

Chair
Cabinet Economic Growth and Infrastructure Committee

RELEASE OF THE VEHICLE LICENSING REFORM DISCUSSION DOCUMENT

Proposal

1. This paper seeks the Committee's agreement to release the *Vehicle Licensing Reform* discussion document for public consultation.

Executive summary

Vehicle Licensing Reform discussion document

2. Vehicle Licensing Reform, a joint project between the Ministry of Transport and the New Zealand Transport Agency, has identified the potential to achieve considerable compliance cost savings from changes to the warrant of fitness and certificate of fitness, annual vehicle licensing and transport services licensing systems. These savings can be made without compromising the current objectives of these systems, particularly where they involve road safety.
3. The *Vehicle Licensing Reform* public discussion document (attached) sets out options and ideas for potential changes to the three systems. The discussion document does not provide preferred options, and further analysis of the various options will carry on throughout, and following, the public consultation process. The options in the discussion document have been derived from a long list of ideas generated from research, workshops and analysis. Preliminary economic analysis has been carried out, including using a purpose-made cost-benefit model, and this work will be further refined to provide the best information possible to Cabinet in December 2012 to make final policy decisions. All options presented are realistic, and the feedback expected on the discussion document should further inform and improve the analysis and final recommendations to Cabinet.
4. Public consultation on the discussion document is proposed for the period 10 September to 23 October 2012.

Warrant of fitness

5. Currently, there are annual inspections for vehicles up to six years old and six-monthly thereafter. Decreasing inspection frequency could generate substantial benefits. We would look to counter any potential increases in safety risk through a range of measures, such as greater use of compliance technology, better targeted enforcement, and public information and advice programmes.

6. The discussion document proposes three option packages but notes that elements of these options could be combined in any final package. The options are:
 - 6.1. annual inspections for all vehicles under 12 years old, six-monthly thereafter, with measures to encourage safe vehicles
 - 6.2. no inspections for three years and then once a year with measures to encourage safe vehicles
 - 6.3. inspections on change of ownership with measures to encourage safe vehicles.

Certificate of fitness

7. There are two kinds of certificates of fitness. 'Certificate of Fitness A' applies to light commercial vehicles such as taxis and rental vehicles, while 'Certificate of Fitness B' applies to heavy commercial vehicles. Generally, commercial vehicles are inspected every six months, although there is some flexibility to vary this between three and nine months, but this is rarely used¹. Officials believe there is limited scope to change the frequency of certificate of fitness inspections because of the variability of use and mileage of trucks and other commercial vehicles, and the potential consequences of accidents.
8. However, there is potential to reduce the disruption and costs faced by commercial vehicle owners by increasing the range of choices available to them about where and how they get certified, and providing incentives for regular servicing and safety checks for commercial vehicles. Options in the discussion document explore opportunities in these areas. I also propose to consult on allowing some transport operators to become accredited to manage the roadworthiness of their vehicles. Options like this would allow greater scope to bundle servicing and inspection together at the same premises, reducing disruption costs currently faced by businesses.
9. The discussion document contains three options. These options are not mutually exclusive; one or more of these options could be adopted together or sequentially phased in. These are:
 - 9.1. inspections at six months and greater flexibility in how certification services are provided, such as being able to certify a vehicle even if a minor fault is detected. While the default frequency would be six months, variable frequencies between three and 12 months would allow the safety record of particular operators to be taken into account
 - 9.2. inspections at 12 months and greater choice over inspection services (this could include where testing is done and who does it). The default frequency would be 12 months, with variable frequencies available for poor performing operators
 - 9.3. giving operators the option of becoming accredited to manage the roadworthiness of their vehicles.

¹ Mainly due to New Zealand Transport Agency IT constraints that are being rectified.

