport siblings unsupervised in rural areas without public transport. They also allow young people to drive after hours to get to work and financially support their families. They noted an increase in the DL4 exemptions could further marginalise rural communities (general public).

Feedback on fees that go down

Waka Kotahi proposed multiple fees that go down (Table 3, pp.44–47 in the consultation document).

Submitters generally agreed with the fee decreases for new licence classes or stages

18 submitters agreed with the proposed decreases in fees for new licence classes or stages (driving instructor, the general public, data users, professional body, government agency, businesses owning a fleet of vehicles). Some submitters noted the fee decreases reduced the cost barriers and made getting a licence more accessible and equitable (data users, the general public).

Six submitters disagreed with the proposed decreases to new licence classes or stages (driving instructor, the general public, commercial driver, course provider and tester, business owning a fleet of vehicles).

- Alcohol interlock licence – a few submitters disagreed with the decreased fee of the alcohol interlock licence. They argued someone who has broken the law and is required to fit an alcohol lock should not be subsidised (business owning a fleet of vehicles, professional body, commercial driver).
- A few submitters strongly disagreed with reducing the cost of the zero alcohol licence. They felt people who had broken the law should not get a reduced fee (general public).
- One submitter identified an issue that the proposed Class 6 licence decrease will have a significant effect on the potential market for motorcycle approved CBTA course providers.

Submitters generally agreed with the fee decreases for conversions of overseas licences

17 submitters agreed with the proposed decreases to conversions of overseas licences (driving instructor, businesses owning a fleet of vehicles, the general public, professional body, government agency, data users, certifier). Submitters did not state why they agreed with the proposed changes.

Seven submitters disagreed with the proposed decreases to fees for conversions of overseas licences (driving instructor, commercial driver, the general public, government agency, business owning a fleet of vehicles). Reasons for disagreeing included the amount of work for Waka Kotahi in doing the licence conversions justifies the current price (government agency, businesses owning a fleet of vehicles). One submitter suggested Waka Kotahi should recover costs by charging overseas drivers the full cost of the licence conversion plus 20 percent (businesses owning a fleet of vehicles).

Submitters generally agreed with the decrease in fees for endorsements

18 submitters agreed with the proposed decreases in fees for endorsements (driving instructor, businesses owning a fleet of vehicles, the general public, government agency, data users, professional body). A few submitters noted the cost of issuing or reissuing V endorsements is the same at five years and one year. They suggested that if the workload differs, the additional work needs to be reflected in the price of both endorsements (government agency).

Four submitters disagreed with the proposed decrease in endorsement fees (commercial driver, businesses owning a fleet of vehicles, the general public, data users). A few submitters commented on the 5-year endorsement applications being the same cost as the 1-year endorsements. They highlighted the 5-year application fee may not be within reach for many applicants and suggested increasing the 5-year fees to subsidise the cost of a 1-year application (data users).

Submitters generally agreed with the decrease in fees for licence renewals

18 submitters agreed with the proposed decreases to licence renewal fees (driving instructor, the general public, professional body, government agency, business owning a fleet of vehicles, data users). Submitters did not state why they agreed with the proposed changes.

Five submitters disagreed with the decrease in fees for licence renewals (commercial driver, businesses owning a fleet of vehicles, the general public). However, submitters did not state why they disagreed with the proposed changes.

Submitters generally agree with the decrease in fees for replacement cards

17 submitters agreed with the proposed decreases to fees for replacement cards (driving instructor, businesses owning a fleet of vehicles, the general public, professional body, government agency, data users, commercial driver). Submitters did not state why they agreed with the proposed changes.

Six submitters disagreed with the decrease in fees for replacement cards (commercial driver, business owning a fleet of vehicles, the general public). A few submitters noted people who lose their licence should not be rewarded for doing so (businesses owning a fleet of vehicles).

Submitters generally agreed with the decrease in fees for licence reinstatements

12 submitters agreed with the proposed decreases to licence reinstatement fees (driving instructor, business owning a fleet of vehicles, the general public, professional body, government agency, data users). Submitters did not state why they agreed with the proposed changes.

Eight submitters disagreed with the decrease in fees for licence reinstatements (commercial driver, business owning a fleet of vehicles, the general public, data users, certifier). One submitter disagreed with the decrease because the fee ensures applicants are clear about why the licence should be reinstated. Another submitter thought that the licence reinstatement is an opportunity to update on new road legislation and as such should be a test that applicants pay for.

Key themes from industry workshops and focus groups

The key themes reflect discussions at three industry workshops and seven focus groups. The key themes from these events are below.

- Key Service Development Partners supported reducing the cost barriers to progress through GDLS. However, they considered Waka Kotahi would need to clarify the implementation process if people can sit test multiple times. They were concerned that removing the cost barrier could be a disincentive to pass the test the first time.
- GSL and rental stakeholders discussed improvements to regulatory strategies and how often fee reviews will occur.
- TSL passenger stakeholders sought clarity on the rationale for the 1- and 5-year P endorsement pricing and the reasoning behind removing the fee to resit a failed driver's licence test.

Participants in seven focus groups discussed the impact of Proposal 2 on them. Participants tended to support reforming the GLDS, particularly removing resit fees.

Proposal 3

Changes to motor vehicle licence and registration fees

Overview of Proposal 3 as in the consultation document⁷

New Zealand has around 5.5 million motor vehicles, and approximately 300,000 additional new and used vehicles are registered annually.

Registration refers to paying a one-off fee to add a vehicle's details to the Motor Vehicle Register (MVR). When the vehicle is added to the register, Waka Kotahi issues number plates for it. This process only happens once for most vehicles when they arrive in New Zealand and are first on the road.

Vehicles also need a current licence, the small label on the bottom left-hand side of the windscreen – commonly called a 'rego'. A vehicle must have a current warrant of fitness (WoF) or certificate of fitness (CoF) and must be registered to be licensed.

A vehicle must have a valid number plate (be registered) and have a valid vehicle licence to be driven on our roads.

Vehicles have safety and identification inspections when they are registered. This process helps ensure that only vehicles meeting New Zealand safety standards are on our roads. Having a record of vehicles and their details helps Waka Kotahi and the NZ Police with enforcement responsibilities.

Waka Kotahi wants to ensure licensing and registration fees reflect the costs of providing these services. Waka Kotahi is proposing:

- changes to many fees for vehicle licensing and registration
- increasing the amount paid to renew rego (vehicle licence) and to register a vehicle for the first time
- decreasing the amount paid to re-register a vehicle (previously cancelled/lapsed).

Proposal 3 affects all vehicle owners and vehicle importers.

⁷ Pp.55-65 in the consultation document.

44 people and organisations commented on Proposal 3

Those who commented on Proposal 3 represent a cross section of submitter types (Table 6). Most feedback was from the general public and car licence holders. Others commenting include professional bodies, businesses owning a vehicle fleet, commercial drivers, and certifiers.

Table 6: The profile of submitters who commented on Proposal 3

Submitter type	Number of submissions*
General public	25
Car licence holder	16
Professional body	5
TSL holder	4
Business owning a fleet of vehicles	3
Agencies that access Waka Kotahi data	3
Certifier	2
Commercial drivers	2
Iwi or Māori business	1
Local authorities	1
Government agency	1
Other ⁸	5

* Submitters could select more than 1 submitter type.

In addition, participants in the following events also commented on Proposal 3:

- five industry workshops (44 attendees - Key Service Delivery Partners, LVV stakeholders, data users, border and entry, and industry agents)
- participants in the seven focus groups (37 attendees - rangatahi Māori, whānau Māori, Pasifika families, Pasifika young people, older people, disabled people, and disability advocates).

Feedback on new fees

In Proposal 3, Waka Kotahi proposed introducing six new fees. 14 submitters commented on the proposed new fees for VINs, fleet licensing, exemptions, and permits (Table 5, p.60 in the consultation document).

Submitters who answered the agree/disagree question on the proposed new fees had mixed opinions (Table 7).

⁸ Other includes holder of multiple licence types, motorcycle licence holder, solo parent and 1 person who preferred not to say.

Table 7: Response of submitters who completed the questions on new fee categories

Service	Agree	Disagree
VINs (including approvals and VIN/re-VIN LV)	8	6
Fleet licensing (including fleet relicensing MRIA/1S)	8	5
Exemptions (including vehicle chassis ratings)	6	6
Permits (including exemptions to travel on toll road, travel time	8	5

Eight submitters who commented agreed with the proposed new fees (car licence holders, the general public, professional body, certifier). Submitters agreed with all the new proposed fees, except for two members of the public who disagreed with the new exemption fees. Reasons for agreeing, if given, reflected the appreciation that Waka Kotahi needed to recover costs and support for a user-pays approach.

One professional body agreed with the proposed new fees. However, they questioned whether the two new fees for permit exemptions (Land Transport Rule: Vehicle Dimensions and Mass 2016) were only for successfully approved exemptions, or if they also applied to unsuccessful exemptions as Waka Kotahi will have processing costs.

Six submitters who commented disagreed with the proposed new fees (car licence holders, Key Service Delivery Partner). The car licence submitters perceived the new fees as a way to gather more tax.

The Key Service Delivery Partner disagreed with the additional fee for VIN assignment as the fee would significantly increase entry certification fees and charges set out in Proposal 6. They argued inspection organisations would have to recover the fee. The new VIN fees would further increase the proposed fees and charges and administrative burden associated with certification inspections. They recommended these new fees are incorporated into entry certification fees in Proposal 6.

Feedback on the fees that go up

Waka Kotahi is proposing to increase 26 fees in Proposal 3. 22 submitters commented on the fee increases (Table 6, p.61 in the consultation document).

Submitters who answered the agree/disagree question on the proposed fee increases had mixed opinions. (Table 8). However, the qualitative feedback suggested more opposition to the proposed increases.

