

## Proactive Release

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Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
9(2)(a)	to protect the privacy of natural persons

PROACTIVELY RELEASED BY THE MINISTRY OF TRANSPORT



12 February 2026

OC260000

**Hon James Meager****Action required by:****Associate Minister of Transport**

Tuesday, 17 February 2026

## **REVIEW OF WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A REQUIREMENTS: FINAL DECISIONS**

### **Purpose**

This briefing seeks your agreement to changes to warrant of fitness (WoF) and certificate of fitness A (CoF A) requirements, and complementary initiatives to mitigate safety risk. This briefing provides a high-level summary our analysis and recommendations. More detailed analysis is included in the attached summary of submissions and regulatory impact statements (RIS).

### **Key points**

- Public consultation on proposed changes to light vehicle inspection requirements has ended, with 74 percent of submitters supporting reducing inspection frequency for lower-risk vehicles.
- Submissions that supported the changes emphasised the benefits of reduced compliance cost and the improved safety of modern vehicles. Submissions that opposed the changes emphasised the increased safety risk, inconsistent practices in vehicle maintenance, and negative effect on the inspection industry.
- The Ministry recommends you seek Cabinet agreement to a package of changes that delivers significant reductions in compliance costs and includes complementary initiatives to mitigate safety risks.
- Our recommended changes are expected to deliver net benefits of between \$1,864m and \$4,101m, but there is a choice about the acceptable level of safety risk. There is always uncertainty in modelling policy changes. We have taken a conservative approach in modelling the safety impact changes in several ways, most notably by including all crashes with vehicle defects in our analysis, despite having no evidence that the vehicle defect(s) caused or contributed to the crash.
- For some changes, the Ministry of Transport and the New Zealand Transport Agency Waka Kotahi (NZTA) have different recommendations. This reflects different emphasis placed on

minimising total additional risk versus maximising benefits where they outweigh the risks. The table below summarises the recommended changes:

Change	Ministry of Transport recommended	NZTA recommended
<i>Length of first WoF</i>	Increase from three years to four years	
<i>Threshold to go from two yearly to yearly inspections</i>	Fourteen years of age	Ten years of age
<i>Inspection requirements for light rental service vehicles (currently six-monthly)</i>	Annual inspections for all light rental service vehicles	
<i>Inspection scope</i>	Require inspection of Advanced Driver Assistance Systems features where present	
<i>Penalties for non-compliance</i>	Increase the infringement fee for having bald or damaged tyres to \$350 Increase the infringement fee for having a WoF expired for more than two months to \$350	
<i>Other initiatives</i>	Support increased enforcement by councils Increased education by NZTA	

- The Ministry and NZTA recommend increasing the financial penalties for WoF non-compliance. This paper proposes changes that we have assessed as providing the best balance across proportionality and feasibility in the context of mixed evidence of financial penalty efficacy.
- Additionally, our discussions with councils have identified options to strengthen their current enforcement. These range from quick fixes to broader reforms. If you are interested in making changes quickly, we recommend you seek Cabinet agreement to take decisions on cost barriers to local enforcement that are directly within the Crown's control. Longer term or broader reforms could be included in future work programmes by NZTA or the Ministry.
- We will be available to discuss this briefing at the weekly officials meeting on Tuesday 17 February 2026. We are currently preparing a Cabinet paper for you and the Minister of Transport to seek decisions for several Land Transport Rules Reform Programme workstreams in March 2026.
- If you agree, we expect a new rule to be signed in April 2026 and come into effect by November 2026. NZTA is leading implementation and will work with the inspection industry and enforcement partners to deliver the changes alongside increased public education to support compliance.
- We expect to monitor the changes and conduct implementation and outcomes evaluations two and five years after implementation respectively. The upcoming Letter of Expectations from Minister Bishop to the NZTA board is an opportunity to emphasise the importance of this monitoring.