Annual vehicle licensing

10. Annual vehicle licensing is primarily a revenue and data collection system. As well as serving transport purposes, such as collecting revenue for the National Land Transport Fund, it also serves other government purposes such as law enforcement and collecting Accident Compensation Corporation (ACC) Motor Vehicle Account levies. There are opportunities to make the system more efficient and improve compliance.
11. ACC and the Ministry of Business, Innovation and Employment are considering further differentiation of levies according to risk factors related to the driver and/or their vehicle's characteristics.
12. ACC, the Ministry of Business, Innovation and Employment, the Ministry of Transport and the New Zealand Transport Agency will investigate if any changes to the annual vehicle licensing system may be required to accommodate these differentiated levies.
13. Therefore, the discussion document seeks feedback on interim changes to improve the annual vehicle licensing system.
14. The interim changes should create a more customer-focused system, which could reward early payment, discourage late payment, reduce compliance costs for both individuals and large fleet operators. Relaxing the existing punitive enforcement regime could reduce unnecessary costs in the justice system. Once agreed, many of these changes could be put in place by the New Zealand Transport Agency, but some will require legislative amendments.

Transport services licensing

15. Transport services licensing applies to goods services, taxis and buses, rental services, and vehicle recovery services. It was designed to control the entry into, and exit out of, various transport services. The aim of the system is primarily to contribute to road safety.
16. For most of the regulated services, there is no compelling case to keep this regime because it is generally not effective in controlling the quality of operators. It also duplicates other regulation, for example, in the consumer protection or health and safety areas. On the other hand, the current system is valued by some existing operators as a means of market entry control by participants, and potential compliance cost savings from reform appear to be small. The two options included in the discussion document are:
 - 16.1. removing transport services licensing
 - 16.2. targeted management of transport services (for tow trucks and other operators that need assistance to meet acceptable levels of performance).

17. My current thinking is that all transport services licensing be abolished unless there is a legitimate reason for them to be retained. Officials advise that their analysis has shown that there may be benefits in retaining regulation for tow trucks and having the ability to place poorly performing operators into a targeted management system. I have agreed this should be included as a possible option.

Other potential impacts

18. The changes covered in the discussion document have the potential to make savings for many households and businesses. Net benefits have been estimated between \$60 million and \$235 million per annum in the warrant of fitness area alone, depending on the option chosen. These benefits will predominantly accrue for individuals rather than the government. However, some of the proposed changes are expected to reduce costs to the justice system by reducing the extensive use of infringement notices for warrant of fitness and vehicle licensing offences. Changes to annual vehicle licensing could also improve interactions with government (Better Public Services Result Ten) by utilising digital technologies.
19. There may be implementation costs for the government such as IT changes for the New Zealand Transport Agency. Some of the counter-measures proposed under the warrant of fitness options will have costs associated with them, for example increased enforcement by the Police.
20. The proposed changes may impact on the vehicle servicing industry. Options which reduce the frequency of inspections or remove regulatory requirements may impact on the viability of some operators in certain parts of the country and may affect access to inspection services in rural communities. Officials are working closely with industry stakeholders to gain a better understanding of these potential impacts. The public consultation process is an essential mechanism for building our understanding of the potential impacts.
21. The Taxi Federation, the Road Transport Forum, the Rental Vehicle Association and the Bus & Coach Association may argue to retain transport services licensing as they believe it prevents unsound operators entering the industry and provides international tourists a perceived level of government-certified protection from unsafe operators. Evidence gathered to date does not support these perceptions.

Background

Vehicle Licensing Reform project

22. The Vehicle Licensing Reform project is investigating the warrant of fitness and certificate of fitness, the annual vehicle licensing, and the transport services licensing systems. The aim is to identify the scope for reforming these systems to reduce the regulatory burden faced by motorists and other vehicle operators, provided it is not at the expense of the objectives of the systems, including road safety. Reducing this burden would help to support the government's economic growth and regulatory reform agendas.

23. The three licensing systems are characterised by administrative and compliance costs that cumulatively have substantial economic impact. The project has identified that:
- 23.1. there are concerns that the rationale for these regulatory systems is not always clear and, as a consequence, the extent of the current intervention may not be justified
 - 23.2. the level of safety risk may not always justify the level of intervention
 - 23.3. there may be more efficient ways to collect revenue or achieve regulatory objectives due to changes in technologies, practices and policies
 - 23.4. the warrant of fitness and annual vehicle licensing systems may result in unnecessary enforcement and justice system costs from their associated compliance and payment systems.