Table 8: Response of submitters who completed the questions on fee increases

Service	Agree	Disagree
Registering a vehicle	11	11
Renewal of motor vehicle licence	9	11
Apply for replacement licence label	10	9
Replace certificate of registration	10	9
Cancel a vehicle registration	9	10
Plates	12	7
Other fees	7	8

Submitters disagreed with the proposed fee increases as they cannot afford them

Most general public submissions disagreed with the proposed fee increases in Proposal 3. However, other submitters had mixed opinions, with many saying fee increases would be passed on to consumers (professional bodies, border entry and industry workshops, industry group and other submitters).

Industry will pass on the fee increases to consumers

Some submitters noted fee increases would be passed on to consumers (professional bodies, border entry and industry group workshop, and other submitter). A few industry agents noted the adverse impact registration fee increases would have on beneficiaries and road users with a low income.

A few submitters were not concerned with the fee increases being passed on to consumers. However, others noted the inability of businesses to absorb these costs and the unfairness of consumers having to cover the cost. One commercial driver also noted that consumers are not gaining additional benefits from increased vehicle licences and registration fees.

Key Service Delivery Partners noted fee increases for entry and registration would result in more requests for increasing customers’ credit, with commercial consequences for providers.

The cost will be passed onto the end user. More funding does probably need to be collected in that area. I would like to understand the distribution of that money in relationship to improved safety and operation, but not surprising or scary, it will just go on to the end user. (Border entry)

General public disagreed with the increased registration fee as they cannot afford it

Waka Kotahi is proposing to increase the cost of renewing a vehicle licence (rego) and registering a new vehicle. Most general public and car licence holder submitters opposed the proposed increase (Māori, Pasifika, retirees, disabled people, and young people). Focus group participants noted while the proposed increase is small, they are struggling with many increases in their cost of living. They cannot, therefore, afford the proposed increase. A few general public submissions and focus groups noted that increased fees might reduce registration compliance.

Whānau Māori and retirees wanted a reduction in the cost of registration and WoF to enable greater compliance and improved road safety. Whānau Māori and rangatahi offered solutions to address barriers for their cars to comply (discussed under Proposal 2 above).

Disabled people also noted industries are likely to pass on other proposed costs to consumers. Therefore, they will face more cost increases in maintaining and licensing their vehicles, which will compound the impact on disabled people.

Some submitters believed the proposed fee increases were a tax hike.

A few general public submitters suggested registration fees for motorcycles are decreased to promote less car ownership.

People who have low income can barely afford to get a licence, own a car and keep an up-to-date registration and warrant of fitness as it is now. Increasing prices may stop people from doing these things which are important to keeping our roads safe. These Proposals to increase prices could cause more harm than good. It's also unfair on people with low income, it will create stress and have an impact on quality of life in regard to money and mental health. (General public)

Other industry-specific reasons for disagreeing

- A data user noted the additional fee for VIN assignment would compound fee increases for entry certification fees and charges set out in Proposal 6. They noted the recovery of these fees would fall on inspection organisations and add to their costs and administrative burden associated with certification inspections.
- One certifier, a WoF inspection organisation, was concerned they could not recover the costs incurred when a vehicle is presented for a re-check within the 28-day period after the initial inspection (if the vehicle fails). They note every other part of the regulatory function allows for cost recovery. However, in this instance, they are expected to absorb this cost.

Some submitters supported proposed fee increases as they reflect service costs

Those who supported Proposal 3 felt the changes supported the Waka Kotahi cost-recovery model and user-pays approach. Reasons for agreement with the proposed changes include:

- One data user noted the minimal impact amendments to label and registration fees would have on overall registration numbers. However, they noted the new fee for VIN assignment added complexity and additional cost to entry certification costs.
- One local authority noted the changes would not majorly affect vehicle ownership.
- A certifier saw the amended fees as being appropriately distributed given the commercial benefit of these activities (eg VIN approvals).
- A member of the general public and professional body said fees should cover the costs incurred by Waka Kotahi.

A business owning a fleet and a professional body questioned the difference in cost of registering a vehicle (MR2A) by an agent and via an industry agent. The professional body preferred one flat fee for registering a vehicle.

We believe the bulk of these fees are for use in commercial applications and should have a charge. The VIN approval and Re VIN charge is fair as the vehicle would have been out of the fleet for some time or new to fleet. (Certifier)

Feedback on fees that go down

Waka Kotahi is proposing to decrease 17 fees. 19 submitters directly commented on the fee decreases (Table 7, p.62 in the consultation document). Submitters who answered the agree/disagree question mostly agreed with the proposed decrease in fees (Table 9).

Table 9: Submitters who commented on the proposed fee decreases

Service	Agree	Disagree
Registering a vehicle	15	4
Plates	14	3
Exemptions	13	3
Permit	14	4

15 submitters agreed with the proposed fee decreases (i.e., car licence holder, the general public, professional body, Key Service Delivery Partners, government agency) (Table 9). Reasons for

agreeing included the need to reduce fees to alleviate pressure on the public and businesses facing wider increases in business and living costs.

One professional body supported the decrease in costs of an overweight permit to the actual cost of producing it. They noted the reduced fee would make getting an overweight permit more affordable and encourage compliance, especially for heavy haulage operators needing multiple different permit weights for each truck and transporter combination. They also requested the application fee for an over-dimension permit be reduced by enabling operator-issuing of permits using an online system.

Four submitters disagreed with the proposed fee decreases (car licence holder, business owning a fleet). Reasons for disagreeing reflect the decreases are too small to relieve pressure, and the fees are working well as currently set. One submitter disagreed with the reduced left-hand drive fee and argued for a user-pays approach. Another suggested charging more for personalised number plates.

Fees that would be replaced

Waka Kotahi is proposing fees being grouped into various charges. Eight submitters directly commented on the fees that would be replaced (Table 8, p.64 in the consultation document).

Five submitters agreed with the fees being grouped into various charges (professional body, Key Service Delivery Partner, government agency, certifier). The reason for agreeing was the change was a logical reallocation. One submitter noted the change would reduce costs and simplify the application process to:

- become a WoF/CoF, border, or entry inspecting organisation
- become a heavy, low volume, or repair inspecting organisation
- add additional premises, change inspection groups, relocate inspection site to an inspecting organisation
- become a low volume vehicle certifier, specialist certifier heavy vehicle, repair certifier, WoF/CoF inspector
- add inspection group to an existing WoF/CoF, eg WoF, CoF, agricultural machines, tractors, forklifts, heavy vehicles exempt from CoF, and alt fuels
- add used entry inspection group to an existing WoF/CoF.

Two submitters noted agent commissions would need to be paid for each transaction:

- request a registered person's name and address (MR31)
- request motor vehicle details (MR32)
- change registered person – buyer or acquirer (MR13B)
- change registered person – trader (MR13C)
- personalised plates – exchange from 1 vehicle to another (MR17)
- exemption from continuous vehicle licensing (MR 24)
- application to change licence expiry date to match WoF (MR27).

Two submitters disagreed with the fees being grouped into charges due to increased costs (car licence holder). One business owning a fleet commented new certifiers, WoF, CoF need a figure of cost, not an hourly rate, to budget for new staff and buildings.

Some submitters had alternative suggestions

Whānau Māori suggested having a combined fee for WoF and registration to reduce the financial burden. They explained that the need to pay for expensive vehicle repairs to get a WoF and rego means cars may be unsafe. They also suggested that paying incrementally for car registration and WoF would make having a road legal car more affordable. Rangatahi also noted the long wait time booking a WoF due to a lack of WoF providers' capacity in rural areas.

One submission from a business owning fleet argued that Proposal 3 would be improved by having a minimal fee increase applied across the board.

Key themes from industry workshops and focus groups

The key themes reflect discussions at five industry workshops and seven focus groups. The key themes from these events are below.

- Key Service Delivery Partners sought clarification on whether future fees will change to reflect digital innovations that reduce cost.
- Border and entry stakeholders agreed Proposal 3 costs would be passed on to end users.
- Data users sought clarity on the cost change for MR13B and discussed the implementation timing and the need for adequate lead-in times.
- Industry agents noted that a consequence of Proposal 3 will be greater consumer costs. They also noted the agent and industry agent distinction.
- LVV stakeholders sought clarification on Proposal 3 certifier figures and raised concerns about how vehicle chassis fees would be collected.

Participants in seven focus groups discussed the impact of Proposal 3 on them. Overall, participants were concerned about rising consumer costs based on Proposal 3.

Proposal 4

Changes to fees for RUC administration

Overview of Proposal 4, as in the consultation document⁹

Waka Kotahi processes approximately 3.7 million RUC transactions annually. Drivers of light diesel vehicles and heavy vehicles like trucks pay RUC to contribute to maintaining New Zealand's roads. The revenue collected from road user charges largely goes to the National Land Transport Fund. The revenue also goes to other regulatory functions and revenue management.

The current fees and charges are based on rates set in 2013/14 when the Road User Charges Act 2012 came into force, and do not reflect the current cost to regulate and provide RUC and eRUC services today.

To ensure that the system is fair and that fees reflect the actual cost of providing services, Waka Kotahi is proposing:

- amending (increasing and decreasing) and setting the rates of 19 fees and charges under the Road User Charges Act 2012
- changes to admin fees to process RUC and eRUC transactions
- new fees for changing odometers and hubodometers.

This Proposal affects all people who own a diesel or a heavy vehicle and pay Waka Kotahi for RUC transaction services.

These proposed changes only impact fees relating to RUC administration, not RUC rates. However, further changes may be needed based on the 2022 consultation *Driving change: reviewing the road user charges system*.

23 people and organisations commented on Proposal 4

Those who commented on Proposal 4 represent a cross section of submitter types (Table 10). Most feedback was from the general public, professional bodies, data users, and businesses owning a fleet of vehicles.

⁹ Pp.71-76 in the consultation document.

Table 10: The profile of submitters who commented on Proposal 4

Submitter type	Number of submissions*
Car licence holder	10
General public	8
Agencies that access Waka Kotahi data	4
Professional body	4
Business owning a fleet of vehicles	3
Commercial drivers	2
TSL holder	2
Certifier	1
Local authority	1
Government agency	1
Other ¹⁰	4

*Submitters selected more than 1 submitter type.