## Recommendations

We recommend you:

### *Two-yearly inspections*

- 1 **agree** to introduce two-yearly inspections for the following vehicles:
- Vehicles four to fourteen years old: WoF required every two years (Ministry of Transport recommended) Yes / No
- OR**
- Vehicles four to ten years old: WoF required every two years (NZTA recommended), Yes / No
- 2 **agree** that vehicles over the age threshold agreed in recommendation 1 require a WoF every year, Yes / No

### *Light rental vehicles*

- 3 **agree** that all light rental vehicles require a CoF A every year, Yes / No

### *Other*

- 4 **agree** that new vehicles require a second WoF at four years rather than three years, Yes / No
- 5 **agree** to require inspection of Advanced Driver Assistance Systems features where present, Yes / No
- 6 **agree** to introduce a two-tier infringement fee for WoF based on time since expiration:
- Less than two months: \$200 (status quo) Yes / No
  - Greater than two months: \$350,
- 7 **agree** to increase the infringement fee and maximum court ordered fine for Land Transport Rule: Tyre and Wheels 2001 non-compliance to \$350 and \$1,000 respectively, Yes / No
- 8 **agree** to seek Cabinet agreement to direct officials to investigate short-term options for reducing cost barriers to local enforcement of WoF non-compliance, Yes / No
- 9 **agree** to suggest to the Minister of Transport that the Letter of Expectation to the NZTA board include:
- improving the quality of data held in the Motor Vehicle Registry to support effective and efficient enforcement of Warrant of Fitness requirements Yes / No
  - monitoring and evaluation of the planned changes to light vehicle inspection requirements, Yes / No
- 10 **direct** officials to consider including the role of local government in enforcement in the Ministry's future work programme, Yes / No
- 11 **agree** to seek Cabinet agreement to the proposed changes based on decisions in this briefing, Yes / No
- 12 **refer** this briefing to Hon Chris Bishop, Minister of Transport, and Yes / No

13 agree to proactively release this briefing as part of the proactive release of the Cabinet paper with any redactions made consistent with the Official Information Act 1989.

s9(2)(a)



Paul O'Connell  
Deputy Chief Executive, Sector Strategy  
12 / 02 / 2026

Hon James Meager  
Associate Minister of Transport  
..... / ..... / .....

- Minister's office to complete:
- Approved
  - Declined
  - Seen by Minister
  - Not seen by Minister
- Comment
- Overtaken by events

**Contacts**

Name	Telephone	First contact
Keegan Taylor, Principal Advisor, Regulatory Reform	s 9(2)(a)	✓
Laura Bender, Acting Manager, Regulatory Reform	s 9(2)(a)	

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## REVIEW OF WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A REQUIREMENTS: FINAL DECISIONS

### Most submitters support the proposed changes to light vehicle inspection requirements

- 1 In June 2025, Cabinet agreed to the Land Transport Rules Reform Programme (the programme) [CAB-25-MIN-0187 refers]. As part of this programme, you are responsible for a review of WoF and CoF A requirements for light vehicles. NZTA undertook public consultation on proposed changes to light vehicle inspection requirements between 29 October 2025 and 17 December 2025 based on the following proposals:
  - 1.1 Reduced inspection frequency:
    - 1.1.1 First WoF issued for four years instead of three years
    - 1.1.2 Two yearly/yearly inspection based on a ten-year threshold instead of yearly/six-monthly
    - 1.1.3 Yearly inspections for light rental vehicles under five years old instead of six-monthly.
  - 1.2 Strengthened inspection scope that requires checks of Advanced Driver Assistance Systems features where available
  - 1.3 Investigating increased public education, enforcement, and penalties for non-compliance to mitigate the possible negative safety effects of reduced inspection frequency.
- 2 5,215 submissions were received with 74 percent of submitters indicating they support reducing inspection frequency for lower-risk vehicles. Key themes of feedback for each proposal are outlined below. The Summary of Submissions prepared by NZTA (Annex 1) provides more detailed summaries.

### Changes are expected to deliver net benefits of between \$1,864m and \$4,101m, depending on your preferred option

- 3 Based on our review of submissions and further analysis undertaken since public consultation, the Ministry recommends you seek Cabinet agreement to a package of changes that delivers significant reductions in compliance cost and includes initiatives to partially mitigate additional safety risk. Most elements of this package are the same as proposed in public consultation, but Ministry officials recommend changes to the thresholds chosen for some inspection intervals.
- 4 For these changes, NZTA holds a different view, and we have included its rationale in this briefing. The draft RISs attached as Annexes 2 and 3 provide more detailed analysis of the changes. Once you have made your decision, these will be finalised and attached to a Cabinet paper for consultation and lodging.