Comment

The discussion document

24. The purpose of the discussion document is to encourage feedback from the public on possible reform options. Warrants of fitness and annual vehicle licensing affect most New Zealanders and there will be considerable public interest in the possible reform of these systems.
25. Reflecting that policy analysis is not yet complete, the discussion document does not contain preferred options. However, for annual vehicle licensing some interim changes are proposed until a review is completed of how the ACC Motor Vehicle Account levy could be set more accurately to risk. Feedback, particularly on possible impacts, will help to inform further analysis that will take place prior to final recommendations being considered by Cabinet in December 2012.
26. The discussion document follows a conventional structure with three chapters, one on each area of possible reform. Each chapter contains a more detailed description of the system it relates to, the reasons for reform, possible reform options, options excluded and questions to be considered.
27. The document will be released as an online document on the Vehicle Licensing Reform page of the Ministry of Transport's website, although a hardcopy would be provided on request. The discussion document will be available online in its full form, which is attached to this paper, and in a summary form. Submitters will be able to make an online submission or provide a written submission.
28. The paragraphs below discuss the options and proposals that have been included in the discussion document, the reasons for including them, and reflect on the possible public and stakeholder reaction to them.

Warrant of fitness

29. The warrant of fitness system contributes to road safety by providing a periodic check of vehicle roadworthiness. New Zealand has one of the most frequent vehicle inspection regimes in the world. Vehicles less than six years old require annual checks, while the remaining vehicles require six-monthly checks. For motorists, the bulk of the costs faced arise from inspection fees paid to warrant of fitness issuers, averaging around \$44 per check (GST exclusive), and the time taken to have their vehicles inspected. Unsurprisingly, this means there is the potential for motorists to realise cost savings from decreasing the frequency of warrant of fitness inspections.
30. Preliminary analysis suggests that the benefits to vehicle owners from decreasing inspection frequencies could be substantial, but does involve an increase in safety risk. There would, for example, be a relatively small risk increase in moving to an annual inspection for a greater proportion of the fleet. This additional risk could be mitigated by other measures, including public information and advice programmes, investment to allow greater use of compliance technology, or extra on-road enforcement. Such mitigation may require additional government funding. Estimating cost will be a focus of further work.
31. The discussion document proposes three option packages:
 - 31.1. annual inspections for all vehicles under 12 years old, six-monthly thereafter, with measures to encourage safe vehicles – this option reflects that safety risk starts trending upwards after 12 years of vehicle age
 - 31.2. no inspections for three years and then once a year, with measures to encourage safe vehicles – this option reflects that new vehicles usually carry a manufacturer's warranty with a servicing schedule for their first three years
 - 31.3. inspections on change of ownership or to clear an inspection order, with measures to encourage safe vehicles – this option, which includes more intensive roadside enforcement and public information programmes, is used effectively in Victoria and Queensland in Australia. It would require the most government investment in mitigation, although the benefits are expected to outweigh the costs of mitigation measures.
32. Basing warrant of fitness inspections solely on distance travelled or not having any inspections at all were not considered viable options due to potential safety risks and implementation difficulties.

Certificate of fitness

33. There are two kinds of certificates of fitness. 'Certificate of Fitness A' applies to light commercial vehicles such as taxis and rental vehicles, while 'Certificate of Fitness B' applies to heavy commercial vehicles. The opportunity to reduce the frequency of certificate of fitness inspections appears to be limited because of the variability of use and mileage of trucks and other commercial vehicles. Further, there appear to be few other jurisdictions that require inspections more often than every 12 months. Estimating the safety impact of possible changes in certificate of fitness inspection

frequency is difficult because the number of crashes involving certificate of fitness vehicles with vehicle defects is very small.