In addition, participants in 5 industry workshops with 36 attendees also commented on Proposal 4 (eRUC, Key Service Delivery Partners, industry agents, GSL and rental, and TSL passenger). Focus group participants did not comment on Proposal 4.

Overall, submissions mostly opposed fee increases and supported fee decreases

Waka Kotahi recommended updating charges to reflect cost increases and reduce cross-subsidies for RUC and eRUC charges from driver and motor vehicle licence fees. Changes included new charges for previously free services and changed existing charges.

Feedback was mixed on new fees relating to RUC administration – distance recorder and purchasing facilities

10 submitters using the consultation response form answered questions about the new fees (Table 9, p.75 in the consultation document).

Submitters had mixed feedback on the new fee for the distance recorder:

- Six supported the introduction of a new fee for distance recorder (professional body, agencies accessing Waka Kotahi data, business owning a fleet of vehicles, a government agency, and the general public).
- Four opposed the introduction (TSL holder and the general public).

¹⁰ Other includes Industry Group; Holder of Licences 1,2,3,4,5,6; solo mother with a family; Motorcycle licence holder

Submitters also provided mixed feedback on new fees to set up purchasing facilities:

- Five supported the introduction of a new fee to set up purchasing facilities (professional body, agencies accessing Waka Kotahi data, business owning a fleet of vehicles, government agencies, and the general public).
- Three disagreed with the proposed introduction (TSL holder and the general public).

Reasons for supporting the new fee included understanding fees needed to reflect the cost of the service and support for a user-pays approach. Those who opposed the new fees noted the rising costs for business and increasing general living costs.

Submitters generally opposed proposed fee increases

Twelve submitters responded to the fees going up (Table 10, p.76 in the consultation document).

Eight submitters disagreed with the fee increase to the application to purchase distance licence (RUCLA) industry agent/DC/eRUC (the general public, professional body, commercial driver and TSL holder, certifier, and a data user). Four agreed with the change (the general public, business owning a fleet of vehicles, TSL holder, and a government agency).

Nine disagreed with the fee increase to the application to purchase additional licence (RUCAD) industry agent/DC/eRUC (the general public, a professional body, commercial driver and TSL holder, certifier, and a data user). Three supported the change (the general public, business owning a fleet of vehicles, TSL holder, and a government agency).

Submitters' reasons for opposing the change focused on the impact of rising costs for them and their business. Submitters who supported and opposed the change also considered increases would be passed on to consumers.

Submitters mostly supported proposed decreases to fees

12 submitters responded to the fees that go down (Table 11, p.76 in the consultation document).

Nine submitters supported decreases for RUC vehicle types (the general public, professional body, business owning a fleet of vehicles, TSL holder, certifier, data user, and a government agency). 3 people disagreed with the change (the general public, commercial driver, and TSL holder).

Eight supported decreasing costs to exemptions (the general public, a professional body, business owning a fleet of vehicles, TSL holder, certifier, an agency that access Waka Kotahi data, and a government agency). Three people opposed (the general public, commercial driver, and TSL holder).

Reasons for supporting the change included considering the changes necessary.

It is good to see that some day-to-day necessary changes of changing a vehicle type for RUC are being reduced, as this will help to remove any disincentive to do so. (GSL stakeholders)

Submitters provided some general feedback on Proposal 4

Some submitters provided general feedback on Proposal 4 but did not comment explicitly on the proposed fee changes. This feedback is below.

Some submitters supported the move to cost recovery

Submitters who agreed with the changes to a cost-recovery model stated the increases would not make a material impact on costs, and the increased fees are ‘the cost of doing business’. Submitters in this group covered a range of agencies (professional bodies, local government, data user, and a certifier).

Some submitters generally opposed changes in Proposal 4

Submitters who opposed the changes included professional organisations, industry groups, businesses owning a fleet of vehicles, commercial drivers, and the general public. Reasons for opposing the changes are below.

Submitters who disagreed said increased costs would negatively impact their business

Some submitters argued the proposed increase in administration charges would result in ‘substantial’ annual increases even though the amounts per transaction were small. Several stated they would pass the increase on to customers.

Several also noted the increases would impact firms running large fleets and pointed to the small margins and difficult operating conditions some operators faced. One submitter also noted wider cost increases that affect businesses, such as proposed congestion charges.

One submitter, an electronic system provider, said the changes would require investment from them to develop software to add the RUCHO (application to change hubodometer) fee to the installation charge paid by the vehicle operator and the hubodometer re-use approval charge. They reported these costs would be passed on to consumers.

There are some rather large percentage increases in some of the issuing fees for RUCs, and while these are small dollar amounts, looking at the cost on an annual yearly basis, this will add up to substantial amounts (Industry group)

Some submitters questioned the reasoning for Waka Kotahi to increase fees

A few submitters queried why some costs were increasing as they did their paperwork and printing online. They did not think Waka Kotahi had justified the proposed increases.

One professional body disagreed with the Proposal because:

- They did not agree with the reasoning for increasing electronic processing costs to purchase a distance licence or additional licence using more labour-intensive methods of payment via an agent, phone, or fax.
- Professional operators are more compliant than light vehicles and therefore incur proportionally greater costs.

Some submitters suggested improving technology for RUC processing

Some submitters recommended technological improvements to improve RUC processing. One submitter noted that many charges only existed 'due to the manual process'. Submitters stated that improved technology and online processing would help improve efficiencies, although submitters did not directly link this to the proposed cost changes.

Submitters offered ideas for reducing processing costs including the following:

- reducing or removing costs by increasing transaction automation
- implementing an online process to re-register an electronic distance recorder (EDR) to improve the service for vehicle operators and reduce the workload of Waka Kotahi
- overhauling the RUC system to reflect online potential, including connectivity, sensor technology, big data, and smart device usage.

Submitters did not comment on the costs of implementing these ideas.

Vehicle operators could be provided with a much smoother experience if the permit transition fee could be notified and then paid online as part of the change.

The RUC Manager interface already allows the vehicle operator to record the change in permit to ensure that the eRUC purchases and claims are correct. An API for this LANDATA would provide a better system for the operator.
(Professional body)

Other issues identified by submitters

Some submitters identified the following issues with Proposal 4:

- Agents carry a financial risk if the purchaser defaults on payment. The transaction fee is insignificant compared to the risk of defaulting on a medium to large RUC purchase. The submitter recommended agents are indemnified where a purchaser defaults on an RUC payment.
 - A few submitters commented on charges for changing hubodometers. One submitter did not understand why a separate charge was needed when adding to the licence application fee would achieve the same result.
-

It is not clear why an additional/separate fee is required for each RUCHO submission. A small addition to the licence application fee would achieve the same result during the life of the vehicle without requiring a separate billing process. (Professional body)

Key themes from industry workshops and focus groups

The key themes reflect discussions at five industry workshops. The key themes are below:

- Key Service Delivery Partners sought clarification that the proposed fee was not eRUC.
- eRUC providers discussed Waka Kotahi pricing methodologies and their costing for services.
- Industry agents discussed regulatory changes for printed labels and the cost implications. They also sought clarification on whether changes with printed labels will reduce costs and whether the changes to RUCHO included industry agents.
- GSL and rental stakeholders noted the cost benefits of improving online technology.
- TSL passenger stakeholders noted that the overall cost increases, although small individually, will be significant for them.

Focus group participants did not discuss Proposal 4.

Proposal 5

Changes to TSL holder fees and charges

Overview of Proposal 5 as in the consultation document¹¹

Around 108,000 TSL holders exist, including:

- GSL holders: 26,200 active
- large passenger service licence holders (eg bus companies): 1,900 active
- small passenger services licence holders (eg taxis, ride-sharing organisations): 11,300 active
- vehicle recovery service licence holders (towing companies): 520 active
- rental service licence holders (for rental cars, motorhomes, and truck rentals): 1,100 active.

TSL holders must have a licence to operate a transport service for people (passengers) or goods.

Waka Kotahi is proposing:

- decreasing the fee for new TSL – single applicant – with 1 controlling person
- increasing the fee for new TSL – multiple applicants – with 2 or more controlling people
- different charges for TSL holders by type
- recovering costs for the regulation of dangerous goods from GSL and RSL holders through a charge.

Fees would be collected at the point of application for a new TSL.

The proposed changes are intended to:

- make sure fees paid accurately reflect the actual costs of providing the services
- reflect the regulatory activities and risks in this area
- include the costs associated with regulating potential and actual carrying of dangerous goods in goods vehicles (GSL holders) and rental vehicles hired out to carry goods or passengers (rental service licence (RSL) holders), as they are the licence classes most likely to carry dangerous goods
- make sure groups pay their fair share for services provided.

This Proposal affects all TSL holders.

17 people and organisations commented on Proposal 5

Those who commented on Proposal 5 were mainly professional bodies, data users, business owning a fleet of vehicles, commercial drivers, TSL holders, and the general public.

¹¹ Pp.82-87 in the consultation document.

Table 11: The profile of submitters who commented on Proposal 5

Submitter type	Number *
Car licence holder	5
Professional body	4
General public	3
Agencies that access Waka Kotahi data	3
Business owning a fleet of vehicles	2
Commercial drivers	3
Transport service licence holder	2
Local authorities	1
Certifier	1
Government agency	1
Other ¹²	2

*Submitters could select more than 1 submitter type

In addition, two industry groups with 18 attendees (TSL passenger and TSL – GSL and rental) commented on Proposal 5. Focus group participants did not comment on Proposal 5.

Of the 17 submitters, 11 completed the consultation form and six used another format for their submission. Table 11 lists all submitter types for Proposal 5.

Feedback on fees that go up

Waka Kotahi proposed increasing the fee for new TSL – multiple applicants with two or more controlling people (Table 13, p.87 in the consultation document).

Submitters were divided in their support for this fee increase. Of those who answered the consultation document question:

- four agreed with the proposed increase (data users, professional body, and government agency)
- four disagreed with the fee increase (general public, professional body, electronic logbook provider).

Submitters who supported the fee increase recognised the fee increase aligned with the cost-recovery model in that the multiple applicants' application takes more time to process. In addition, some considered the increase was justifiable as applicants have a commercial gain from TSL licences. Two submitters (government agency and data user) noted the increased fee would have minimal impact on them.

