

11 February 2014

Submission on RUC Administration Fee Review/
Vehicle Certification Fee Review
NZ Transport Agency
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Dear Sir/Madam

RUC ADMINISTRATION & VEHICLE CERTIFICATION FEES REVIEW

Introduction

The New Zealand Automobile Association (NZAA) welcomes the opportunity to provide comment on the RUC Administration and Vehicle Certification fees review.

The NZAA is an incorporated society with 1.4 million Members. It represents the interests of road users who collectively pay over \$2 billion in taxes each year through fuel excise, road user charges, registration fees, ACC levies, and GST. The NZAA's advocacy and policy work mainly focuses on protecting the freedom of choice and rights of motorists, keeping the cost of motoring fair and reasonable, and enhancing the safety of all road users.

This submission has been jointly prepared by 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 vehicle certification.

Comments on the proposed RUC Administration and Vehicle Certification fees are provided under the respective sub-headings below:

RUC Administration fees

The NZAA supports the consolidation of administration fees into three channel-based fees. Overall we support the proposed \$2.95 fee for digital self-service, especially the reduction for internet purchases which, with planned IT improvements and facilitating the use of smartphone applications in future, will encourage increased uptake by this mode.

The NZAA would also support permitting a separate surcharge for credit card charges in future (and likewise other bank charges), to lower the admin costs for some internet payments like POLi. However, such a surcharge should vary according to transaction value. The NZAA is concerned that with the removal of the \$999 transaction cap, this has led to increased credit card merchant fees which are being apportioned across all digital self-service transactions via the proposed \$2.95 admin fee. However, it is likely that most of the high-value transactions, with corresponding high credit card merchant fees, are being generated by commercial operators and not private motorists. Therefore, it would be fairer for the high credit card merchant fees to be recovered from those who generate them.

Recommendation: The NZAA recommends that NZTA investigate imposing an incremental surcharge for credit card transactions according to transaction value.

The NZAA supports the modest reductions proposed for fees for replacement RUC licences, distance overrun assessments, and applications to change RUC type.

We restate the comments that we made in our 2012 submission on the RUC admin fees review, that some applications to change RUC type are due to errors at entry certification and so the cost should not be borne by the vehicle owner. We are aware that this can often be the case with mobile homes.

Recommendation: If an application is made to change RUC type due to entry certification or data entry error, or if the vehicle has not been reconfigured, then no admin fee should be imposed.

Vehicle Certification fees

The NZAA is generally supportive of the proposed changes to certification label fees and application fees. While this means the cost of obtaining a CoF will increase as a result, we acknowledge it is fair and efficient to recover the annual costs of reviews from the CoF and other certification labels.

In respect of the increase to the hourly rate, it is important that a common-sense approach is taken to also charging for travelling time at this same rate. The most efficient travel modes *and* travel times should be chosen, with staff coming from the nearest practical NZTA office. In addition, inspecting organisations should not be expected to pay for any unexpected travel time delays.

We note the substantial increase in the fee for processing immigrants' vehicle applications and ask that this charge be clearly notified to prospective immigrants via the NZTA website and relevant consulates offices so they are fully aware of the charge.

Recommendation: NZTA to ensure SIV, Category A left-hand drive permits, and immigrants' vehicles application fees are clearly notified to the target audience via the NZTA website and other applicable channels (e.g. key NZ consulates offices, NZV8 magazine/website).

The AA is concerned about the proposal to introduce a new fee for applications for exemptions from vehicle-related Land Transport Rules, which would incur the new hourly charge of \$160. We are advised that approximately 5,200 such applications are received each year of which about 600 are currently charged for. This suggests, therefore, that in future approximately 4,600 vehicle owners each year may incur a large fee that has previously not been levied or communicated, totalling \$736,000 per annum. We suggest this will impose a large financial burden on many motorists. The consultation document does not supply any supporting data to illustrate that the costs of processing these transactions are not already being recovered for existing certification or vehicle licensing fees as part of the overall cost of administering the vehicle licensing or compliance systems.

The consultation document does suggest that waiver provisions would be made available in instances where the exemption application was due to anomalies in the compliance rules. This is an essential consideration. Without any supporting data on the type of exemption applications that are currently received, we cannot estimate how many of the approximately 5,200 annual applications would be waived under such a provision so cannot support the introduction of this new fee at this time.

Recommendation: NZTA to undertake and provide more analysis on the nature of Land Transport Rule exemption applications to identify whether the costs of those applications should be fairly borne by vehicle owners, or whether the costs are in fact due to Rule anomalies which should not be transferred to owners. Develop mandatory waiver provisions which are thorough and transparent and clearly promulgated to NZTA staff to minimise unfair charges to applicants.

Yours sincerely



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