

# Impacts of changes - Industry

## Why are we making these changes?

Our funding and fees review showed us the exact cost of providing regulation and our regulatory services, and who is paying for which services. The review highlighted the costs of regulation have been unfairly placed on driver licence holders and vehicle owners, and not fairly shared by the industries we regulate.

### The new funding model:

- distributes costs more fairly, reducing the reliance on fees (which disproportionately contribute to overall funding), and spreads costs across a broader range of fees, charges, and funding

- ensures fees and charges for services reflect the costs of providing them and that all users of the service pay their fair share, to make sure:
  - we have the right level of funding to be an effective regulator
  - costs are paid by those that generate them
- increases the share of costs the transport industry pays, because of the:
  - benefits they get from the system
  - need for more regulatory activity in the area
  - move to a risk-based system over time.

## What are group charges?

Some parts of the land transport industry would be impacted by the introduction of group charges, which spread the cost of a regulatory service, or the regulation of a group, across all people and organisations in that group.

We're proposing group charges for WoF and CoF certifiers, border inspectors, entry certifiers, specialist heavy vehicle certifiers, specialist low volume vehicle certifiers, and repair certifiers.

We're also proposing group charges for Transport Service Licence (TSL) holders - one charge for TSL holders who aren't likely to carry dangerous goods (SPSL, LPSL, VRSL) and a different charge for those that might (GSL and RSL).

Waka Kotahi allows these groups to operate within the land transport system which provides them with business benefits, and regulates them, auditing and monitoring to make sure they're doing their job properly and that their work is safe. It costs us money to regulate these groups, so the whole group should contribute to paying these costs.

You can find a breakdown of the costs that make up the scenarios shown in the consultation document (appendix 3).

# Impacts of changes - Industry - Scenarios

NOTE: These numbers are only estimates of costs. 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 per year	Proposed costs per year	Difference \$	Difference (%)
<b>Transport operators</b>					
James	Has signed up as a driver with a rideshare provider. Estimate includes P endorsement (5 year), CoF, rego renewal, small passenger service licence (TSL)	\$708	\$701	-\$7	-1.0%
Isaac	Is a long haul commercial driver, needs to renew his heavy vehicle licence and D endorsement.	\$88	\$51	-\$37	-41.6%
Paora	Runs a house moving business with five vehicles. Estimate includes rego renewal, CoF, RUC per 1,000km, RUCLA (online admin fee) and GSL for each of his five vehicles	\$14,385	\$14,916	\$531	+3.7%
Maia	Runs a commercial logistics business with 15 large trucks, two of which are over 44 tonne. Estimate includes renewal of rego, CoF, RUC per 1000km, RUCLA (online admin fee), 2 applications for higher mass permit exemption, 12 applications for over-dimension permit, GSL per vehicle.	\$286,541	\$288,046	\$1,505	+0.5%
City Connector Bus services	Running a fleet of 50 diesel buses, importing 5 used diesel buses, purchasing RUC online once a month. Estimate includes rego renewal, CoF, registering five new vehicles, entry into NZ for five new heavy vehicles, new plates for five vehicles, RUC per 1000km, RUCLA, and TSL for vehicles.	\$4,483,823	\$4,491,236	\$7,413	+0.2%
<b>Business with vehicle fleet</b>					
MM Construction	A construction company with a fleet of 20 vans, 160 utes, 80 cars and 60 light diesel vehicles, they purchase RUC every month. Estimate includes WoF, CoF, rego renewal, RUC per 1000km, RUCLA (online admin fee) per vehicle.	\$1,369,557	\$1,376,500	\$6,943	+0.5%
<b>Car Importer</b>					
Connor	Car importer importing three used cars to put on display in his car museum, wants to drive two of them. All three cars are left-hand drive and are eligible for an exemption, but have had other modifications done. Estimate includes costs for entry and LVV certification for three cars, rego (two cars), new plates (two cars), left-hand drive exemption (two cars).	\$4,516	\$4,457	-\$59	-1.3%

Persona	Scenario resulting in land transport fees and charges	Current costs per year	Proposed costs per year	Difference \$	Difference (%)
<b>Certifiers</b>					
<b>High Street Autos</b>	WoF, CoF, and repair certifiers completing an average of 644 WoF and 520 CoF per year, want to be able to inspect motorcycles. Estimate includes costs for WoF (per label), CoF (per label), and an application to add inspection group (motorcycle).	\$5,587	\$4,710	-\$877	-\$16
<b>Ji-Yoo</b>	Repair certifier who certifies several vehicles per day. Estimate includes repair certifier charge per vehicle certified.	\$3,448	\$29,233	\$25,785	+748%
<b>HH Certifiers</b>	Border certifiers processing 24,650 certifications each year. Estimate includes charge for entering entry into BIS.	\$156,035	\$352,988	\$196,954	+126%
<b>WW Engineering</b>	Heavy vehicle engineers certifying 207 heavy vehicles each year, are relocating to a larger workshop which will require certification by Waka Kotahi. Estimate includes heavy vehicle certifiers group charge (per certification) and application for relocation of inspection site.	\$1,530	\$9,808	\$8,278	+541%
<b>DD Certifiers</b>	Low Volume Vehicle certifiers certifying 185 vehicles each year. Estimate includes LVV charge per certification.	\$2,945	\$7,027	\$4,082	+139%
<b>Data users</b>					
<b>Anita (processes online liquor orders)</b>	Accessing Waka Kotahi age verification data (DLR) 1000 times. Estimate includes DLR users charge (per access).	\$140	\$140	no change	no change