Submitters who disagreed with the fee increase for new TSL – multiple applicants opposed any price increase due to increasing living costs. One submitter questioned the correlation between the number of controlling persons and the number of vehicles/drivers (TSL labels) operating in the

¹² An electronic logbook provider and an industry group.

business. In this context, they queried the resources Waka Kotahi needed to monitor and enforce compliance.

One professional body noted the changes do not 'align with the reduction in private vehicle licencing'.

When you increase the cost of RUCs or rego or increase admin fees, it trickles down to the cost of transport, food and shipping in an already stretched economy.
(General public)

Feedback on fees that go down

Waka Kotahi is proposing to reduce the fee for a new TSL – single applicant – with one controlling person (Table 14, p.87 in the consultation document).

Most submitters supported the fee reduction. Of those who answered the consultation document question:

- Seven agreed with the proposed decrease to the fee for a new TSL – single applicant fee (data users, professional bodies, government agency, and the general public)
- Two disagreed with the proposed decrease (the general public¹³ and electronic logbook provider).

Submitters who agreed considered the decreased fee reasonable and aligned with the cost-recovery approach.

Feedback on fee changing to a charge that goes up

Waka Kotahi is proposing to change five TSL fees to charges that will go up (Table 15, p.87 in the consultation document).

Half or just over half of submitters who answered the questions opposed the change of fees becoming charges. Table 12 below outlines the responses to the different charges.

¹³ This submitter may not have understood the fee was going down as their reason for disagreeing was the impact of increased fees on the cost of living.

Table 12: Submitter responses to changes for TSL holders from a fee to a charge

Fee to charge change	Agree	Disagree
Passenger service licence	4	5
Vehicle recovery licence	4	4
Goods service licence	3	5
Rental service licence	3	5

Overall, general public submitters and two professional bodies opposed the changes. One professional body (commercial drivers) argued Waka Kotahi has not demonstrated how the revenue generated through the new charge would add value to their users.

Other professional bodies, a government agency, and data users supported the proposed changes.

Other submitters did not give a reason for agreeing or disagreeing.

Some submitters disagreed with the additional charge to cover the cost of regulating the carrying of dangerous goods regulation

Waka Kotahi proposed that GSL and RSL include an additional charge to cover costs of regulating potential and actual carrying of dangerous goods. Waka Kotahi is proposing the change because these vehicles may be used to carry dangerous goods.

Two professional body stakeholders at the industry group workshop questioned the additional charge for carrying dangerous goods. They argued the charge is not justified as not all TSLs carry dangerous goods. RSL stakeholders supported this position. They said all operators should not cover the potential risk that some may carry dangerous goods.

A few stakeholders considered companies dealing with dangerous goods should be charged more than those that do not. As an alternative, a professional body submitter suggested a dangerous goods endorsement be added to any TSL type for an additional fee.

‘The assumption that all GSL/RSL vehicles are involved in dangerous goods is incorrect. There appears to be no specifics relating to what additional tasks are proposed in relation to DGs to justify the fee increase.’ (Professional body)

Submitters provided additional feedback on Proposal 5

Some submitters disagreed with the split between single and multiple applicants

The Waka Kotahi rationale for the increasing fees and charges are the increases reflect the cost of processing transactions. A few submitters argued:

- The application fee for the new TSL should be the same regardless of the number of controlling people due to inconsistencies between fleet size and ownership.
- Charges for TSL labels should be associated with label use and not their issue.
- Application fees should be scaled on the number of TSL labels in use.

A few submitters questioned enforcement processes

A few submitters (professional body and industry group stakeholders) were concerned about the lack of resources available in Waka Kotahi for enforcement under Proposal 5. They advocated for ongoing compliance monitoring, not just at the application stage. They also noted that under Proposal 5, compliant TSL operators would be charged extra to cover the cost of poorly performing operators.

TSL is a piece of paper you apply for, once you have it nothing happens. No objection to paying more for a TSL, if we get the compliance we require as an industry. (Industry group)

Key themes from industry workshops and focus groups

The key themes reflect discussions at two industry workshops.

GSL and rental stakeholders noted that increased costs would have a flow-on effect on industries such as tourism. They also noted that non-compliant TSLs should be scrutinised and may need to pay more than those that are compliant. GSL and rental stakeholders were concerned about how goods services not related to dangerous goods will be covered and sought clarification on why the renewal of dangerous goods licence costs more than an initial assessment.

TSL passenger stakeholders discussed the increased fees in the context of decreased resources for small and large passenger service licences. They were concerned that decreased resources could lead to poorer compliance and public safety issues.

Focus group participants did not discuss Proposal 5.

Proposal 6

Changes to fees and charges for motor vehicle certifier activities

Overview of Proposal 6, as in the consultation document¹⁴

New Zealand has over 3,000 motor vehicle certifiers, 4.7 million vehicles subject to warrants of fitness (WoF) and 500,000 vehicles subject to certificates of fitness (CoF).

Waka Kotahi delegates authority to over 8,000 vehicle inspectors and more than 3,000 inspecting organisations to operate as regulators on their behalf. Certifiers play an important role in ensuring the safety of New Zealand's private and commercial vehicle fleet.

Vehicle certification was an area where regulatory failure occurred. Waka Kotahi has been working closely with certifiers and needs to continue improving this group's monitoring and auditing.

In Proposal 6, Waka Kotahi is proposing:

- removing application fees to become vehicle certifiers and incorporating these fees into certifier group charge
- changes to charges for vehicle certifiers
- amending the rates of seven charges.

This Proposal affects all vehicle certifiers – in-service (WoF/CoF) certifiers, heavy vehicle certifiers, low volume vehicle certifiers, repair certifiers, border inspectors, and entry certifiers.

24 people and organisations commented on Proposal 6

The 24 submissions on Proposal 6 represented a broad cross section of submitter types (Table 13). Most feedback was from professional bodies, certifiers, data users, and commercial drivers.

¹⁴ Pp. 93-100 in the consultation document.

Table 13: The profile of submitters who commented on Proposal 6

Submitter type	Number of submissions
Professional body	8
Certifier	6
Car licence holder	4
Agencies that access Waka Kotahi data	3
General public	3
Commercial drivers	1
Local authorities	1
Transport service licence holder	1
Other¹⁵	3

*Submitters selected more than 1 submitter type.

In addition, Proposal 6 was also discussed in:

- Eight industry workshops attended by 64 people (data users, border and entry, TSL/GSL and rental, industry agents, Key Service Delivery Partners, heavy engineer and manufacturing, LVVs, and WoF and CoF)
- Two focus groups attended by eight people (i.e., disabled people, disability advocates).

Mixed feedback on removing application fees

Waka Kotahi proposed removing application fees to become a vehicle certifier and incorporating them into certifier group charge (Table 16, p.98 in the consultation document). The change is intended to remove barriers for people to become certifiers and thereby increase the number of vehicle certifiers.

Feedback from submitters is mixed, with some opposing and some supporting the removal of application fees. Of submitters who responded to the consultation document question on replacing application fees with a group charge:

- Eight supported replacing application fees with a group charge (certifiers, professional bodies, agencies that use Waka Kotahi data).
- Nine opposed replacing application fees (certifiers, the general public, border inspection organisation).

Reasons for supporting and opposing the change are below.

¹⁵ Other includes border inspection organisation, industry group, and solo mother.

Some submitters supported removing application fees

Eight submitters supported removing application fees to become a vehicle certifier (professional body, local authority, agencies that use Waka Kotahi data, and certifiers).

Submitters supported removing application fees to increase the number of certifiers in an area where regulatory failure occurred. In addition, removing the fee was supported to increase the number of certifiers in sectors with shortages (eg professional bodies, heavy vehicle certifiers, commercial drivers). Simplifying the application process would also make the process easier for small operators to become certifiers (professional body).

The Proposal to remove site and inspector application fees are supported as they will simplify the administration for site and inspector applications [...]. It should remove an initial barrier for smaller operators encouraging them to enter the market. This is seen as a positive measure to help address the shortage of HVSC in the transport industry. (Professional body)

Some submitters oppose replacing application fees

Nine submitters had concerns with or disagreed with removing the application fees (border and entry stakeholders, data users, commercial drivers, heavy vehicle and other certifiers, professional bodies, and WoF and CoF stakeholders). Some appreciated the need to increase the number of vehicle certifiers. However, they did not believe removing the application was the right approach to achieve this goal.

Reasons for concern and disagreement are below.

Removing the application fee would reduce the quality of applicants and certifiers

Some submitters felt removing the application fee to become a certifier may result in people applying who are not suited to certifying activities (professional body and certifiers). These submitters considered the current application fees are set at a minimal rate and ensure people suited to being a certifier apply. They also noted that employers often cover application fees and that fees are a low entry barrier compared to training costs.

Submitters were concerned removing the application fee to become a certifier could:

- encourage unqualified applicants to apply (professional body, WoF and CoF, certifiers, border, and entry stakeholders)
- decrease applicants' motivation to work towards the qualification (heavy vehicle and LVV certifiers, TSL stakeholders)
- mean current members were paying or subsidising new applicants (professional body).

We have concerns that removing the fee will signal a lowering of the bar for applicants and may encourage applicants who are not suitable or appropriately qualified to apply. (Professional body)

Waka Kotahi and certifiers do not have the capacity to process and train more applicants

Some submitters noted processing applications for potential certifiers is time-consuming, and application processing is delayed (LVV, border and entry, TSL stakeholders). Some submitters noted Waka Kotahi does not have the capacity to process more applicants. If the application fee is removed and more people apply to be a certifier, Waka Kotahi will need to increase its staff and improve application process efficiencies.

Increasing the number of applicants will also put pressure on the training and certifying of new applicants, potentially leading to poorer quality assessments of trainees and consequently less qualified certifiers (eg LVV, border and entry, TSL stakeholders).

