

31 October 2012

Vehicle Licensing Reform Submissions
Ministry of Transport
P O Box 3175
WELLINGTON 6140

**SUBMISSION on
Vehicle Licensing Reform**

Introduction

Thank you for the opportunity to make a submission on Vehicle Licensing Reform. This submission is from Consumer NZ, New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence, and fairness as a provider of impartial, and comprehensive consumer information and advice.

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Summary

1. Consumer NZ welcomes the opportunity to contribute to bringing vehicle licensing and safety inspections into the 21st century. We strongly support moves to make licence renewal easier and faster, with incentives for early payment.
2. We also support changes in the safety inspection regime which recognise the difference in reliability and safety between the vehicles produced today, and those of 50 or more years ago.

Consumer NZ has been reporting on car reliability since 1988. In that time there has been a vast improvement in reliability

- In 1988, only four brands (three Japanese and one Korean) were found to be more than 30% free of faults on cars up to three years old. One Australian brand was found to have faults on 91% of its cars up to three years old.
- In Consumer NZ's 2008 survey, 74% of all cars up to three years old were reported as being free of faults, and cars from eight to 10 years old (1998 – 2000) were 51% fault-free.

- Japanese brands were all reported as average or above average for reliability and there was no statistically significant difference between New Zealand new models and used import models.
 - Given the dramatic increases in reliability demonstrated in these surveys and the predominance of more reliable Japanese vehicles in the fleet from the mid-1990s as a result of the influx of used Japanese vehicles, (<http://www.transport.govt.nz/research/Documents/The-NZ-Vehicle-Fleet-2011-Sept-update.pdf> page 13) Consumer NZ questions the need to apply inspection frequencies that were considered appropriate over 70 years ago.
3. Consumer NZ notes the studies which have reviewed the evidence for and against regular safety inspections, and concludes there is little reason to justify the high frequency of WOF inspections.
 4. Further, research by the New Zealand Automobile Association indicates that the WOF system is failing to adequately address vehicle defects which may be contributing factors in fatal crashes. (<http://www.aa.co.nz/about/safety-on-the-roads/safer-vehicles/vehicle-licensing-reform-proposals/>)
 5. 5.4% of the vehicles involved in fatal crashes were noted as having defects; of those, 39% did not have a current WOF and 52% had a tyre fault. (<http://www.aa.co.nz/about/safety-on-the-roads/safer-vehicles/vehicle-licensing-reform-proposals/>)

Warrant of Fitness

6. Consumer NZ favours Option two.
7. Consumer NZ favours a first inspection at three years and annual thereafter. We suggest further measures to encourage safe vehicles could include:
 - Improved checks on steering, suspension and anti-lock braking systems. Some WOF testers are known to test-drive and check whether steering and suspension systems work correctly and whether anti-lock systems lock up one or more wheels, while other testing agencies do not test-drive at all.
 - A mandatory test drive for all WOF inspections.
 - Increased effort by Land Transport NZ to ensure all WOF inspections are of a similarly high standard, without being overzealous and failing items that are still serviceable, such as tyres which still have adequate tread depth.
 - Introducing a simple way for motorists to challenge any WOF decision that appears to be no more than an attempt to gain unjustifiable repair business.
8. AA NZ research indicates significant numbers of hazardous tyre faults are not detected by the WOF system in its current form. It is presumed that the most common fault is tyres which are worn below the legal tread depth. (<http://www.aa.co.nz/about/safety-on-the-roads/safer-vehicles/vehicle-licensing-reform-proposals/>)
9. Consumer NZ suggests that fines are not the best means of reducing the number of worn out tyres on vehicles, and recommends an alternative.

10. Parking wardens or roadside inspectors should continue to look for unsafe tyres, but issue notices to provide proof of purchase of a replacement tyre within seven days where a tyre clearly fails the tread depth or other safety requirement. The emphasis should be on encouraging compliance, although failure to provide proof of purchase within a reasonable time should carry a suitable fine.

Certificate of Fitness

11. Consumer NZ supports Option one.
12. Greater flexibility would allow well-managed light vehicle fleets, e.g rental fleets or taxis with newer, lower mileage vehicles to have longer inspection frequency.
13. Retaining the COF for rental fleets offers assurance to overseas tourists that there are routine safety checks.
14. Given the number of high-profile fatalities involving mechanical failures on heavy vehicles in recent years, Consumer NZ is opposed to a wide ranging move to longer inspection frequencies on heavy goods vehicles until there is evidence all operators have improved maintenance standards to a level that minimises risk to other road users.
15. Consumer NZ is not opposed to COF testing using a wider range of sites as in option two, especially for rental cars and taxis.
16. Consumer NZ is strongly opposed to alternative accreditation as in option three.

Annual Vehicle Licensing

17. Consumer NZ supports moves to simplify licensing and to make it more convenient for vehicle and fleet owners to relicence.
18. We agree that some vehicles need not be licensed, or should be able to be licensed at minimal cost.
19. Consumer NZ agrees the infringement should be failing to pay the licence fee rather than failing to display a label.
20. Consumer NZ favours incentives to pay in advance and a reminder system to encourage payment before infringement notices are invoked. Fines should be a last resort.

Transport Service Licences

21. Consumer NZ is opposed to a blanket removal of transport licensing.
22. The provisions that require entrants to meet a "Fit and proper person" standard and to have knowledge of transport law relevant to their operation should be retained.
23. Some means of assuring overseas visitors that our rental car and bus operators meet high standards is considered essential.

24. However, Consumer NZ observes some taxis with up to five Land Transport licence labels on the windscreen. This amount of obscuration would be considered an offence for private motorists. It must be possible to combine some of these labels.
25. Consumer NZ is not opposed to a simplified version of Transport Licensing, and would be pleased to contribute to further discussions.