### The Ministry and NZTA recommend shifting the first WoF from three to four years, as proposed

- 5 Currently new vehicles are required to undergo their first inspection when they enter the country followed by a second inspection three years later. Public consultation proposed shifting this period out to four years. Public consultation material also included an option to extend this period out to five years based on some other jurisdictions' requirements (e.g., New South Wales, Australia).
- 6 Submissions were split between supporting and opposing the proposed change, with most industry submissions opposing the proposal. Submissions that supported the change cited more reliable vehicle components and warrant and servicing plans as reasons. Submissions that opposed the change noted younger vehicles often travel higher distances meaning components like tyres are likely to need replacing within this period.
- 7 The Ministry and NZTA recommend you shift the second inspection to four years because the evidence suggests this vehicle cohort is low risk. There are very few incidents for these vehicles even when accounting for the small cohort size. Inspection pass rates also remain high, suggesting that these vehicles are well maintained, even if used frequently. Our modelling indicates that this change will deliver net benefits of between \$341m and \$505m over the next 30 years. Based on the mixed support for an extension to four years, we do not recommend a further extension to five years.

**The Ministry and NZTA recommend inspections every two years, moving to yearly inspections after a specified vehicle age**

- 8 Currently, most light vehicles require an annual inspection, with some older vehicles requiring six-monthly inspections. Public consultation proposed introducing two-yearly inspections for vehicles below a ten-year threshold. Public consultation material included other options for inspection intervals and asked submitters if they supported a threshold higher than ten years.
- 9 Industry submissions were mixed, but overall submissions indicated either support or conditional support. Submissions that supported the change cited the improved safety of modern vehicles, the benefits of reduced compliance, and how regular servicing can effectively identify issues. Submissions opposing the change argued that people do not adequately maintain their vehicles so the changes would increase the risk of crashes occurring.
- 10 A minority of submitters suggested distance-based inspection requirements instead of fixed time intervals. While distance travelled is arguably a better proxy for a vehicle's mechanical condition, there are significant implementation and compliance issues that would need to be resolved before distance-based inspections could be introduced. We recommend reconsidering this option once the transition to Road User Charges has occurred, as these implementation barriers are more likely to have been addressed.
- 11 The Ministry and NZTA recommend changing the inspection requirements for light vehicles from annual inspections to two-yearly inspections, moving to yearly inspections after a specified vehicle age.
- 12 We have developed two options for the age-based two-yearly/yearly inspections:

12.1 **Option one:** a ten-year threshold for moving from two-yearly inspections to yearly inspections.

12.2 **Option two:** a fourteen-year threshold for moving from two-yearly inspection to yearly inspections.

13 The following table compares the key benefits and cost of each option over the next 30 years, which is further expanded on in the following paragraphs. While our modelling does attempt to monetise the wider social and personal effects of crashes (eg, ability to work and general wellbeing), these factors cannot fully be accounted for in this way, and must be considered when introducing additional risk.

	Ten-year threshold	Fourteen-year threshold
Benefits	\$1,182m to \$1,751m	\$3,226m to \$4,600m
Cost	\$89m to \$302m	\$351m to \$776m
Total effect of all changes (net present value)	\$1,864m to \$2,786m	\$2,644m to \$4,101m
Increased crashes		
Fatal	3 to 10	11 to 24
Serious injury	17 to 60	74 to 166
Minor injury	92 to 345	429 to 964

14 While there is always uncertainty about the accuracy of modelled predictions, introducing two-yearly inspections delivers such significant savings that, even if costs are much higher than expected or most benefits are not realised, both the ten- and fourteen-year threshold options would likely deliver significant net benefits.

15 Additionally, our modelling makes several conservative assumptions that mean the safety effects of the changes may be overstated. Most notably, we have included all crashes with vehicle defects in our analysis, despite having no evidence that the vehicle defect(s) caused or contributed to the crash.

