

Impacts of changes - Households

Some of the proposed increases in fees and charges paid by businesses (e.g. vehicle importers, vehicle certifiers) are likely to be passed on to consumers through higher prices. This would increase impacts on consumers.

Impact on households will differ

Impacts of the proposed changes on households would be different, depending on how many drivers or vehicles there are in the household, for example, and would also vary depending on whether/how businesses pass costs on.

Under the proposed changes driver licensing fees would go down. This would mean costs would go down for households with learner drivers and drivers renewing their licences.

But for many households these savings may be cancelled out by additional costs of buying, licensing and maintaining vehicles, which would increase with the proposed changes to other fees and charges.

If 50% of transport increases are passed on by businesses to their customers, the impact of the proposed changes is an estimated increase in average household spend on transport ranging from \$6.30 (for lower income households) to \$26.80 (for higher income households) a year.

If 100% of transport increases are passed on by businesses, then the increase in average household spend on transport ranges from \$10.30 (for lower income households) to \$43.80 (for higher income households) per year.

NOTE: These numbers are only estimates of costs. For example, what you pay for a WoF or CoF will depend on what the business you choose to do your WoF or CoF inspection charges you. You can find a breakdown of the costs we used in these scenarios in the consultation document (appendix 3). All estimates include GST.

Persona	Scenario resulting in land transport fees and charges	Current costs	Proposed costs	Difference \$	Difference (%)
Households					
Thomas	Getting a learner licence through to full driver licence, failing his restricted test on the first attempt	\$425	\$352	-\$73	-17.1%
Aroha	Getting a learner licence through to full driver licence, passing each test on the first attempt	\$338	\$352	\$14	+4.1%
Mere and Gary	Running two cars plus renewing one driver licence. Estimate includes two rego renewals, two WoFs, and two driver licence renewals (under 65 and no test required)	\$426	\$414	-\$12	-2.7%
Lani	Running a light diesel vehicle, needs to renew driver licence and rego, get a WoF, and buy RUC	\$294	\$295	\$1	+0.2%
Sarah	Running one car, needs to renew rego, get a WoF, and renew her driver licence (70 years)*	\$189.26	\$190.19	\$0.93	+0.5%
Bernice	Uses a wheelchair and is buying a new car that will need to be modified to make it wheelchair-accessible. Those modifications will need to be certified. Estimate includes WoF by WoF agent, renewal of rego and driver licence (under 65), and LVV certification of vehicle modifications (does not include cost of modifications).	\$1,213	\$1,229**	\$16	+1.3%

*for drivers between the ages of 65-75 the fee will be less depending on the number of years from the licence renewal date to the age of 75. Over the age of 75, renewing your driver licence is subsidised by the government. The current over-75 fee is \$18.70 (excluding the \$41.80 cost of on-road safety test). The new over-75 fee would be \$13.40, and if you need an on-road safety test, that would now be free.

**includes certification costs for vehicle modification.