



Vehicle Standards Compliance Amendment

Rule 35001/11

The New Zealand Automobile Association Incorporated

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NEW ZEALAND

31 May 2013

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Vehicle Standards Compliance Amendment 2013
Rules Team
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Dear Sir/Madam

VEHICLE STANDARDS COMPLIANCE AMENDMENT 2013 (Rule 35001/11)

Introduction

The New Zealand Automobile Association (NZAA) welcomes the opportunity to provide comment on the Vehicle Standards Compliance Amendment Rule 2013.

The comments in this submission reflect the combined views of NZAA Motoring Affairs, which advocates on behalf of NZAA Members and motorists, and NZAA Motoring Services, which provides a range of commercial services to drivers and vehicle owners, including WoF and CoF inspections.

The NZAA is an incorporated society with 1.35 million Members, many of whom will benefit from the cost savings of a reduced Warrant of Fitness (WoF) test frequency for vehicles first registered from 1 January 2000.

In the NZAA's October 2012 submission on the Vehicle Licensing reform discussion document, we stated our preference for changes to the WoF system were to extend the frequency to 12-monthly for light vehicles up to 12 years of age, and six-monthly thereafter, and also requiring an annual WoF for new cars from one year of age.

However, the NZAA supports the intent of the Rule changes and the principle of reducing the WoF frequency of the light fleet over time to recognise international practice, improved vehicle safety and reliability, and the small contribution of vehicle defects to road crashes (a disproportionate number of which are tyre faults, or involve unwarranted vehicles).

Comments on the amendments and questions for comment are provided below:

Warrant of Fitness frequency

1. *Change the frequency of warrant of fitness inspections, based on a vehicle's date of first registration in New Zealand or overseas, to require:*
 - (a) *after an initial inspection, no further inspection for light vehicles until they are three years old;*
 - (b) *annual inspections for light vehicles over three years old first registered anywhere on or after 1 January 2000;*
 - (c) *six-monthly inspections for light vehicles first registered anywhere before 1 January 2000.*

The NZAA's preference is that new light vehicles should be subject to an initial WoF inspection upon first registration, and then an annual WoF thereafter and not on their three year anniversary as proposed. Therefore, we suggest the wording of Schedule 4 of the Rule, as applying from 1 April 2014 should remove reference to the 'third anniversary of the date of first registration in New Zealand or any other country.'

While there is no doubt that new vehicles have become more reliable, and are typically covered by a three warranty, about 75% of new vehicles are purchased by corporate and lease companies who are solely responsible for servicing and who may have different drivers who are not familiar with the condition of the vehicle or take direct interest in it. Such companies put pressure on service agents to minimise servicing costs. Drivers of company vehicles tend to travel longer distances per year and therefore above-average tyre wear is a particular concern, and this is borne out by the vehicle defect-related accident statistics.

The NZAA is aware that some new vehicle servicing periods have been extended up to 40,000 km or two years whichever comes first, therefore it could be two years before a vehicle is presented for any maintenance, putting undue reliance on the driver, often not the owner to ensure the vehicle is safe and undertake recommended servicing, maintenance and to check safety equipment.

Statistics show year on year the WoF fail rate for the first three years shows a steep rise from year one to year three, which in our view supports an annual WoF for new vehicles.

WoF fail rate in the first three years

Vehicle Age	1	2	3
2011 WoF Online	8%	14%	17%

While the NZAA's submission favoured an annual WoF for vehicles aged 12 and under, and 6-monthly for the remainder, we accept and recognise the rationale for an annual WoF for all light vehicles first registered (anywhere in the world) from 1 January 2000.

Over time, an increasing proportion of the vehicle fleet will be subject to an annual WoF (estimates suggest only 13% of the fleet will require a 6-monthly WoF within 10 years) which will become increasingly anomalous. This is a matter that could be addressed in a future Rule amendment with a view to progressively relaxing the frequency for older vehicles over time, provided there has been a measurable improvement in vehicle maintenance and safety for vehicles registered before 2000 as a result of the WoF changes. This could be supported by improved data collection, including recording all green and pink stickers issued to individual vehicles by the police.

Questions for comment

- a. *What should the frequency requirements for the in-service inspections of older vehicles such as veteran or vintage cars be?*

In our submission on the Vehicle Licensing Reform, the NZAA noted there was merit in investigating an annual WoF or a hybrid mileage-based option for "vintage" or "classic" vehicles.

Older vehicles, such as those defined as 'vintage' (over 40 years of age) or 'veteran' (pre-1919), are usually well maintained by enthusiast owners. These vehicles generally travel a much lower than average annual mileage; a survey of owners by the Federation of Motoring Clubs indicated that 90% of such vehicles travel less than 3000km per annum (and 49% less than 1000km).