34. As a result, the options presented in the discussion document for certificate of fitness are more modest than those for warrant of fitness vehicles.
35. Discussions with industry stakeholders indicate that much of the cost associated with getting a certificate of fitness arises from the time that a vehicle is out of service for inspection and any subsequent repairs. There are three approved certificate of fitness inspecting organisations with inspection sites throughout New Zealand. These Inspecting Organisations do not undertake repair work and the inspections take place at a limited number of sites. There may be opportunities to create greater choice for vehicle owners and operators, or give operators more options to bundle service and inspection together resulting in reductions in the amount of time taken to get a certificate of fitness.
36. The discussion document contains three options. These options are not mutually exclusive; one or more of these options could be progressed. These are:
 - 36.1. The first option involves developing greater flexibility in how certification services are provided by looking at ideas such as allowing inspection organisations to certify a vehicle even if a minor fault is detected, or encouraging inspection organisations to repair minor faults. Option 1 envisages retaining six-monthly inspections, but also involves a variable inspection frequency of three to 12 months, which would allow some discretion for the New Zealand Transport Agency to take into account the history of particular operators. Currently, there is a variable frequency allowed from three to nine months, although most inspections have been six-monthly.
 - 36.2. The second option explores greater inspection choices for operators, such as testing across a greater range of sites or testing by a wider range of organisations. Option 2 also considers having 12-monthly inspections for all vehicles, with variable frequencies available for poor performing operators. Annual inspections are common internationally for heavy and commercial vehicles. Because of potential increases in safety risk, ideas such as greater use of compliance technology and increased enforcement are also explored in this option.
 - 36.3. The third option explores the idea of approved operators having the ability to become accredited to manage the roadworthiness of their vehicles. A similar system in Australia has reportedly shown good safety results². These options are canvassed in the discussion document.

² *Analysis of the Safety Benefits of Heavy Vehicle Accreditation Schemes: Austroads Research Report.* Austroads. May 2008.

Potential impacts of changes to the warrant of fitness and certificate of fitness systems

37. The potential benefits from changing the frequency of warrant of fitness inspections are large. Officials estimate that these benefits range from \$60 million to \$235 million per annum, depending on the new frequency adopted. However, reducing frequency does potentially increase the total social cost³ of road crashes. For the three warrant of fitness options, this ranges from \$7 million to \$67 million per annum, if no mitigating measures are put in place. The potential cost to government of mitigating additional safety risk has not been estimated yet but potential net benefits are still likely to be significant.
38. The options also raise a number of potential industry and wider social impacts that need to be taken into account in policy decisions.
 - 38.1. A reduction in the frequency of inspections or changes to the market for inspections are likely to result in a reduction in demand from vehicle owners for inspection services. The vehicle inspection and repair industry would need to adjust to this decreased demand. This could be by way of rationalisation of sites, merging businesses, staff redundancies or provision of other offerings to customers to try and offset lost revenues.
 - 38.2. Rationalisation of sites might lead to increased costs for some motorists and transport operators from having to travel longer distances.
39. Officials are working closely with industry stakeholders to understand these potential impacts. This, along with submissions on the discussion document and further analysis, will allow a detailed assessment of these impacts to be provided to Cabinet in December 2012.

Annual vehicle licensing

40. Annual vehicle licensing is primarily a revenue and data collection system. For transport, the system gathers revenue for the National Land Transport Fund to fund investment in the National Land Transport Programme. The transaction also confirms contact details for vehicle owners. However, the system also serves other government purposes, such as collecting the ACC Motor Vehicle Account levy. Collecting up-to-date contact details helps effective policing (which contributes to road safety), and revenue collection (via tolling and enforcement activities).
41. Seventy to 80 percent of the fee (depending on whether the vehicle is petrol or diesel powered) collected goes to ACC to cover those injured on the transport network, with the remainder going to the National Land Transport Fund. While collecting two different streams of revenue in one payment reduces the costs of collection, it creates complexity and reduces flexibility for both ACC and the transport sector. The current system is also characterised by late payment. This results in significant costs for the

³ Social cost of road crash or road injury is a measure of the total cost that occurs as the result of the crash or injury. It includes loss of life and life quality, loss of output, medical costs, legal costs and property damage costs.

justice sector through a punitive enforcement regime that does not differentiate well between those who are a little late and those who deliberately evade payment.