16 Two-yearly inspections rely on people taking more responsibility for vehicle maintenance, which is likely to take time. People may need to operate under the new system settings for several years before the required change in vehicle maintenance practices is embedded.

*Option one: a ten-year threshold for moving to yearly inspections*

17 **A ten-year threshold delivers significant reductions in compliance costs.** Modelling indicates a ten-year threshold would deliver benefits of between \$1,182m and \$1,751m through reduced inspection costs, compliance time, and avoided repairs over the next 30 years.

18 **A ten-year threshold introduces safety risk.** Modelling estimates introducing a ten-year threshold may result in more crashes where vehicle condition faults are a contributing factor (refer to the table above). For a ten-year threshold, the social cost of these crashes is estimated at between \$34m and \$223m over the next 30 years.

19 **Fifty-seven percent of submitters supported a ten-year threshold proposed during public consultation.** Other thresholds were proposed in public consultation, but a ten-year threshold was put forward as the preferred option at the time. 57 percent of submissions from public consultation supported the ten-year threshold. Further, key industry groups such

as the AA supported a ten-year threshold, while VTNZ recommended a lower threshold of seven years.

- 20 **A ten-year threshold poses risk to inspection availability.** We estimate that introducing a ten-year threshold would lead to a 25 percent reduction in inspection activity. This could result in up to 540 fewer industry FTE and \$76m less revenue. Consequently, this could make inspections harder to access because some business may choose not to offer inspections.

*Option two: setting a fourteen-year threshold for moving to yearly inspections*

- 21 **A fourteen-year threshold could deliver almost double the benefits of a ten-year threshold.** Modelling indicates a fourteen-year threshold is expected to deliver between \$949m and \$1,406m additional benefits compared to a ten-year threshold over the next 30 years.
- 22 **A fourteen-year threshold introduces greater safety risk.** Modelling suggests that a fourteen-year threshold is likely to result in more crashes where vehicle condition faults are a contributing factor (see the table above). The social cost of these crashes is estimated between \$196m and \$490m over the next 30 years.
- 23 **Nineteen percent of submitters supported a threshold greater than ten years.** Many of these submitters pointed to requirements in other jurisdictions, such as Australia, where vehicle inspections are typically required at point of sale.
- 24 **A fourteen-year threshold poses a greater risk to inspection availability.** We estimate that introducing a fourteen-year threshold would lead to a 32 percent reduction in inspection activity that could result in up to 703 fewer industry FTE and \$98m less revenue.

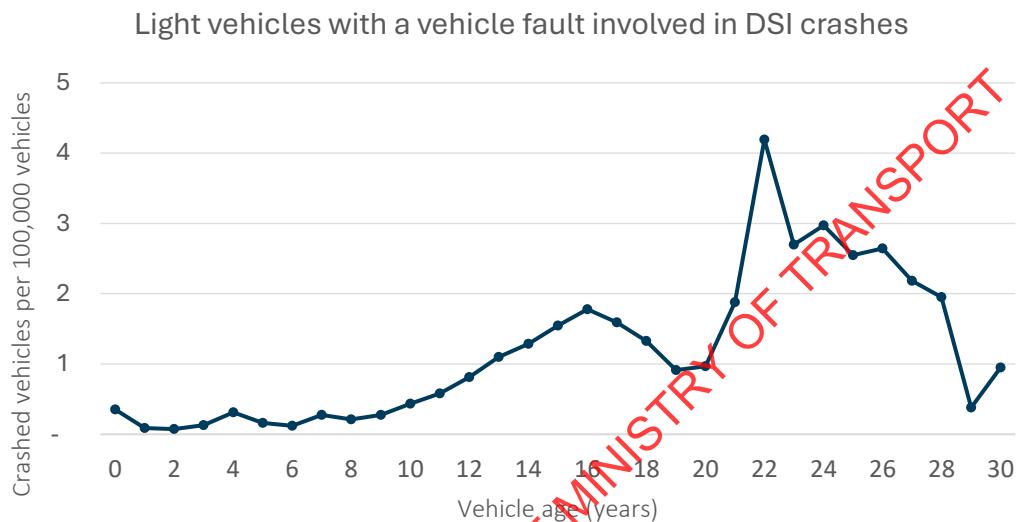
*NZTA recommends a ten-year threshold for moving to yearly inspections (Option one)*