Removing barriers will increase the applicants and in doing so increase risk and workload. Consideration should be put towards improving the system currently in place rather than focusing on increasing number of providers. (certifier)

Removing application fees will not address other barriers to becoming a certifier

Heavy engineering stakeholders argued the entry fee was not the most significant barrier to entry. Instead, they highlighted a lack of mentors as a key barrier to increasing the number of heavy engineering certifiers.

Most submitters opposed fees that change to a charge and go up

In Proposal 6, Waka Kotahi is proposing 6 fees go up and change to a charge to evenly spread the costs for maintaining the system across all users in that group (Table 17, p.100 in the consultation document).

Some submitters supported and others opposed the changes to charges (Table 14 below).

Table 14: Submitter responses to 6 fees that change to a charge

Fees that change to a charge	Agree	Disagree
In-service certifiers group – WoF	8	5
Border inspector organisations (per inspection)	5	6
Entry certifiers group (per inspection)	3	7
Specialist heavy vehicle certifiers group (per certification)	4	9
Specialist heavy low volume certifiers group (per certification)	3	8
Repair certifiers group on LT307 and LT308 (per certification)	2	10

Some submitters generally supported the increased fees that change to a charge

Some submitters agreed with part or all of the proposed charges (eg data users, local authority, professional bodies). Reasons for support are below.

The charges will simplify fee structures

Some submitters noted Proposal 6 simplifies the fee structure for certification by having costs built into regulatory functions (eg data users). Simplification of fee structure was seen as potentially reducing overhead costs.

Fee increases will help maintain regulatory functions

One submitter said the charges were reasonable if the revenue generated from fees was used for oversight and wider support of certifying sectors (professional bodies).

Fee increases will not significantly impact industry or business

Some submitters supporting the changes noted the charges would have limited impact on their sector or interests. One local authority submission agreed with changes as it would not affect vehicle certification rates significantly.

Submitters had mixed feedback on the in-service certifiers group – WoF charge

Two-thirds of submitters (8 out of 12) supported the increased charge. Submitters who supported the change noted that the change simplifies the fees and charges associated with a WoF inspection. They reported the cost is likely to be passed on to consumers. They also considered small increases on high-volume activities were more palatable for certifiers.

One submitter noted that larger users might be significantly impacted by the increased cost of carrying a stock of labels.

One industry workshop noted that there is a risk that users will pre-buy labels at the current price to limit the impact of the price increase on their business.

Some submitters opposed increases for border inspector organisations and entry certifiers group charges

Submitters at the industry workshop who opposed the increased charges for border inspector organisations and entry certifiers argued that Waka Kotahi has not sufficiently explained how current staff levels do not meet cost recovery at current rates. These submitters also considered that the cost increase would not bring value to the sector, especially as the number of staff will not significantly increase.

Submitters also considered that large fee increases would have an outsize effect on sectors that required multiple certifications, such as border and entry. Further, submitters considered that fee increases in entry certification did not reflect its historic risk (eg certifiers, data users, border entry).

Industry agents thought Waka Kotahi should separate and charge differently for new and used entry vehicles based on differing workloads for each vehicle type.

Most submitters opposed the specialist heavy vehicle certifiers group charge

Reasons for opposing were that the cost is a considerable increase that will affect the industries, particularly when these industries are experiencing increased costs due to inflation. These submitters said all costs would be passed on to consumers. In addition, the increased cost was seen as detracting from wage increases. Submitters also noted that heavy vehicle certifiers would pass on the cost to consumers and be required to justify the increased cost.

Further, the cost is considered excessive, especially for small jobs, and is not seen to add value to the business. Submitters could not identify how the increased charges would support the industry from the Proposal.

Waka Kotahi acknowledges these increases will not remedy the shortage in supply of heavy vehicle certifiers; therefore, a cost increase of this quantum and no obvious improvement in service is a bitter pill that our members do not want to swallow. (Professional body)

Most submitters opposed the specialist heavy low volume certifiers group charge.

Reasons for opposing the specialist heavy low volume certifiers group (per certification) charge aligned with the general reasons outlined on the following page.

Most submitters opposed the LT307 and LT308 charge

10 submitters disagreed with the proposed increases for repair certifiers group on LT307 and LT308 (per certification). The reason for opposing the charge was that the LT307 is a simpler transaction and therefore should cost less to complete (LT307 is a 1-page document whereas LT308 is a detailed 4-page document).

LVV Certifiers also argued that to better align with the Land Transport Rule: Vehicle Repair, the focus should be on issuing LT307s. A lower cost for LT307s would reflect the size of the work and encourage a focus on LT307s.

A higher price for LT308s and a lower price for LT307s would align with the intentions that the Land Transport Repair Rule is seeking to achieve, and will encourage better uptake by repair certifiers of LT307s. (Certifiers)

Submitters also identified general reasons for opposing the proposed changes to charges

Submitters identified general reasons for opposing the changes to charges reflected concerns about the impact on non-compliance, the unfair weighting of costs and risk, and the adverse impact on their business.

Increased charges for certification may lead to non-compliance

Some submitters reported any fee increases would be passed on to their customers (eg certifiers, border, and entry certifiers). They highlighted that increased consumer costs might reduce the public's certification compliance and adversely impact road user safety. Some submitters considered increased costs may result in people avoiding repairs or certification, leading to unsafe vehicles (eg professional bodies, heavy engineering).

Some noted increasing costs may result in vehicle repairs being done by unqualified people. (eg data users, professional bodies, heavy engineering).

The new charges will negatively impact their business and the wider sector

Submitters considered the proposed changes were unaffordable for businesses because they would create a greater workload (eg professional body, GSL stakeholders). For example, WoF certifiers were concerned with the impact of increased compliance costs. They did not understand how the charges would ultimately benefit the general public.

As noted, some submitters reported any fee increases would be passed on to their customers (eg certifiers, border, and entry certifiers). They noted that the public is unaware of the proposed fee increases and is unlikely to accept or support them. As a result, the fee increases may impact their business profits due to increased fees and a potential decrease in customers.

Mixed feedback on the proposed in-service motor vehicle certifiers group charge

Waka Kotahi proposed changing one fee to a charge that goes down, in-service certifiers group – CoF (Table 18, p.100 in the consultation document). Submitters were again mixed in their feedback on changing this fee to a charge and decreasing the charge.

Of those who responded to the consultation questions:

- five supported the proposed decrease for in-service certifier group CoF
- seven disagreed with the proposed decrease.

Most submitters did not outline reasons for support. Those who did noted that they:

- agreed with the cost-recovery principle and charging appropriately for the cost of the service
- supported streamlining and simplifying the process.

Some submitters opposed reducing this cost because they:

- considered the system worked well and was accepted by the public and certifiers
- did not understand the need to change the current cost, particularly when costs increased in other areas; in particular, these submitters did not understand why the cost would vary across these different areas
- considered certifiers were unlikely to pass on the reduction to consumers; therefore, the decrease would not benefit the public
- thought regulatory failure had occurred in the CoF area, and therefore higher oversight was needed to prevent future regulatory failure – in this context, submitters thought the cost should not decrease.

One submitter identified differences between industry and Waka Kotahi data

One submitter identified a difference between industry and Waka Kotahi data in Proposal 6, which affected costing figures and forecasted numbers (i.e., certifiers). Examples came from LVV stakeholders:

- some inaccuracies in anticipated certifications which may cause unexpected future costs for Waka Kotahi
- inaccurate figures in the two separate fees for certifiers and projected applicants for LVV, repair and heavy certifiers
- the forecasted annual volume of LVV certifications (9,048) is higher than the average annual volumes over the last 10 years (6,936).

LVV certifiers also disputed the logic in separating inspecting organisations and certifiers for charges in the LVV sector. They argued that these are the same person.

A few had other funding approaches to certifier activities

As with other Proposals, some submitters advocated removing the loan repayment component from the cost analysis as this unduly penalises current certifiers.

A professional body argued the government should fund a portion of the regulatory oversight, as the public benefit from the regulation of certifiers.

Other comments relating to Proposal 6

Disability advocates in two focus groups pointed out the unfairness of vehicle modifications for disabilities being conflated with recreational modifications. Furthermore, disability advocates argued that vehicle modifications for the disabled were relatively inexpensive compared to other modifications.

One certifier interpreted the proposed increase to the certification fee collected by the certifier during their certifications. They noted removing the application fee to become a certifier means existing certifiers are covering the cost of establishing new competitors.

Key themes from industry workshops and focus groups

The key themes reflect discussions at eight industry workshops. Key themes from these discussions are below.

- Key Service Delivery Partners wanted more information on the increase in staffing and resourcing and questioned whether the risk profile was balanced correctly and whether data supported proposed changes.
- Border and entry stakeholders were concerned that current staffing levels do not meet current or future needs. Therefore, they sought reassurance that allocated Waka Kotahi FTE would be sufficient for regulation.
- Heavy vehicle engineers and manufacturing stakeholders were also concerned that the proposed FTE would need to meet compliance needs in the sector. They also raised concerns that fee increases may drive repairs underground.
- Industry agents discussed concerns for entry inspection concerns around lack of distinction for new/used vehicles, industry agent auditing, and possible improvements.
- LVV stakeholders noted that certifiers and inspectors are the same person in the LVV space.
- GSL and rental and TSL passenger stakeholders noted that costs would be passed on to consumers.

LVV, WoF and CoF, and GSL and rental stakeholders all raised concerns that removing certification application fees would negatively affect the sector. In addition, they discussed concerns about sector capacity and skills shortages.

Participants in two focus groups with the disabled community discussed Proposal 6. They noted the inequitable impact of the proposed changes on the disabled community experience because they must pay for vehicle alterations to have accessible vehicles.

Proposal 7

Changes to charges for commercial users and councils that access Waka Kotahi data

Overview of Proposal 7 as in the consultation document¹⁶

Waka Kotahi collects and securely stores vehicle and driver data on the Motor Vehicle Register (MVR) and Driver Licence Register (DLR). This data is available to users, who generate 69 million data transactions each year.

Waka Kotahi is proposing to change the current fee structure for data use to reflect the cost of the services provided. The changes proposed will support the continuous improvement of their data and information technology.

