MINISTRY OF TRANSPORT
TE MANATŪ WAKA

Proactive Release

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Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

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

Section	Description of ground
9(2)(a)	to protect the privacy of natural persons

MINISTRY OF TRANSPORT
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Regulatory Impact Statement: Review of Warrant of Fitness and Certificate of Fitness A requirements for light vehicles

Decision sought	Final Cabinet decisions on Warrant of Fitness and Certificate of Fitness A requirements for light vehicles.
Agency responsible	Ministry of Transport
Proposing Ministers	Associate Minister of Transport
Date finalised	25 March 2026

Briefly describe the Minister's regulatory proposal

This proposal is to make Warrant of Fitness (WoF) and Certificate of Fitness Type A (CoF A) inspection requirements for light vehicles more efficient and effective by:

- better aligning inspection frequency to risk through targeted frequency reductions, and
- requiring certain modern Advanced Driver Assistance Systems, such as Automatic Emergency Braking and Lane Keep Assist, to be working if fitted.

These changes would be supported by other changes incentivising voluntary compliance and deterring noncompliance.

Summary: Problem definition and options

What is the policy problem?

WoF and CoF A inspections play an important function in ensuring vehicles are roadworthy and preventing deaths and serious injuries caused by vehicle faults. However, there are issues with the effectiveness and efficiency of these inspection systems. Our analysis pinpointed two main problem areas:

- **Inspection intervals** are inflexible, not aligned to differing levels of risk, and shorter than many other jurisdictions.
- **Inspection scope** has not kept pace with technological developments and changes in the vehicle fleet.

What is the policy objective?

This work seeks to:

- Maintain road safety outcomes by ensuring more effective detection and deterrence of unroadworthy vehicles
- Reduce the regulatory compliance burden on vehicle owners and operators by ensuring that requirements are proportionate to risk and cost-effective to deliver

- Strengthen the long-term efficiency, adaptability, and sustainability of the in-service vehicle inspection system.

Key outcomes will be monitored and reported on a regular basis. These include:

- Deaths and serious injuries where vehicle defects are a contributing factor
- Cost burden for both private and commercial vehicle owners
- Vehicle inspection performance monitoring (pass and fault rates)
- Non-compliance rates.

Officials will undertake an implementation evaluation two years after changes come into effect, and an outcomes evaluation five years after implementation.

What policy options have been considered, including any alternatives to regulation?

We developed a range of possible actions to address the problems above, which we grouped into two categories aligned with the main problems identified:

- **Changing inspection intervals** to better align with risk and international practice – for example, extending the period before a new vehicle is required to undergo its second WoF inspection, and moving to a tiered system where inspections are required less frequently for vehicles under a certain age. We also considered more fundamental changes, such as basing inspection interval on distance travelled rather than time elapsed, or longer inspection intervals if there is a track record of good maintenance.
- **Changing inspection scope** to better reflect technological developments and changes in the fleet – for example, improving the way certain modern safety features are tested, or introducing more- or less-intensive inspections for vehicles at different points in their life cycles.

We assessed possible actions in each category against the status quo and considered the effect of a package combining the preferred actions from across categories. This cross-system approach combines actions that may increase safety risk (while reducing compliance costs), with actions to enforce and support voluntary compliance with safety requirements. The recommended package of options is as follows:

	WoF	CoF A
Inspection Interval	Extend the period before a new vehicle is required to undergo its second WoF inspection from three to four years	Introduce 12-month default inspection frequency for all light rental service
	Introduce a two-yearly inspection interval for vehicles less than fourteen years old (excluding motorcycles), and a yearly inspection interval for motorcycles and for vehicles older than fourteen years	
Inspection Scope	Maintain current inspection approach, with expanded testing of certain Advanced Driver Assistance Systems features	

Alongside these changes, we plan to increase financial penalties for WoF non-compliance, increase awareness through information campaigns and strengthen enforcement by parking wardens. Together, these changes take a holistic approach to delivering on the objectives of the review.