- 25 NZTA recommend establishing a ten-year threshold for moving to yearly inspections. This recommendation is based on the increased safety risk of a higher threshold and the risk of reducing inspection capacity particularly in smaller communities.
- 26 NZTA is confident increased enforcement and education will positively impact people's behaviour over the medium-to-long term. However, it may take two to three years before most drivers fully understand and consistently act on their new responsibilities. During this period, vehicles aged 12–14 years would receive warrants of fitness that remain valid for two years, which could create a short-term risk of increased deaths and serious injuries.
- 27 The impacts on the inspection industry are more sustainable if a threshold is set at 10 years. The impacts of a 14-year threshold – even accounting for phased implementation are well beyond the normal 6–8 percent seasonal variation the sector is used to managing. It could force providers to significantly adjust staffing levels. Inspection businesses—particularly smaller or regional operators—could struggle to absorb such a sudden loss of throughput, increasing the likelihood of redundancies or site closures.

*The Ministry recommends a fourteen-year threshold for moving to yearly inspections (Option two)*

28 The Ministry recommends a fourteen-year threshold as a higher-risk, higher-benefit option. A fourteen-year threshold could deliver significantly more benefits that far exceed the expected additional costs, which is a key objective of the review.

29 As shown in the following graph, the number of crashes by vehicle age suggest that there is a moderate increase in vehicle risk from about ten years of age followed by a significant increase in vehicle risk from about twenty years of age. A fourteen-year threshold attempts to strike a balance between delivering additional benefits at the cost of additional safety risk.



30 Reduction in industry revenue is a consequence of delivering compliance cost savings, as reduction in inspection fees is a key driver of savings. While there is a risk that reduced revenue would lead to less inspection availability, the Ministry considers this risk is low. Urban areas are likely to have the scale to maintain sufficient availability while regional areas are typically serviced by mechanics whose main revenue stream is vehicle repairs, rather than inspections. Industry submissions did not raise material concerns with inspection availability because of the changes.

**The Ministry and NZTA recommend reducing inspections for light rental service vehicles to yearly**

31 Currently, light rental and passenger services vehicles (eg, rentals cars, rideshares, taxis) require a six-monthly CoF A inspection. Public consultation proposed reducing this requirement to yearly for vehicles less than five years old. We also raised other options that would reduce inspection requirements to yearly for more vehicles currently subject to the six-monthly inspections.

32 53 percent of submitters supported the proposal, including most industry submissions. Submissions that supported the change argued the regular servicing these vehicles receive means these vehicles are low risk. Submissions that opposed the change argued that these vehicles are higher risk based on the greater distances they travel.

33 The Ministry and NZTA recommend the reduction from six-monthly to yearly inspections apply to all light rental service vehicles, rather than just those less than five years old. While it seems reasonable to assume that higher vehicle mileage and inconsistent maintenance

across operators increases the risk of this cohort, there has only been one crash in this cohort recorded since 2014. We therefore consider that limiting the change to vehicles under five years old adds additional complexity to requirements and forgoes material net benefits estimated at between \$160m and \$230m over the next 30 years.

- 34 We do not recommend extending the default annual inspection to other CoF A vehicle (e, taxis) as there is less evidence of consistent maintenance practices for these vehicles.

### **The Ministry and NZTA recommend complementary changes to mitigate safety risk**

- 35 The changes to inspection frequency increase the risk of fatal, serious injury and minor injury crashes occurring. Public consultation material indicated officials were investigating ways of mitigating the increased risk of crashes through expanded inspection scope, targeted increases to penalties, local enforcement, and public education.