While there could be a small increase in safety risk as a result of fatigue or ageing components, we consider that due to the low usage and generally high standard of care and maintenance these vehicles receive, any risk would be minimal. Therefore, subject to analysis that there would be no meaningful deterioration in road safety, the NZAA would be generally supportive of a 12-month in-service inspection interval for these vehicles.

This would align the in-service inspection requirements of older vehicles with the lower annual licensing fees of vehicles over the age of 40, which recognises that they do lower mileages and pose a lower safety risk and therefore should not pay as much road tax or ACC levies. We suggest that if ACC recognises that such vehicles incur lower costs to the Corporation then NZTA could also reflect this in the in-service inspection requirements.

A reduced WoF test frequency is also consistent with the inspection requirements of vintage or veteran vehicles in other jurisdictions. While in most of Europe light vehicles (of any age) are only required to be tested every two years, in the UK annual inspections have been abolished for vehicles built before 1960, while in Sweden and the Netherlands vehicles over 30 years only have to be tested every two years (instead of annually for mainstream vehicles), with no test for vehicles over 50 years of age.

b. Do the current definitions accurately depict vehicles commonly referred to as 'veteran' and 'vintage' motor vehicles?

The NZAA considers that having both 'veteran' and 'vintage' definitions is unnecessary as these vehicles are all treated the same in terms of vehicle compliancing and annual vehicle licensing. Therefore, a single classification such as 'heritage' would be more accurate for light vehicles over 40 years of age. Consideration could also be given to reviewing the age criteria, and possibly aligning it with motor vehicle insurance policies which commonly define 'classic' vehicles as being over 30 years of age (and travelling less than 5000km per year). This should however be conditional on reviewing crash statistics involving vehicles over 30 years of age, and associated WoF failure rates.

Implementation of new inspection frequencies

2. It is proposed to phase-in the implementation of the changes to the frequency of warrant of fitness inspections from 1 October 2013.

The AA fully supports the phase-in approach of annual WoF's for vehicles aged from 2000 to 2008 into two groups as proposed. We recognise this will smooth the WoF volume month-on-month for testing agents, and while this may have no obvious benefit for motorists it will in fact minimise seasonal workflow and workforce resourcing issues which could have negative impact on motorists if it creates cash-flow issues for businesses which could threaten their viability and therefore compromise competition and choice of WoF providers.

However, the NZAA's support for the phase-in beginning from October 2013 is dependent on the implementation programme being fully resourced, and we seek assurance that NZTA system changes will be tested and ready before October, while education and enforcement programmes are also fully developed and ready to be implemented from October, and not April 2014. The NZAA is already receiving queries from motorists about the changes and when they take effect, so education messages about what the changes are, who is affected, and what it means for motorists will need to be fully resolved by the time they take effect.

Furthermore, we note that the implementation date of October 2013 is earlier than originally indicated and that this is problematic for WoF providers, including the NZAA. Financial impacts will be significantly increased by bringing forward this change, as resourcing, staffing and

investment decisions (such as site leases) were made on the original understanding that the implementation would be by July 2014.

Question for comment

What inspection frequency requirements should be applied to cars used in vehicle rental services?

The NZAA believes that the current 6-monthly CoF A inspection requirements should continue to apply for light rental vehicles (and taxis).

While there is merit in considering the option of 3-12 month CoF inspections for rental vehicle operators, depending on their vehicle safety history, we do not think this is feasible until such time as rental vehicle (and taxi) operators are subject to the Operator Rating System which would provide sufficient reliable data with which to assess what is an appropriate CoF interval for individual operators.

In addition, rental cars and taxis generally complete high annual mileages and are often driven (hired) by people who have very little or no mechanical knowledge and rely on others to ensure the vehicle is safe. Many rental cars are also owned by businesses that operate small garages, and so there would be a conflict of interest if the CoF market were to be opened up to providers other than TSDA's, enabling such operators to self-certify their own rental vehicles.

Therefore, to ensure safety is maintained, the NZAA considers a regular, periodic and fully independent inspection is imperative.

For these reasons, the NZAA proposes clause 9.5(3) of the amendment Rule be revised so that the interval after the first CoF is only 6 months and not 12 as proposed, and thus should read (our change underlined):

"The expiry date of the first certificate of fitness issued for a Class MA rental service vehicle that was new when first registered in New Zealand as a rental service vehicle is six months after the reference date, and six months after that for subsequent certificates."

Yours sincerely



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