Waka Kotahi is proposing:

- changing charges for access to Waka Kotahi Motor Vehicle Register (MVR) and Driver Licence Register (DLR) data
- establishing an individualised mechanism to recover costs from future commercial entities who wish to connect to Waka Kotahi data systems as requirements vary by applicant.

Proposal 7 only affects commercial and local authority data users. The changes will not affect central government agencies and the wider state sector or entities acting on their behalf who use Waka Kotahi data for law enforcement purposes. For example, Proposal 7 does not affect the New Zealand Fish & Game Council and the SPCA and their nominated persons around the country.

23 people and organisations submitted on Proposal 7

The 23 submissions on Proposal 7 represented a wide cross section of submitter types (Table 15). Most feedback was from the agencies who use Waka Kotahi data, professional bodies, and local authorities.

¹⁶ Pp. 106–111 in the consultation document

Table 15: The profile of people and organisations who submitted on Proposal 7

Submitter type	Number *
Agencies that access Waka Kotahi data	6
Local authorities ¹⁷	6
Car licence holder	4
General public	4
Professional body	3
Certifier	2
Business owning a fleet of vehicles	1
Transport service licence holder	1
Government agency	1
Other ¹⁸	2

* Submitters could select more than 1 submitter type.

In addition, four industry workshops (44 attendees; data users, border and entry, Key Service Delivery Partner, and HVE) and participants at 7 events with 30 local authorities also discussed Proposal 7. Focus group participants did not comment on Proposal 7.

Submitters did not always specify whether their comments were about the MVR or DLR data charge. Eight submitters provided feedback that did not identify which charge was being discussed.

Most qualitative feedback is likely to relate to the MVR data charge (Table 19, p.111 in the consultation document) as this charge increase significantly affects data users.

The following sections describe submitter feedback on both charges (Tables 19 and 20, p.111 in the consultation document).

Some submitters supported the proposed data charges

10 submitters on Proposal 7 supported some or all the proposed changes. Of these:

- 10 supported the MVR data charge (Table 19, p.111 in the consultation document).
- Seven supported the DLR charge (Table 20, p.111 in the consultation document).

Two submitters did not specify which charge they supported.

Submitters who support the proposed data charges include data users, the general public, professional bodies, certifiers, two local authorities, TSL holders, government agency, and a business owning a fleet of vehicles.

¹⁷ Total includes Local Government New Zealand.

¹⁸ Other included a portal user and an electronic logbook provider.

Some submitters who supported Proposal 7 are less likely to be impacted by the proposed data charges. Submitters supported the proposed changes because they:

- accepted Waka Kotahi incurs costs to provide the data; therefore, charging for data access is fair
 - noted commercial agencies profit from using Waka Kotahi data; therefore, they should pay
 - did not make large or frequent data requests; therefore, the cost increase does not significantly impact their business (eg some certifiers)
 - were exempt from the data charge increase (eg when VTNZ use the MVR registers to conduct regulatory transactions).
-

If there is a commercial benefit for accessing the data, there should be a cost, providing that cost does not exceed the amount required to recover the cost of providing the connection. (Professional body)

Some submitters supported data charges to maintain and improve the data systems of Waka Kotahi

Among data users, two submitters and industry workshop participants at two workshop events were concerned about data quality. Some submitters supported improvements to databases to improve the quality of Waka Kotahi data. One submitter noted improvements to their data systems would require government funding.

One local authority and one data user wanted Waka Kotahi to identify how they will ensure data is accurate and useful in the future. These submitters wanted information on the funding for future systems improvements.

Data users at the industry workshop supported data system upgrades to improve data efficiencies.

We support the Proposals in principle and recognise the importance of these databases being maintained and improved. (Data user)

A few submitters who supported data charges recommended exemptions for data users

One submitter suggested data for research and innovation should not be charged as the data provides public good and would not be used for commercial gain. This submitter also argued data for research and transport innovation should be discounted.

One small local authority concerned about the administrative burden of the proposed data charge suggested that Waka Kotahi implement tier pricing for local authorities; for example, not charge fees for the first 1,000 lookups to minimise administration costs.

A few submitters queried how the charges would be applied

A few submitters questioned whether the charges outlined in Proposal 7 would be charged at a flat rate or if off-peak and peak charges would apply. They noted Waka Kotahi currently charges different rates depending on the urgency of the data request. Requests serviced during off-peak times are charged less. Data user workshop attendees noted that data had varied commercial value. They also questioned service level standards for data access at Waka Kotahi.

Data user workshop attendees also questioned whether the MVR cost increase included fixed infrastructure costs or purely transactional costs.

Some submitters opposed the changes to data charges

12 submitters on Proposal 7 disagreed with the proposed data charges. Of these:

- seven opposed the MVR data charge (Table 19, p.111 in the consultation document).
- five opposed the DLR charge (Table 20, p.111 in the consultation document).

Five submitters did not specify which charge they opposed.

Submitters who opposed the data charges included local authorities, data users, and the general public. In addition, attendees at the data user industry workshop generally opposed Proposal 7.

Across submitter types, the reasons for disagreeing differed as outlined below.

Local authority submitters thought data for compliance purposes should be exempt from data charges

Local authorities' roles and functions require access to Waka Kotahi data to manage parking services activity. This data supports local authorities' regulatory requirements and enables them to enforce regulations effectively and consistently.

Some local authority submitters argued the proposed fee increase is inequitable. They noted that other compliance agencies who use Waka Kotahi data (eg Fish and Game) would not be charged under Proposal 7.

Some attendees at workshops with local authorities noted the impact of the MVR data cost increase.

One general public submitter stated that asking local authority ratepayers to carry the costs of delegated council functions is unfair.

The proposed charging structure will result in unequitable charges to local government who use the data for enforcement of regulations and social good.
(Local authority)

Local authorities considered charging them to access data does not align with the Crown partnership

One submitter considered that charging local authorities to access data does not align with the partnership established through the Heads of Agreement between the Crown and Local Government New Zealand. This submitter considered that charging local authorities to access Waka Kotahi data as commercial users treats local authorities as customers rather than partners in delivering public services.

Some submitters stated data that supports a public good should be exempt

Some agencies who use Waka Kotahi data and most local authorities said they provide a public good through their data access. Therefore, they should not be charged at the proposed increased rates.

Several submitters, including data user workshop attendees, thought that agencies using Waka Kotahi data to reduce the sales of stolen vehicles should be exempt. One submitter noted access to a free immediate query enables their organisation to reliably query the Police stolen data with the corresponding VIN, chassis, engine, and plate number. They argued charging for this Waka Kotahi data would increase stolen vehicle sales. One submitter suggested removing stolen vehicle queries from the proposed data charges.

Submitters identified other public good activities that Waka Kotahi data contributes to, including:

- preventing sales of vehicles with severe issues
- issuing fines for vehicles without a current WoF
- checking car emissions
- prosecuting offences such as freedom camping offences and parking infringements.

Some submitters reported increasing data charges would be prohibitively expensive for data users and their business model

Some commercial data users argued the proposed data cost increases would make their product cost prohibitive for their customers. In addition, they argued their customers and the general public risked missing key vehicle compliance notifications.

Two large local authority submitters suggested the annual cost of Proposal 7 to the local authority will be \$50,000–\$100,000. Local authority submitters are concerned they will be unable to meet their regulatory function without affordable access to data. A few reported they would pass on the increased cost to ratepayers.

As a result of cost increases, some submitters reported the number of data requests to Waka Kotahi would significantly decrease. Some data user workshop attendees reported that current data request rates would stop because the cost would be prohibitive for their business model. These submitters noted that the costing model does not account for the number of transactions dropping considerably.

Many businesses will stop using the service as the fee increase of 9 times (\$0.02 to \$0.18) will be prohibitive for many parties. (Industry workshop)

A few submitters reported that increased data charges would be administratively burdensome

Small agencies using Waka Kotahi data and small local authorities reported increased charges would create administrative challenges for them and Waka Kotahi. These submitters suggested Waka Kotahi develop a simple invoicing system.

We are, however, concerned that the introduction of charges on these services could add administration costs for both councils and Waka Kotahi that, for small councils, in particular, could add additional costs beyond any revenue generated through fees. (Local authority)

A few submitters suggested alternative ways to manage data access

One submitter suggested a one-off flat fee for local authorities. This approach would be administratively simpler for local authorities to process rather than paying incrementally throughout the year.

A few submitters were concerned about data quality at Waka Kotahi and suggested ways to manage data quality. One submitter argued Waka Kotahi should take regular snapshots of MVR data to minimise synchronisation issues between Police data and their data. The snapshots would reduce the direct servicing costs of the currently free queries to the Motochek application programme interface.

One submitter suggested that agents who access data should be charged separately from other groups. They considered that agents have much higher costs associated with accessing data than other MVR data users. This submitter thought it would be fairer for agents to be charged at a different rate from Motochek users who do not access support from Waka Kotahi staff.

Data user workshop attendees also noted alternatives to proposed modelling at Waka Kotahi, including snapshots of MVR data.

Most submitters did not comment on the proposed DLR data charges

Most submissions did not specifically comment on the Proposal to increase DLR charges. A few submitters supported this increase. Submitters who supported the increased fee noted that it is a minor increase in cost.

Key themes from industry workshops and focus groups

The key themes reflect discussions at 4 industry workshops. Key themes from these discussions are below.

- Key Service Delivery Partners discussed Proposal 7 for their service provision. They sought assurance that they would not be charged to access Waka Kotahi data for regulatory purposes.
- HVE and manufacturing stakeholders sought clarification on how access to land data will be charged.
- Border and entry stakeholders discussed the need to improve the quality of Waka Kotahi data.
- Data users extensively commented on the MVR cost increase and identified the public good of providing some data free. In addition, they identified the impact on service delivery and services that the MVR cost increase will have, including ceasing to make the same number of data transactions. They also noted the need to upgrade data systems of Waka Kotahi.

Some local authority stakeholders who attended the seven local authority meetings identified the impact of the MVR data charge on their service delivery.

Focus group participants did not discuss Proposal 7.