What consultation has been undertaken?

In addition to targeted consultation with key stakeholders during policy development, public consultation was undertaken in late 2026. The introduction of two-yearly inspections was put forward as the recommended change, but the change was based on a ten-year threshold rather than the fourteen-year threshold now recommended. 5,215 submissions were received with 69% of submitters expressing broad support for the package of reforms. The main themes from submissions were the additional road safety risk from less frequent inspections, concerns around vehicle owners' ability to maintain their vehicles adequately, and support for a distance-based inspection threshold.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Yes.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Our modelling shows costs to road users, NZ Police, medical organisations and insurance companies from increased minor and serious injury crashes and fatal crashes of between $351m and $776m over the next 30 years.

We did not model costs from safety effects of changes to CoF A frequency as the anticipated increase in crashes is so small we could not model it in a meaningful way. We have made a qualitative assessment of the costs to NZTA and the Crown more broadly from changes to administration costs and loss of revenue resulting from fewer inspections.

Benefits (Core information)

Our modelling shows benefits to vehicle owners from reduced inspection fees, compliance time, and avoided unnecessary or premature repair costs of between $3,226m and $4,600m over the next 30 years.

We also made a qualitative assessment of the benefits to NZTA and the Crown more broadly from having fewer inspections.

Balance of benefits and costs (Core information)

Yes, we anticipate the benefits will outweigh the costs. For the frequency changes, we expect net benefits of between $2,644m and $4,101m over the next 30 years.

Implementation

The changes are expected to come into effect by November 2026. NZTA will coordinate implementation with key stakeholders including enforcement entities and the inspection industry. The cost to implement changes is estimated at $2.01m with changes required to the Motor Vehicle Register, and Vehicle Inspection and Certification System.

Limitations and Constraints on Analysis

While the magnitude of net benefits can generally give confidence around the benefits of the proposed changes, there are limitations to the modelling that may cause it to over- or under-state the safety effects of changes. These include:

- Under-or over-reporting of vehicle defects as a crash contributing factor

- Crashes can have multiple contributing factors, and the inspection-related factors may not necessarily be the primary cause of the crash
- Safety conscious vehicle owners continuing to maintain vehicles even when a formal inspection is no longer required
- Inspections may not correctly identify relevant vehicle faults and require them to be addressed before a vehicle can pass.

We have not been able to model the costs for changes to CoF A inspection intervals. There was only one crash with an inspection-related contributing factor in ten years of crash data, meaning we could not determine a statistical relationship between the time since last CoF A inspection and the likelihood of having a crash with an inspection-related contributing factor.

The Associate Minister of Transport agreed that an annual inspection apply to all motorcycles. This reflects the higher safety risk of including them in the broader changes and the fact that crash risk does not correlate with the age of a motorcycle. Motorcycles were therefore not considered for inclusion in the two-yearly inspection option.

Qualitative assessments were informed by identifying relevant data that could be used to indicate the size of the effects. They focused on a static assessment of impacts and did not attempt to model impacts over time. We attempted to align inputs between this assessment and the formal cost benefit analysis modelling, but the different methodologies mean the figures are not directly comparable. To mitigate any risk of confusion, we only use monetised amounts that were developed for the formal cost benefit analysis in the Regulatory Impact Statement (RIS).

I have read the Interim Regulatory Impact Statement, and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:

s9(2)(a)

Laura Bender,
Acting Manager, Regulatory Reform
25 March 2026

Quality Assurance Statement

Reviewing Agency: Ministry of Transport	**QA rating: Meets**

Panel Comment: The Warrant of Fitness and Certificate of Fitness A requirements for light vehicles RIS has been reviewed by a quality assurance panel with members from the Ministry of Transport. The Panel considers that it 'meets' the Quality Assurance criteria for the purpose of informing Cabinet decisions.

