

New Zealand's lead land transport regulator

We all use roads to get to and from the places we want to go, and you might already know that Waka Kotahi looks after New Zealand's state highway network. But did you know we also make sure the vehicles on our roads (like cars, trucks, and buses) are safe, and that the people driving them know what they're doing? That's our job as the lead regulator for the land transport system.

We have many different responsibilities, looking after:

- driver testing (making sure drivers are safe to be on the roads)
- driver licensing
- vehicle certification (eg. warrant of fitness (WoF) and certificate of fitness (CoF) - making sure vehicles are safe to be on the road)
- transport service (eg. goods and passenger) licences
- vehicle registration and licensing (new licence plates and annual rego)
- collecting road user charges (RUC) and other money for roads

- supporting Police and others to regulate speed and enforce safety on New Zealand's roads.

We also regulate rail, but rail isn't part of this consultation.

Waka Kotahi makes many of the rules (regulations) for people who drive vehicles and businesses that inspect them, and we make sure those rules are being followed.

We don't do some of this work ourselves. We have agents that act on our behalf to provide services and help us make sure others are following the rules. You might visit one of our agents to get your driver licence or a warrant of fitness for your car, for example. Our agents include large organisations like AA, VTNZ, VINZ, and New Zealand Post, companies like eRoad who are agents for RUC, and smaller businesses like your local garage that issues WoFs. We monitor and audit the performance of our agents to make sure they're doing a good job.

Why do we need to change our funding and fees?

In 2018, two investigations into what led to a seat belt failure in a car crash found the way Waka Kotahi was doing things hadn't been good enough. The car had recently got a WOF, and it's our job to make sure WOFs are handed out properly.

One of those investigations also said we didn't have enough money to do our job properly.

So we looked at our fees, charges, and funding to see whether the money we get for doing our work covers the costs of doing the work. For example, if it costs us

\$25 to provide a service, then we should be charging \$25 for that service.

We hadn't done a full review of all our fees and charges since Waka Kotahi was set up in 2008. Some of the fees were set more than 20 years ago.

We found that the money we get for doing our work does not cover the costs of doing the work. Right now, we are charging too much for some services, and not enough for others. And that's what we're trying to fix.

What are fees, charges and funding?

All the work we do costs money. The money that pays for our work currently comes from:

- fees (like the amount you pay when you apply for a driver licence)
- charges paid by groups in the transport industry to contribute to the cost of regulating them
- government funding for things that benefit all New Zealanders, e.g. a subsidy to make licence renewals more affordable for older drivers.

The money we get from these sources should cover the total costs of providing the services, but it doesn't.

We need to make sure we have enough money to do our job properly. We now know exactly how much it costs us to do our job as regulator.

We need \$100 million more each year than we get right now from fees, charges, and government funding.

We're suggesting a new funding model where people pay the right amounts for the services they're getting. Under this new model some fees and charges would go up, some would go down, and some costs of regulation would be paid in other ways (e.g. through government funding).

Make a submission at www.nzta.govt.nz/funding-and-fees