### *The Ministry and NZTA recommend requiring inspection of Advanced Driver Assistance Systems features*

- 36 Currently, there is no requirement for Advanced Driver Assistance Systems features (eg, Automatic Emergency Braking) to be working. This is despite these features now being common and capable of controlling a vehicle in place of, or alongside, a driver. Public consultation proposed requiring these features to be working if fitted.
- 37 Forty-one percent of submitters supported the proposal, with the industry indicating either support (54 percent) or conditional support (23 percent). Submissions supporting the change highlighted that these features are an important part of a vehicle's safety features and drivers rely on them. Submissions opposing the change were concerned about the additional cost of including them in inspections and noted that they do not affect a vehicle's roadworthiness.
- 38 Evidence shows that Advanced Driver Assistance Systems features deliver safety benefits by reducing the likelihood and severity of crashes. The Ministry and NZTA do not expect there to be significant additional costs associated with the new requirement as the inspection will be a visual check rather than relying on on-board diagnostics. We therefore recommend requiring Advanced Driver Assistance Systems features to be working if fitted.

### *The Ministry and NZTA recommend increasing penalties for non-compliance*

- 39 Currently, failure to display a current WoF can attract an infringement fee of \$200. Operating a vehicle with a defect like a broken light or bald tyre can attract an infringement fee of \$150. WoF non-compliance rates are estimated to be between 11 and 19 percent.
- 40 These penalty rates have not been adjusted since 1998. Additionally, the one-size-fits-all approach for vehicle defects fails to reflect that the most common vehicle defect (41 percent) in crashes is tyres. There is an opportunity to improve compliance and mitigate some of the increased risk associated with reduced inspection frequency by strengthening the deterrent effect of penalties.

41 The Ministry has considered a range of options, summarised in the table below. The range of options we have considered has been constrained by what changes could be made within secondary legislation. Other jurisdictions have stronger enforcement levers available (eg, vehicle impoundment). If you wish to consider a broader set of options that contains stronger enforcement tools, a longer work programme would be required. More detailed analysis is available in the draft RIS (Annex 3).

Option	Improves safety outcomes	Proportional	Equity	Feasibility
Option 1: Increase infringement fee for non-compliant tyres and wheels to \$350	+ Higher fee may increase compliance	+ Changes rectify inflation-based weakening and are targeted to a key vehicle defect	- Disproportionally negatively affect lower income individuals	0 Minimal implementation cost
Option 2: Introduce demerit points for not having a WoF	++ Demerit points likely to be more effective than current infringement fee	- Demerit points are primarily focused on higher risk behaviours like drink driving or speeding	0 Broadly the same as the status quo based on the assumption that demerit points apply equally to all drivers	- Requires NZTA to manage an additional demerit offence
Option 3: Introduce graduated system based on time since WoF expiration	+ Higher fee may increase compliance	+ Changes rectify inflation-based weakening and respond to long-term non-compliance	- Disproportionally negatively affect lower income individuals	0 Minimal implementation cost
Option 4: Introduce a graduated system with demerit points	++ Higher fee may increase compliance and demerit points likely to be more effective than current infringement fee	0 Broadly the same as the effects of fees and demerit points offset each other	- Disproportionally negatively affect lower income individuals	- Requires NZTA to manage an additional demerit offence

42 The Ministry and NZTA recommend you seek Cabinet agreement to a package that introduces a graduated infringement structure for WoF non-compliance (Option 3) alongside an increase in infringement fees for tyre and wheel defects (Option 1). While there is mixed evidence on the effectiveness of penalties, we consider these changes represent the best balance between potential improvements in safety outcomes and proportionality, equity, and feasibility considerations. We expect to align the changes to these infringement fees with those being made as part of the review of penalties for high-risk traffic offences, expected to be considered by Cabinet in March 2026.

*Further work could explore increasing local enforcement*

43 Parking wardens are authorised to enforce WoF/CoF A non-compliance and are estimated to have issued about a quarter of the total infringements for not having a WoF in 2024. While some councils still have parking wardens walking the streets, licence plate recognition (LPR) vehicles are increasingly being used to monitor compliance. These vehicles use cameras to record vehicle information so parking wardens can increase the range and frequency of enforcement.

- 44 The Ministry and NZTA identified increased local enforcement as a potential avenue for mitigating safety risk going into public consultation, particularly because NZ Police (Police) has indicated that their focus is on higher risk traffic offences (eg, drunk driving). Since then, we have investigated opportunities to strengthen local enforcement.
- 45 Our discussions with local councils have identified the issues listed in the table below as barriers to enforcement. Some of the identified issues will be addressed by existing work programmes, while other issues would require further work to address.

