

31 October 2012

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

Via email: [vehiclelicensingreform@transport.govt.nz](mailto:vehiclelicensingreform@transport.govt.nz)

Dear Sir / Madam

### **Insurance Council's submission to the Vehicle Licensing Reform Discussion Document**

The Insurance Council represents 27 insurers, 9 of which provide all forms of Motor Insurance for both light vehicles through to heavy fleet. The Ministry of Transport Vehicle Licensing Reform proposals are of significant interest to our members.

#### **Options for reforming the Warrant of Fitness**

As for the options for reforming the Warrant of Fitness system, as outlined in the Vehicle Licensing Reform discussion document, the Insurance Council would prefer to stay with the status quo. That is, yearly inspections for all vehicles up to 6 years old, and 6-monthly inspections for vehicles older than 6 years of age.

The Insurance Council believes that any proposals to reduce vehicle safety inspection frequency are likely to reduce safety on our roads.

Our particular concerns are with the safety condition of vehicle tyres, brakes and suspension between increased Warrant of Fitness inspections intervals on vehicles over 6 years.

The average age of the light motor fleet in New Zealand is 13½ years and the Insurance Council believes that any proposal to reduce vehicle safety inspection frequency on vehicles over 6 years is likely to reduce safety on our roads. An extension from the current 6-monthly inspections to 12-months could see more of these vehicles being operated with worn tyres, suspension and brakes. Tyres and safety components that may be in a warrantable condition in an annual inspection regime, are more likely to be below minimum standards when their next Warrant of Fitness is due in 12-months' time.

More vehicle owners could be driving vehicles with worn/unsafe tyres, suspension and brakes increasing the danger for all road users.

The Insurance Council recognises there could be valid arguments for worn tyres and brakes to be a problem even on vehicles under 6-years of age that would be subject to annual Warrant of Fitness inspections, however the majority of these vehicles are likely to be covered under some form of vehicle warranty/service plan and would be serviced by a franchise dealer. Those service checks would normally identify any tyres and brakes that are worn and need replacing.

## **Commercial Vehicle Certificate of Fitness**

The Insurance Council supports Certificate of Fitness (CoF) that allows a variable inspection frequency that defaults to 6-months, but can be extended to 12-months when commercial vehicles demonstrate a high level of fault compliance. This would encourage commercial vehicle operators to maintain their vehicles and gain a 12-monthly inspection frequency status. The Insurance Council believes it's important that all this is linked in with the future planned 'Operator Rating Safety System' that would track CoF issues.

It is in the interests of all road users that commercial vehicles are maintained to very high safety standards. A safety component failure on a heavy vehicle that results in an accident can have far more consequences to other road users than the failure of a safety component in a light vehicle.

## **Annual Vehicle Licensing**

The Insurance Council supports the discussion document's ideas for improving the annual vehicle licensing system.

The Insurance Council suggests that consideration be given to one purchase transaction for both annual Warrant of Fitness and Vehicle Licensing.

## **SUMMARY**

The Insurance Council is concerned that reducing the Warrant of Fitness frequency to 12-months for all vehicles introduces the risk for a higher number of vehicle owners operating with worn or unsafe tyres, suspension or brakes. Retaining the current two tier Warrant of Fitness approach for light motor vehicle inspections would ensure safety standards are maintained and minimise the risk to all road users from vehicles with worn safety components, particularly worn tyres.

Certificate of Fitness for commercial vehicles should default at 6-months with flexibility out to 12-months, dependant on the owner attaining high levels of fault compliance and direct connection to the planned Operator Rating Safety System.

We are comfortable with the proposal outlined in the discussion document for Annual Vehicle Licensing.

If you have any questions regarding our submission then please contact John Lucas on 04-495 8006 or [john@icnz.org.nz](mailto:john@icnz.org.nz)



Chris Ryan  
**Chief Executive**