

9 November 2017

Cody C
fyi-request-6678-3ef39dfc@requests.fyi.org.nz

REF: OIA-3290

Dear Cody

Request made under the Official Information Act 1982

Thank you for your email of 11 October 2017 requesting the following information under the Official Information Act 1982 (the Act):

1. *The actual cost, or most recent near estimate, incurred by the NZTA, or its partners (as applicable), for an application for a full class 1 or 6 licence*
2. *The actual cost, or most recent near estimate, incurred by the NZTA, or its partners (as applicable), for a practical test for a full class 1 or 6 licence*
3. *The amount of surplus (\$) that NZTA derives from driver licensing fees, if any*
4. *Supporting documents & justification used at the time of publishing the Schedule "Fees for driver testing and driver licensing" in the Land Transport (Driver Licensing and Driver Testing Fees) Regulations 1999*
5. *It appears the fees were last changed on 1 July 2010. Please advise why the fees have not changed in the subsequent years given that it is highly likely that the associated costs would have also changed during this time.*

The following documents fall within the scope of your request and are enclosed:

- Attachment 1: *Driver licensing and testing memorandum accounts 2008-2017*

For clarification, I will address each of your questions in turn.

Questions 1 and 2

Since the last review of driver licence fee structure in 2010, the cost structure has changed significantly, with a range of provider and system changes influencing the costs incurred by the NZ Transport Agency relating to all driver licences. Given that provider and system costs/ services apply to all types of licences, costs are not able to be identified by licence type. Therefore, the Transport Agency cannot provide you with this detailed information as it does not exist in the form you are requesting. Therefore, I am refusing this part of your request under section 18(g) of the Act, as the information requested is not held by the Transport Agency and there is no reason to believe the information is held by any other organisation.

For completeness, the current fee for getting a full class 1 or 6 driver licence is \$109.50. Of this, \$49.60 is the application fee and \$59.90 is the practical test fee. Of the \$109.50 fee, \$14.30 accounts for GST and the remaining \$95.20 is used to pay for the portion of the Transport Agency's operating expenses over 10 years (the validity of the licence). This equates to approximately \$9.50 per year, which generally, depending on the type of licence, covers the cost of one or more of the following:

- paying agents for processing licence applications on the Transport Agency's behalf;
- manufacturing and postage of each photo licence card;

- ongoing review and improvement of driver licensing processes, tests and courses;
- auditing agents, testing officers and course providers to ensure they are complying with all; relevant legislation and Transport Agency requirements;
- investigation of complaints into the activities of commercial drivers, agents, testing officers, driving instructors and course providers;
- development and maintenance of IT systems required to effectively administer the driver licensing system;
- providing customer assistance via a multi-channel helpdesk (0800, email and written correspondence);
- recording infringements and convictions imposed by the Police and the Courts; and
- administering the demerit point regime (including mailing warning letters and personally serving suspension documents).

The Transport Agency is currently investigating service improvements that could be made to the driver licence system through a request for information (RFI) process. Following the completion of this, and a potential request for proposal (RFP) process, there is an opportunity for changes to the services provided.

Question 3

The fees for driver licences, taking into account the range of possible costs above, are set based on an estimated number of applications. This means that the difference between the revenue gained and expenses incurred vary year to year. Attachment 1 details the revenue and expenses for driver licencing and testing from the 2008/09 to 2016/17 financial year.

Questions 4 and 5

The Transport Agency considers that these questions are more closely connected with the functions of the Ministry of Transport, which is responsible for the legislation referred to in question 4 and is currently undertaking a review of the Driver Licence system that influence the costs and fees involved in question 5. Subsequently, the Transport Agency transferred these questions to the Ministry of Transport under section 14 of the Act on 1 November 2017. More information relating to this review can be found on the Ministry of Transport's website at www.transport.govt.nz/land/driverlicensingreview/.

Under section 28 of the Act, you have the right to ask the Ombudsman to review my decision to refuse your request for information relating to questions 1 and 2 of this request. The contact details for the Ombudsman can be located at www.ombudsman.parliament.nz.

If you would like to discuss this reply with the Transport Agency, please contact me by email on Rhys.Clark@nzta.govt.nz or by phone on (04) 901 6743.

Yours sincerely



Rhys Clark

Senior Manager, Operational Policy, Planning & Performance