

Annual vehicle licensing

What is changing with annual vehicle licensing?

Current annual vehicle licensing system	Changes to annual vehicle licensing system
<ul style="list-style-type: none">• Collects ACC funds to cover those injured on New Zealand's roads (about 80 percent of the licensing fee)• Collects funds to pay for land transport infrastructure and services, such as roads and public transport• Updates vehicle and registered person data• Infringement penalty applicable as soon as licence has lapsed (although a defence is available for people who are less than seven days late)• There are approximately 235,000 infringement offence notices issued each year.	<p>NZ Transport Agency to report by 30 September 2013 on ways to:</p> <ul style="list-style-type: none">• make it easier for motorists to pay on time by improving communication• encourage on-time payment through the use of payment incentives such as late payment penalties• use different infringements to better differentiate between those who are late to pay and those who are evading payment.

What is changing with the annual vehicle licensing system?

A system review has shown that most people pay their licensing fees but many are slow to pay the fees on time. This results in vehicle owners facing additional costs because 235,000 infringement notices are issued every year for late payment. The enforcement system does not discriminate between people who may have missed the due date for genuine reasons and those who are deliberately evading payment.

A new approach will be put in place to make it easier for people to pay on time and comply. This will reduce the number of infringements being issued to vehicles owners that result in unnecessary costs which could be easily avoided. Those who deliberately choose to pay late or not at all will still face sanctions.

The NZTA will review ways to improve the licensing system including:

- improved communication with vehicle owners, such as using email and text messages to remind people about payment
- payment incentives, such as late payment penalties
- better targeted penalties.

Officials will report to Cabinet with a detailed improvement package by 30 September 2013.