42. Significant compliance cost savings can be captured from improving the current system. More customer focused collection systems could reduce lateness of payment and, together with relaxing the overly punitive nature of the enforcement system, could increase rates of compliance and reduce justice sector costs. It may even be possible to exclude some rarely used vehicles from licensing, such as light trailers and caravans.
43. Potentially, significant compliance cost savings could also be achieved by implementing more fundamental changes such as piggybacking ACC and land transport revenue collection onto other existing vehicle-based transactions and removing the transaction altogether. The other vehicle-based transactions that could be considered include vehicle insurance and the warrant of fitness process. Another option is revenue collection through petrol tax and road user charges or a combination of all of these.
44. All these options, including possible interim changes, need to be considered in the context of ACC's ability to set and collect motor vehicle levies and apply risk ratings.
45. As part of the government's road safety strategy *Safer Journeys*, ACC is tasked with looking at developing incentives to improve road safety outcomes and is currently considering the benefits of using differentiated levies as a mechanism to incentivise road safety behaviours⁴. ACC, the Ministry of Business, Innovation and Employment, the Ministry of Transport and the New Zealand Transport Agency are working together to further this investigation.
46. Given the above, it is too early to consult on fundamental reform of the annual vehicle licensing system. Interim improvements, such as those described in paragraph 42, are being explored further by the Ministry of Transport and the New Zealand Transport Agency. By December 2012, there will be more information available on the likely cost and practicality of interim improvements and the nature of legislative change required to implement them.
47. Therefore, my view is that the discussion document should seek public feedback on broader questions around how the annual vehicle licensing system might be improved, which will help to shape the development of an interim change package. Even so, I expect that there will be public and stakeholder expressions of support for more fundamental changes to the system, especially transferring annual vehicle licensing charges to petrol tax and road user charges. I am not pursuing this option at present due to the need to take an integrated approach with ACC and to understand the potential impacts of an increase in fuel excise duty that could be up to 24 cents per litre.

⁴ Some basic risk rating is currently undertaken based on vehicle type, for example, motorcycles pay a higher ACC levy than passenger vehicles.

Transport services licensing

48. The transport services licensing regime controls entry into, and exit out of, various transport services. The aim of the system is primarily to contribute to road safety. Licensed services include goods services, passenger services (buses and taxis, vehicle rental services and vehicle recovery services). The system is relatively inexpensive to run so potential compliance cost savings are modest in comparison to the other vehicle licensing systems being reviewed. A significant issue with the present system is that it does not effectively control the entry management and, if necessary, removal of “bad” operators.
49. So far, a compelling case to keep the transport services licensing system has not been found, although there are some arguments to retain some form of regulatory management for the vehicle recovery (tow truck) sector. There is also an argument for providing an ability to place poor performing operators into regulatory management to help them meet acceptable levels of performance, and manage the risks they pose.
50. There are a number of overlaps with other regulatory systems such as workplace safety, consumer protection and the driver licensing system. For example, even if transport services licensing were removed, taxis would still be regulated, because taxi operators must belong to approved taxi organisations, and taxi drivers must have a passenger endorsement on their driver’s licence. Approved taxi organisations have responsibilities to follow up complaints, issue and manage the use of fleet identifying numbers and maintain a passenger booking and driver security system.
51. Given the issues related to the effectiveness of the licensing system, options have been included in the discussion document that range from removing transport services licensing altogether to the targeted management of transport services (for tow trucks and other operators that need assistance to meet acceptable levels of performance). Keeping a management regime in place for tow trucks operators could help to prevent the pre-1989 behaviour around crash scenes. There were also concerns around the use of tow trucks for vehicle theft.

Potential impacts of changes to the transport services licensing system

52. Because the analysis suggests that transport services licensing does not add much value for most of the sectors it applies to and does not impose high compliance costs, the impact of removing it is unlikely to be large. Despite this, it still represents an unnecessary regulatory burden that imposes cost.
53. Some operators are likely to welcome removing the requirement. Many farmers operating trucks non-commercially are caught by the need to have a transport services licence, and farmer groups have supported their exclusion from the system. Nonetheless, operator associations, such as the Taxi Federation and the Road Transport Forum, do see benefits in transport services licensing because they perceive it to be a barrier to unsound operators entering the industry. They are likely to argue strongly in favour of retaining transport services licensing. The rental vehicle industry and the wider tourism sector may be concerned about the perceptions of international tourists and tour operators if tour bus operators are not sanctioned by a specific government licensing system.

Stakeholder engagement to date

54. Beginning in March 2012, there has been an extensive engagement process with key stakeholders. Stakeholders that have been heavily involved in discussions with the project team include New Zealand Transport Agency agents and service providers (Vehicle Inspection New Zealand, Vehicle Testing New Zealand, the New Zealand Automobile Association, New Zealand Post and the Motor Trade Association) and industry and transport user representative groups (including the Bus and Coach Association and the Road Transport Forum). Discussions have also started with major fleet operators such as Fonterra and TR Group Ltd.
55. The discussions with stakeholders have provided a chance to talk about the reasons for considering reform and an opportunity for further issues and potential solutions to be raised. Most stakeholders have been positive about the project and have been keen to contribute. However, some large service providers have concerns about the project potentially impacting road safety, the availability of services in rural centres and the financial viability of their business.