Issue	Description	Comment
Legislative barriers to digital enforcement	Current legislative wording relies heavily on physical stickers and posting or physically delivering infringements. This causes complications for licence plate recognition vehicle enforcement and increases the cost of processing infringements.	Changes made by the Regulatory Systems (Transport) Amendment (RSTA) Bill and the Service Modernisation workstream of the programme are expected to address this issue and improve digital enforcement.
Data quality issues within the Motor Vehicle Registry (MVR)	Inaccurate contact details undermine infringement service and court action. These issues either require extensive manual processing or result in unpaid infringement fees.	May be partially addressed by RSTA changes and the Service Modernisation workstream of the Rules Reform programme, which aim to increase the provision/updating of email addresses.
Cost barriers	Licence plate recognition vehicles generate large volumes of data that need to be checked against the Motor Vehicle Registry, but each plate lookup currently incurs a fee. Currently, councils are also required to return 50 percent of the infringement revenue to the Crown, further limiting the ability for enforcement to be self-funding and reducing the incentive for enforcement.	There are existing provisions in legislation that allow for flexibility to adjust these costs under certain circumstance. Targeted changes to these setting could reduce the cost that councils face in undertaking enforcement. The fiscal effect of these changes would be mitigated by the additional revenue brought in by increased infringement fees and higher infringement volumes.
Enforcement inconsistencies	Lack of consistency between councils and between councils and Police fuels public confusion and appeals.	There are limited forums for collaboration, and some councils indicated they would appreciate national guidance being provided by NZTA to support their enforcement approach. Further work would be needed to identify the most effective mechanism to encourage consistency.
Weak tools for dealing with recidivist offenders	Councils have limited powers in situations where vehicles accumulate large numbers of unpaid infringements.	Addressing these circumstances is likely beyond the scope of this work, as they stem from broader social and economic causes.

- 46 Changes to address cost barriers could be made quickly, as legislative provisions exist to adjust the portion of infringement revenue required to be returned or the fee changed for accessing the MVR. For example, officials could design a process whereby councils request a greater proportion of infringement fee revenue in exchange for developing a plan on how they will increase their enforcement of WoF non-compliance. The additional revenue expected because of increased infringement fees could help minimise any negative fiscal effects.
- 47 If you wish to progress this work, we recommend you seek Cabinet agreement to direct officials to report back to a group of Ministers (likely yourself, finance and local government),

and to delegate you the authority to take decisions consistent with the overall intention of strengthening WoF enforcement.

- 48 MVR data quality is a well-known issue that will likely constrain enforcement agencies' ability to shift to more efficient, digital enforcement. For example, around 500,000 customer records carry invalid addresses, and approximately 49,000 ownership changes remain unconfirmed annually. NZTA already has work underway to improve the MVR including modernising the underlying technology, bolstering its capability and useability, and improving data integrity.
- 49 If you wish to use increased WoF enforcement as the impetus for a greater focus on improving how NZTA is managing the MVR including the quality of the data it holds, we recommend you seek to incorporate this into the upcoming Letter of Expectations to the NZTA board. The Ministry provided advice and a draft Letter of Expectations to the Minister of Transport (OC260034 refers) on which we recommended he seek your feedback.
- 50 Finally, questions about the role of local enforcement in the transport space, and how it aligns with Police and NZTA enforcement, are broader issues that require significantly more policy analysis. Our initial view is that there may be benefit in considering the role of local enforcement further, including more effective and efficient enforcement, based on the outcome of similar changes made in the United Kingdom. Subject to your direction, we could consider this for inclusion in our upcoming work programme.

*NZTA can encourage owner responsibility through increased public education*

- 51 Currently, NZTA's website provides information on how people can check the condition of some of their vehicle's key safety features such as tyres, lights, suspension and braking. NZTA will review this content to make sure it is up-to-date and covers all aspects of vehicle safety that can be reasonably monitored by the public (rather than inspectors).
- 52 Subject to Cabinet agreement of the changes to inspection settings, NZTA is planning to increase its efforts to improve the public's understanding of their vehicle condition responsibilities through:
- 52.1 Change promotion – information to help people understand changes
- 52.2 Education – more prominent, frequent public information material about how best to check for and maintain safe vehicle condition (eg, tyre tread depth, wipers, safety belts).