Proposal 8

Changes to fees and charges for eRUC providers

Overview of Proposal 8, as in the consultation document¹⁹

A small number of approved electronic RUC (eRUC) providers act as intermediaries between customers and Waka Kotahi. Annually, eRUC organisations process 1.6 million RUC applications.

eRUC providers enable customers to meet their RUC obligations. They benefit by charging organisations and individuals a fee for their RUC services.

Waka Kotahi incurs costs when processing applications for new providers, modifications and requests for approval using new technology and innovation, and monitoring providers.

Waka Kotahi is proposing:

- new application and approvals fee for new eRUC providers
- new fees for modifications and requests for approval using new technology and innovation
- a new set charge for eRUC providers.

The new fees would ensure fees paid would meet the costs of providing the services.

This Proposal affects current and future eRUC providers.

15 people and organisations submitted on Proposal 8

Most feedback received on Proposal 8 was from the general public, data users, professional bodies, and certifier organisations.

The profile of submitters is in Table 16.

¹⁹ Pp.116–119 in the consultation document.

Table 16: The profile of submitters who commented on Proposal 8

Submitter type	Number*
Car licence holder	6
General public	5
Agencies that access Waka Kotahi data	4
Professional body	2
Certifier	2
Business owning a fleet of vehicles	1
Transport service licence holder	1
Local authority	1
Government agency	1

* Submitters could select more than 1 submitter type.

Three participants in one industry workshop also commented on Proposal 8. These participants also provided written submissions, which are reflected in the discussion below. Focus group participants did not comment on Proposal 8.

Submitters who were less affected by the changes supported the new fees and the new set charge

Waka Kotahi is proposing three new fees relating to RUC administration (Table 21, p.119 in the consultation document).

Six submitters who answered the question in the consultation document supported the new fees (professional body, government agency, data users, and the general public). These submitters would be less affected by the proposed new fees.

Waka Kotahi is also proposing a new set charge for eRUC providers (Table 22, p.119 in the consultation document). Five submitters who answered this question in the consultation document supported the new set charge (professional bodies, government agency, data users, and the general public). As above, these submitters would be less affected by the proposed new set charge.

Submitters supported the proposed new fees and new set charge for the following reasons:

- fair cost distribution as those paying are making a commercial profit in providing eRUC
- removes cross-subsidies and creates a sustainable regulatory function and transparency for consumers.

However, submitters also noted the new fees and set charge needs to remove barriers to undertaking business for industry.

Some general public submitters and 2 eRUC providers opposed the new fees and set charge

Overall, six submitters opposed the changes in Proposal 8 (two eRUC providers and the general public). Of those who answered the consultation questions (general public):

- three opposed the new fees.
- four opposed the new set charge.

The general public opposed the new fees and charge due to increased living and business costs, making new fees challenging to absorb.

eRUC providers are significantly affected by the proposed new fees and charge. Their feedback is below.

eRUC providers strongly opposed the new fees and set charge

The reasons two eRUC providers opposed the new fees and set charge are below. This feedback reflects their written submissions and discussions in the eRUC provider industry workshop.

The application of fees and charges for eRUC is unfair and does not recognise that eRUC providers act as agents for Waka Kotahi

One submitter argued Waka Kotahi should treat eRUC providers as agents. They stated electronic service providers and other RUC agents perform the same work for Waka Kotahi. Therefore, the proposed charges are inequitable as RUC operators, unlike electronic service providers, are paid to act as agents.

eRUC providers thought Proposal 8 did not consider the cost savings eRUCs provide Waka Kotahi

The eRUC providers noted that without their services, Waka Kotahi would need to undertake this work at a higher public cost. They also noted that the set charge appears to be based on the assumption that electronic service providers generate significant revenue from eRUC. eRUC providers argued this assumption was incorrect.

NZTA/Waka Kotahi benefit from vehicle operators using one of the eRUC providers as there is a reduction in the cost of servicing those customers and providing printed licence labels (eRUC provider)

The new fees and charges would negatively impact their business

The eRUC providers noted they do not gain significant financial benefits from providing eRUC. They also noted the new fees and charge would impact their business profitability. They would therefore pass these costs on to consumers.

In passing on this cost, eRUC providers also noted the new fees would disincentivise users to shift to electronic transactions. 1 submitter noted the introduction of the new fees and set charge would make eRUCs less accessible and affordable for the industry.

If introduced, eRUC providers would also have additional costs in modifying their systems to process the new fees and charge.

New fees and charge do not acknowledge the risks electronic service providers carry in providing eRUC

One submitter noted electronic service providers carry financial risks for Waka Kotahi, which is not accounted for in Proposal 8. For example, electronic service providers must have money in the account ready to be cleared for Waka Kotahi even if the client has not paid. Electronic service providers can have up to \$100,000 debt owed to Waka Kotahi.

One submitter argued Proposal 8 overly expands the authority of Waka Kotahi²⁰

The submitter noted the proposed charge could be set via the Land Transport Act 1998 ss167-168. They perceived Waka Kotahi had not provided evidence to show the costs represent an actual marginal cost from eRUC providers that Waka Kotahi would not otherwise incur in the absence of eRUC.

They argued that Waka Kotahi is proposing to increase costs based on perceived commercial or business benefit, not the cost recovery per transaction. Therefore, they believed the new charge goes beyond the intent of s168 of the Act and therefore constitutes a tax and not cost recovery.

One eRUC provider suggested alternatives for funding eRUC regulation

One submitter considered the residual costs currently attributed to electronic service providers should be recognised as a public good and covered by Waka Kotahi. This eRUC provider wanted the funding for this public good to come from the National Land Transport Fund or a Crown appropriation.

eRUC providers suggested systems improvements

eRUC providers identified system challenges and noted the need to modernise systems. They identified the following issues:

- transaction failing to complete and requiring manual adjustments

²⁰ The Act provides power to set fees in relation to activities across the full range of land transport legislation, including for RUC-related purposes.

- not seeing the permits issued; therefore, electronic service providers cannot assist customers in ensuring the correct RUC has been purchased for vehicles under the permit
- numerous transactions can only be processed by Waka Kotahi manually and in small batches.

eRUC submitters noted that the Proposals do not provide system improvements to enable Waka Kotahi and road users to benefit from digital technologies now available, particularly for commercial fleets. They suggested Waka Kotahi work with the transport, road user, and technology industries to develop a back-office system improvement pathway and options for funding.

Other feedback

This section contains other feedback from submitters relating to the consultation.

Implementation

Many industry stakeholders were pleased that Waka Kotahi was proactively engaging and communicating about the proposed changes. They hoped engagement would continue throughout implementation and future review cycles.

Submitters noted other key areas for consideration during implementation, including:

- working with industry and providers on lead-in times for change; for example, communicating with the industry about changes and working with sector partners to identify when changes will have minimal disruption
- prompt responses to enquiries and communicating frequently and clearly about the proposed changes.

Operational

Waka Kotahi needs to review fees and charges regularly

Several submitters supported the review purpose and acknowledged that the review was necessary (industry groups, professional bodies, government agencies). These submitters strongly supported regular fee and charge reviews so that future increases can be planned for and gradually implemented.

Submitters wanted Waka Kotahi to ensure that the long lag between fee reviews does not occur again (government agencies, industry groups). In addition, submitters hoped that Waka Kotahi would communicate and work with the sector on future regulatory fees and charges reviews.

Also consideration will need to be established on how to inflation adjust the cost/revenue model - including the existing fees and charges regime (Government agency)

Waka Kotahi needs to maintain and upgrade data systems

12 submitters considered Waka Kotahi needs to urgently upgrade technology and systems across the regulatory framework (industry groups, data users, professional bodies, local authorities, certifier, business owning a fleet of vehicles, and the general public).

Industry workshop attendees noted systems upgrades enable Waka Kotahi, industry stakeholders, professional bodies, and local authorities to benefit from available technology (industry groups, agencies that use Waka Kotahi data, professional bodies). Submitters considered technology upgrades could improve data quality and data availability and automate services currently delivered through manual processing. These submitters noted that improved technology would:

- enable cost efficiencies for Waka Kotahi and system users
- enable future electronic services, eg sensor technology, big data, and smart device usage (professional body)
- provide better access to services for young people.

Submitters were concerned that the consultation document does not detail a pathway for technology improvements. They sought a plan and information on how technology improvements will occur and how they would be funded.

Proposals do little to provision for long over-due system improvements that would enable the regulator and road users to employ the benefits of the digital technologies now permeating the commercial fleets in particular. We would strongly support a follow-on programme of work to bring this modernisation about (data users).

Other regulatory improvements

Submitters identified some regulatory issues outside of the consultation scope. These are outlined below.

Some small passenger service providers are seeking support to ensure industry and passenger safety

In an industry workshop with TSL holders, industry submitters identified their concerns in maintaining service standards in the enforcement and screening of small passenger licence holders. They reported that some companies hold a high standard to ensure safety while others do not. They considered additional compliance checking is needed to support the industry, particularly as the sector does not have the resources to absorb these costs.

HVE stakeholders and certifiers are seeking a long-term vision for HVE

HVE stakeholders noted extensive sector discussion and planning for the future. They identified critical needs across the sector. They considered the sector needs Waka Kotahi to work with them to design and fund the future state for the sector.

Some submitters are seeking better cross-agency coordination and a long-term vision for the sector

Some submitters noted growing complexity in the regulatory system. Complexity creates a challenging compliance context for transport operators, particularly for small operators. These submitters noted that transport operators also work with Worksafe to manage risks.

Some submitters considered Waka Kotahi needs to collaborate and integrate more with Worksafe and other safety agencies to better manage risk in the transport system.

Feedback by groups

Rōpū and tangata Māori

Submissions came from an Iwi organisation and whānau and rangatahi Māori in two focus groups representing 12 people.

One iwi organisation noted the Crown's obligation to co-design with iwi any regulatory changes which directly or indirectly affect their settlement legislation. They support the intent of the funding and fees review to find sustainable and equitable options for households and businesses.