Consultation

56. The following departments and agencies have been consulted on this paper: Treasury, Ministry of Business, Innovation and Employment, Ministry of Justice, Department of Internal Affairs, ACC, and the New Zealand Police. The Department of the Prime Minister and Cabinet was informed.
57. The Ministry of Business, Innovation and Employment has commented that pricing may not improve safety outcomes because the ACC levy is small compared to the full costs of buying and running vehicles. As an annual fee it is also unlikely to influence purchasing behaviour and day-to-day decision making on the road.
58. The Ministry of Justice supports the options presented in the draft discussion paper because they have the potential to relieve the pressures on the criminal justice system through decreasing the number of infringement notices for warrant of fitness and vehicle licensing offences. Infringement notices were introduced to move minor offending out of the court system. Instead, many more unpaid infringements for warrant of fitness and vehicle licensing offences have been filed in court for collection than prosecutions were previously laid for these offences. Large numbers of unaffordable infringement fines have to be remitted and replaced with community sentences each year. These are costly and disproportionate sanctions for this minor offending. The proposals have the potential to significantly reduce the accumulation of unaffordable level of infringement fines. The impact of the changes on the criminal justice system, including any savings, will be quantified when the preferred options have been identified.
59. The New Zealand Police have expressed some concerns that reducing the frequency of inspections could create negative road safety outcomes. Transport officials will work closely with them in regard to this, and the measures being explored to counter any potential increases in crash risk, including impacts and costs. They support removing the emphasis on enforcement by The New Zealand Police for vehicle licensing. The New Zealand Police do not support the removal of transport service

licensing requirements as they consider it provides an easy way of identifying good and bad operators.

Financial implications

60. There are no financial implications from the release of the *Vehicle Licensing Reform* discussion document.
61. However, the options presented in the draft discussion document have potential fiscal impacts for the Crown. The scale of these, and where and when they would fall, would depend on the option or options ultimately chosen, and implementation timelines. These potential impacts will be worked through in detail and will be discussed when final recommendations are made to Cabinet in December 2012.
62. The options around warrant of fitness, certificate of fitness and annual vehicle licensing are likely to involve a reduction in fine revenue received by the Crown. Officials on the Vehicle Licensing Reform project estimate \$100 million in fine revenues flow to the Crown and territorial authorities each year. There would also be a reduction in justice sector collection costs. Officials have also indicatively estimated these to be in the order of \$5 to \$15 million per year, depending on the selection of options. The split in revenue and associated costs between the Crown and territorial authorities is being assessed.
63. Some of the warrant of fitness and certificate of fitness options contemplate additional Crown investment in measures to mitigate an increased safety risk from a decreased frequency of inspection. For the warrant of fitness options additional expenditure on enforcement could be in the order of \$5 million per annum, and for the certificate of fitness options approximately \$0.5 to \$1 million per annum, depending on the options chosen. These may be able to be funded from re-prioritising existing funding but, for some of the higher impact options, new funding may be needed.
64. Finally, proposed improvements to annual vehicle licensing would involve changes to New Zealand Transport Agency business systems. This would need to be funded, although some of the cost could potentially be recouped through administration charges.

Human rights implications

65. There are no human rights implications arising from the release of the *Vehicle Licensing Reform* discussion document.

Legislative implications

66. There are no legislative implications arising from the release of the *Vehicle Licensing Reform* discussion document. However, if some of the options and proposals discussed in the discussion document are adopted, amendments to both primary and secondary legislation will be required in order to implement them. This would be discussed when final recommendations are made to Cabinet in December 2012.

Regulatory Impact Analysis

67. The Ministry of Transport and the New Zealand Transport Agency have endeavoured to comply with the Regulatory Impact Statement requirements for a discussion document and the principles of the Code of Good Regulatory Practice. The Ministry believes that the discussion document complies with these requirements to an extent that is reasonable given the extent of policy development.
68. A Regulatory Impact Statement will be developed when final recommendations on Vehicle Licensing Reform are submitted to Cabinet in December 2012.