*Implementation of the new rule will start from November 2026*

- 53 NZTA is preparing to implement the changes as a result of the new rule by November 2026. To minimise significant swings in demand for inspections between years because of the changes, we recommend phasing implementation of two-yearly inspections by making the newer portion of the proposed vehicle cohort eligible for two-yearly inspections from November 2026 with the remaining, older portion of vehicles eligible from November 2027. For example, vehicles registered after 1 November 2019 would be eligible for two-yearly inspections from November 2026 followed by vehicles registered after 1 November 2013 from 1 November 2027.

- 54 While this will mean some people would not be eligible for the reduced frequency until a year later, this avoids considerable variation in inspection demand of approximately 30 percent at a time when the industry is having to adjust to 30 percent lower inspection volumes overall. Average variation across a year is 13 percent. Our cost benefit analysis did not account for the phased implementation approach, but over the 30-year horizon, phasing would not materially change the modelled benefits and costs.
- 55 To implement a threshold based on age in years, the requirements must specify how they apply vehicles inspected between their anniversary dates (eg, inspected at 9 years and 10 months old). We are drafting the rule to allow all vehicles up to the agreed threshold (ten or fourteen years) to be eligible for a WoF that lasts two years, as is the case in most other jurisdictions with age-based inspections. In practice this will mean that there will be some vehicles that will not be inspected until almost two years after the threshold for requiring annual inspections. For example, under a ten-year threshold, a vehicle that is 9 years and 364 days old would receive a two-year WoF and not require another inspection until the vehicle is 11 years and 364 days old.
- 56 These changes are expected to reduce NZTA fee revenue by an average of \$6.4m p.a. over the next four years, less any decrease in cost from reduced operational activity related to inspections. The reduction in revenue is expected to be factored into the recommendations of the NZTA funding review currently scheduled to take effect in 2027/2028. Because of the timing of the review, the reduction in fee revenue may lead to a further deterioration of the current deficit in the short term.
- 57 NZTA will work closely with industry to support the approximately 8,500 vehicle inspectors who will need implement the changes when performing inspections as well as with enforcement partners including Police, the Ministry of Justice and local enforcement. In total this implementation is estimated to cost \$2.01m over a fifteen-month period. This cost includes changes required to multiple operational system (eg, the MVR).
- 58 We expect to monitor key indicators on a regular basis and evaluate the changes two and five years after implementation. We recommend you seek to include monitoring and evaluation of these changes in the upcoming Letter of Expectations from Minister Bishop to the NZTA board.

#### **Next steps**

- 59 Officials will be available to discuss this briefing at the weekly officials meeting on Tuesday 17 February 2026.

*We expect policy decisions in March 2026 and a new rule to be signed in April 2026*

- 60 We are preparing a draft Cabinet paper for you and the Minister of Transport to seek decisions for several Land Transport Rules Reform Programme workstreams including these changes to light vehicle inspection requirements. The paper will reflect your decisions on this briefing and will progress on the timeline set out in the table below.

- 61 Following Cabinet policy decisions, we will provide you with a Cabinet paper to take to the Cabinet Legislation Committee seeking agreement to change the rule via an Order in Council process in April 2026.

Stage	Date
Draft Cabinet paper provided to Ministers	18 February 2026
Agency and ministerial consultation	Feedback due by 16 March 2026
Lodge paper	19 March 2026
Economic Policy Committee	25 March 2026
Cabinet	30 March 2026
Draft LEG paper provided	1 April 2026
LEG	23 April 2026
Cabinet and Executive Council (new rule signed)	27 April 2026
Rule comes into effect	November 2026

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**ANNEX 1 SUMMARY OF SUBMISSIONS**

**ANNEX 2 DRAFT LIGHT VEHICLE WOF/COF A REVIEW REGULATORY IMPACT STATEMENT**

**ANNEX 3 DRAFT INCREASED PENALTIES FOR WOF NON-COMPLIANCE REGULATORY IMPACT STATEMENT**

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