Like the whānau Māori and rangatahi focus group participants, the Iwi organisation noted the wider costs and other barriers in enabling vehicle and licence compliance for Māori. They recommend *'Waka Kotahi review the full ecosystem that are the beneficiaries and contributors to land transport and how this can create a value proposition for funding models across sectors rather than in isolation to the transport.'*

They explained that someone holding the right licence and driving a roadworthy vehicle benefits the whole community. An Iwi organisation and whānau and rangatahi Māori suggested decreasing licensing and rego fees to further lower the financial barriers. They also wanted further implementation of driver education in schools. Iwi wanted more iwi members endorsed as driving instructors and assessors to allow Māori to see themselves in the sector and increase their engagement ability.

Pasifika

Pasifika feedback came from two focus groups with Pasifika families and young people representing 11 people.

Pasifika families and young people supported measures that would decrease household costs. Pasifika submitters generally agreed with the Proposal to remove resit fees. However, Pasifika families were concerned with the potential for increased industry fees, particularly in passenger licensing, to be passed on to them. Pasifika also highlighted the need to remove costs and other barriers to vehicle and licence compliance. While the increase is small, they did not agree with increasing the cost of renewing a vehicle licence (rego).

Retirees

Feedback comes from one focus group with retired people over 65 years (retirees), representing six people.

Retirees suggested reducing fees for people over the age of 70. Retirees were concerned with costs of living going up and the ability to afford to run a car as they got older. Retirees noted the potential for

increased industry fees to be passed on, thereby compounding already high living costs. Retirees supported the removal of resit fees to support their younger family members seeking a licence.

Disabled people

Submissions came from focus groups with disabled people and disability advocates representing eight people and a limited number of general public submissions.

Disabled people noted the high costs associated with ensuring their mobility. Disabled people and disability advocates argued the government is responsible for paying for the rectification loans and ensuring affordable access for those with disabilities.

Disability advocates supported the removal of resit fees. However, they noted the need to reduce barriers to driver licensing for disabled people.

Disabled people noted industries are likely to pass on increased fees to consumers. Therefore, they will face more cost increases in maintaining and licensing their vehicles, which will compound their impact.

General public

Most general public submissions argued against the consultation document and did not specifically address the eight Proposals. These submissions perceived the changes as an increase or misappropriation of their taxes. Some noted their disagreement with the use of government funds by Waka Kotahi. Some noted Waka Kotahi needed to learn to operate within their existing funding envelope. Some general public disagreed because households struggle with the increased cost of living.

Industry groups

Generally, industry submissions acknowledged the importance of Waka Kotahi receiving sufficient funding to be a strong regulator. Most industry submissions supported the recommended allocations from the National Land Transport Fund in Proposal 1. Industry stakeholders commented on Proposals directly impacting them or their customers. Many industry stakeholders noted, where possible, fee increases would be passed on to customers. Industry also noted they wanted more investment in improving Waka Kotahi processes and services.

Local authorities

Waka Kotahi invited all local and regional councils and Local Government New Zealand to attend one of eight meetings. 30 local authorities attended the meetings. Five local authorities and Local Government New Zealand submitted. Of these, four submissions opposed charging local authorities to access Waka Kotahi data, and some considered these charges could be administratively burdensome. They noted that costs would likely be passed on to ratepayers. Most local authorities agreed commercial users that benefit and profit from the use of MVR data should be charged.

Local authorities in the Far North noted wider issues, including access to and costs of driver testing, WoF and CoF, and registration, leading to many unlicensed drivers and vehicles not meeting roadworthy standards. In addition, local authorities considered social and health factors in their region a significant priority for them (eg access to housing and wealth inequities).

Glossary

AA/NZAA	New Zealand Automobile Association
CoF	Certificate of Fitness
DLR	Driver Licence Register
EDR	electronic distance recorder
eRUC	Electronic Road User Charges
EV	Electric Vehicle
FED	Fuel Excise Duty
GDLS	Graduated Driver Licensing System
GSL	Goods Service License
HVE	Heavy Vehicle Engineer
LT307	No repair certification required declaration
LT308	Light vehicle repair record of certification
LVV	Low Volume Vehicles
MVR	Motor Vehicle Register
rego	vehicle licensing
RSL	Rental Service License
RUC	Road User Charges
RUCAD	Road user charges application for additional licence form
RUCHO	Application to change hubodometer
RUCLA	Road user charges application for distance licence form
SPCA	Society for the Prevention of Cruelty to Animals
TSL	Transport Service Licence
VIN	Vehicle identification Number
VINZ	Vehicle Inspection New Zealand
VTNZ	Vehicle Testing New Zealand
WoF	Warrant of Fitness

Appendices

Appendices

Appendix 1: Consultation document



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Appendix 2: Submitters

The following table contains the names and organisations of 34 submitters who agreed for their name and organisation to be included in the report.

Table 17: List of written submitters who agreed for their name to be included

Name	Organisation	Organisation type
James Smith	National Road Carriers Association	Professional body
Mark Stockdale	Motor Industry Association	Professional body
Max Dickens	Bus and Coach Association New Zealand	Professional body
Jonathan Bhana-Thomson	NZ Heavy Haulage Association	Industry body
Tony Johnson	Low Volume Vehicle Technical Association (LVVTA), and RepairCert NZ	Certifier
Mark Revill-Johnson	Revs Motorcycle Training Limited	Business owning a fleet of vehicles, transport service licence holder
Byron Cummins	Bikers Rights Organisation New Zealand	Car licence holder, business owning a fleet of vehicles, commercial drivers, agencies that use Waka Kotahi data, professional body, general public
Alistair Nicholls	N/A	Car licence holder, certifier, business owning a fleet of vehicles, transport service licence holder
Nigel Belsham	BJW Motors Ltd	Car licence holder, business owning a fleet of vehicles, agencies that uses Waka Kotahi data
Steve Taylor	N/A	Member of the public
Steve	N/A	Member of the public
Ben	N/A	Member of the public
Ryan Jones	N/A	Member of the public
Graeme West	N/A	Member of the public
Rosanna Leman	N/A	Member of the public

Name	Organisation	Organisation type
Tim Taylor	N/A	Member of the public
James Crispin	N/A	Member of the public
Kevin O'Hara	N/A	Member of the public
Peter Turner	N/A	Member of the public
Dave Duckmanton	N/A	Member of the public
Steve Hutchins	N/A	Member of the public
Steve Larking	N/A	Member of the public
Neil	N/A	Member of the public
Michael Wilson	N/A	Member of the public
Brent Ammon	N/A	Member of the public
John Machin	N/A	Member of the public
Jono Baker	N/A	Member of the public
Oscar Thomas	N/A	Car licence holder, general public
Simon Teague	N/A	Car licence holder, general public
Izaak Wicks	N/A	Car licence holder, general public
Andrew Torr	N/A	Car licence holder, general public
Rebekah Laird	N/A	Car licence holder
Andrew Gould	N/A	Car licence holder
Stefanie O'Brien	Hamilton Multicultural Services Trust	Other

Local authorities

Auckland City Council
Auckland Transport
Bay of Plenty District Council
Environment Canterbury
Environment Southland
Far North District Council
Greater Wellington Regional Council
Hastings District Council
Hauraki District Council C
Horowhenua District Council
Kaipara City Council
Kawerau District Council
Napier City Council
Nelson City Council
Northland Regional Council
Otago Regional Council
Rotorua Lakes Council
Ruapehu District Council
South Waikato District Council
Stratford District Council
Taranaki Regional Council
Taranua District Council
Taupo District Council
Thames-Coromandel District Council
Waitomo District Council
Wellington City Council
West Coast Regional Council
Western Bay of Plenty District Council
Whakatane District Council
Whanganui District Council
Whangarei City Council

Appendix 3: Out-of-scope issues raised

Some submitters commented on issues outside the consultation scope. These are listed below.

Feedback on climate change, emissions, and electric vehicles (EVs) or hybrid vehicles

2 submitters commented specifically on climate change as part of their submission. 1 advocated using rail instead of land transport, and another commented on the government's carbon-neutral goals.

1 local authority suggested changes to petrol, diesel, hybrid, and plug-in hybrid vehicle licence, and registration fees could incorporate the external costs of carbon-intensive fuels.

1 submitter commented that the costs related to managing the environment should be managed via the Emissions Trading Scheme, not additional funding from reviews by Waka Kotahi (i.e., commercial drivers).

1 general public submitter commented that the government should focus on EV or hydrogen-powered transport as EVs currently do not pay charges like other users. Another general public submitter suggested that e-bikes should be registered.

Comments on the Road to Zero strategy or goals

Several general public submitters commented on the Road to Zero strategy. These submitters thought Road to Zero was a waste of taxpayer money and the money should be directed to roading, transport, and public safety spending, or to reduce costs for the public.

Comments on costs to register and warrant a motorcycle, including ACC levy increases

A few general public submitters commented on costs to register and get a WoF for motorcycles, and the cost of ACC levies, particularly for motorcycles. These submitters opposed cost increases.

Comments about alcohol interlock device

A few submitters thought Waka Kotahi was cross-subsidising the alcohol interlock device. They opposed this use of funds strongly.

Comments on mobility parking scheme

1 general public submitter commented on the mobility parking scheme and argued that Waka Kotahi should manage it. This submitter considered Waka Kotahi needed to ensure low-cost access to the scheme so that disabled people are not disadvantaged.

Comments on using land transport funds for road maintenance and other projects

A few submitters suggested land transport funding should be used for road maintenance and other projects, such as maintaining funding capacity for certifiers.

Other comments

- A few general public submissions proposed alternative registration fee structures with costs based on kilometre use or registered to the driver rather than the vehicle.
- 1 general public submitter noted damage to roads from heavy trucks.
- 1 general public submitter argued that the driver, not the vehicle, should be registered, as people can only drive 1 vehicle at a time.
- 1 submitter thought that managing risks of unlicensed drivers and enforcing road safety is the role of the Police, not Waka Kotahi.
- 2 submitters advocated support for changing driver behaviour.

1 general public submitter suggested:

- All heavy trailers pulled by tractors, including agriculture trailers, to have RUC and CoF inspections and be road legal.
- A lower weight limit on RUC for light diesel vehicles and electric vehicles.
- Charging events and organisations for road closures to limit closures.