Disability perspective

69. There are no disability implications arising from the release of the *Vehicle Licensing Reform* discussion document.

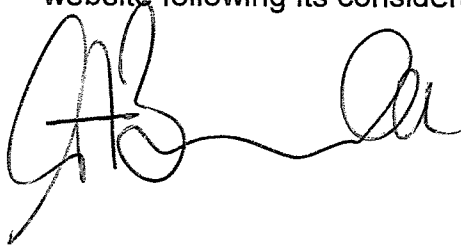
Publicity

70. Consultation is proposed for the period 10 September 2012 to 23 October 2012. Following Cabinet approval, the discussion document will be formatted for publication and publicly released. The Ministry of Transport website will be a key tool allowing members of the public to make a submission, either in writing or online.
71. I am proposing to release a media statement announcing the release of the discussion document, and inviting interested parties to make a submission. A question and answer fact sheet will also be prepared.
72. I am also proposing to publish a copy of this paper on the Ministry of Transport website after it has been considered by Cabinet.

Recommendations

73. It is recommended the Committee:
- 1) **agree** to release the attached *Vehicle Licensing Reform* discussion document for six weeks' public consultation from 10 September 2012, which presents options and ideas for reforming the warrant of fitness and certificate of fitness, annual vehicle licensing, and transport services licensing systems with the aim of reducing compliance costs while achieving similar or improved road safety and environmental outcomes
 - 2) **authorise** the Minister of Transport to agree to editorial changes to the discussion document prior to its release
 - 3) **note** that final recommendations on Vehicle Licensing Reform will be submitted for Cabinet approval in December 2012

- 4) **note** my intention to publish a copy of this paper on the Ministry of Transport website following its consideration by Cabinet.

A handwritten signature in black ink, appearing to be 'Gerry Brownlee', written in a cursive style.

Hon Gerry Brownlee
Minister of Transport

Dated: 26/08/2022

Consultation on Cabinet and Cabinet Committee Submissions

Certification by Department:

Guidance on consultation requirements for Cabinet/Cabinet committee papers is provided in the CabGuide (see Procedures: Consultation): <http://www.cabguide.cabinetoffice.govt.nz/procedures/consultation>

Departments/agencies consulted: The attached submission has implications for the following departments/agencies whose views have been sought and are accurately reflected in the submission:

The Treasury, Ministry of Business, Innovation and Employment, Ministry of Justice, Department of Internal Affairs, ACC, New Zealand Transport Agency, and the New Zealand Police.

Departments/agencies informed: In addition to those listed above, the following departments/agencies have an interest in the submission and have been informed:

The Department of Prime Minister and Cabinet.

Others consulted: In developing the options included in the attached draft discussion document, other interested groups have been consulted as follows: Vehicle Inspection NZ, Vehicle Testing NZ, the NZ Automobile Association, Federated Farmers, Insurance Council of NZ, NZ Post, the Motor Industry Association, the Motor Trade Association, the Bus and Coach Association, Rental Vehicles Association New Zealand, Rural Contractors New Zealand, the Road Transport Forum, Taxi Federation, Fonterra and TR Group Ltd.

Name, Title, Department: John Edwards, Principal Adviser, Ministry of Transport

Date: 06/08/2012

Signature



Certification by Minister:

Ministers should be prepared to update and amplify the advice below when the submission is discussed at Cabinet/Cabinet committee.

The attached proposal:

Consultation at Ministerial level

- has been** consulted with the Minister of Finance
[required for all submissions seeking new funding]
- has been** consulted with the following portfolio Ministers:
- did not need** consultation with other Ministers

Discussion with National caucus

- has been** or **will be** discussed with the government caucus
- does not need** discussion with the government caucus

Discussion with other parties

- has been** discussed with the following other parties represented in Parliament:
 - Act Party Maori Party United Future Party
 - Other [specify]
- will be** discussed with the following other parties represented in Parliament:
 - Act Party Maori Party United Future Party
 - Other [specify]
- does not need** discussion with other parties represented in Parliament

Portfolio



Date

27, 08, 2012

Signature