The Panel notes that the RIS is complete, concise, and convincing. Key assumptions and constraints affecting the scope and depth of the analysis are clearly disclosed. Appropriate consultation has been undertaken to inform the options analysis. It provides clear evidence to underpin the assessment of options and quantifies the costs and benefits of the preferred option. The basis for selecting the preferred option is clearly set out.

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

1. In June 2025, the Minister of Transport, Hon Chris Bishop, announced a work programme to increase productivity and efficiency through comprehensively reforming land transport rules. One part of this programme is a review of New Zealand's current light vehicle[1] inspection regime, including inspection frequency and inspection content.

2. The current regime's requirements are centred around two inspection types: the Warrant of Fitness (WoF) and the Certificate of Fitness A (CoF A). The WoF inspection applies to light vehicles commonly privately owned and includes motorcycles and trailers. The CoF A inspection applies to light passenger vehicles used in passenger services, such as taxis and rideshare vehicles, and rental vehicles.

3. The current regime mandates regular inspections of light vehicles to verify that they meet minimum safety standards to operate on public roads. The table below summarises the key features of each inspection:

Inspection	WoF	CoF A
Period between initial and second inspection	Three years	12-months
Subsequent inspection interval	Six-monthly for all vehicles first registered between 1985 and 1999. Annual for all other vehicles.	Six-monthly. The Director of Land Transport has discretion to vary frequency between 3 and 12 months.
Inspection scope	Includes checks of: Tyres Brakes Lights Steering & Suspension Structural Integrity Exhaust System Fuel System Windscreen and Wipers Doors Seatbelts Airbags Speedometer Glazing	Builds on WoF inspection with a greater compliance threshold for: Seatbelts Exhaust Structural integrity Lights Brakes Steering/Suspension Additional checks for: Towing connections Load restraints Certificate of Loading Transport Service Licence
Number of inspections in 2024	4.5 million	132,000

[1] Less than 3,500kg gross vehicle mass.

Inspection	WoF	CoF A
Inspection cost (does not include repairs)	$50 - $90	$150-$200
Penalties	• Operating a vehicle without a valid WoF or CoF A - $200 -$600 • Operating a vehicle with a defect - $150 • Operating a vehicle in an unsafe state – Court imposed fine of up to $2,000	

4. WoF inspections are primarily conducted by private sector service and repair agents (e.g. garages), while CoF A inspections must be carried out at independent testing stations.

5. WoF non-compliance is estimated to be about 13-16% of actively registered vehicles eligible for this inspection at any given time. Non-compliant vehicles are overrepresented in crashes where vehicle-related contributing factors are recorded.

6. Between 2018 and 2023, annual infringements issued by NZ Police related to roadworthiness rose from 32,000 to 73,000. However, even current levels represent a significant drop from previous years as NZ Police began providing eligible offenders the opportunity to rectify the cause(s) of certain low-level traffic offences instead of receiving an immediate infringement fee.

7. Despite ongoing efforts to improve road safety, New Zealand continues to face significant challenges. In 2023, there were 10,759 crashes resulting in injury. Vehicle-related contributing factors were identified in 11 fatal crashes (3.7% of fatal crashes), 55 serious injury crashes (0.65% of serious injury crashes), and 213 minor injury crashes (2.5% of minor injury crashes). Defects included worn tyres, faulty brakes, and steering or suspension failures, many of which are detectable through regular WoF inspections.

8. The last significant change to vehicle inspection requirements came into effect in 2014 and shifted all vehicles manufactured after 1 January 2000 from six-monthly to annual inspections. This change was projected to have net economic benefits of $2.2–$2.8 billion over 30 years by reducing inspection frequency and associated costs, after taking into account possible increased crash rates due to reduced inspections. Ex-post evaluations found the changes were associated with a statistically significant increase in the likelihood of vehicles being involved in crashes where vehicle contributing factors were present.

9. As of July 2025, there were approximately 4.2 million light vehicles and 164,000 motorcycles actively registered within the New Zealand fleet. The average age of the New Zealand fleet is 15 years old.

What is the policy problem or opportunity?

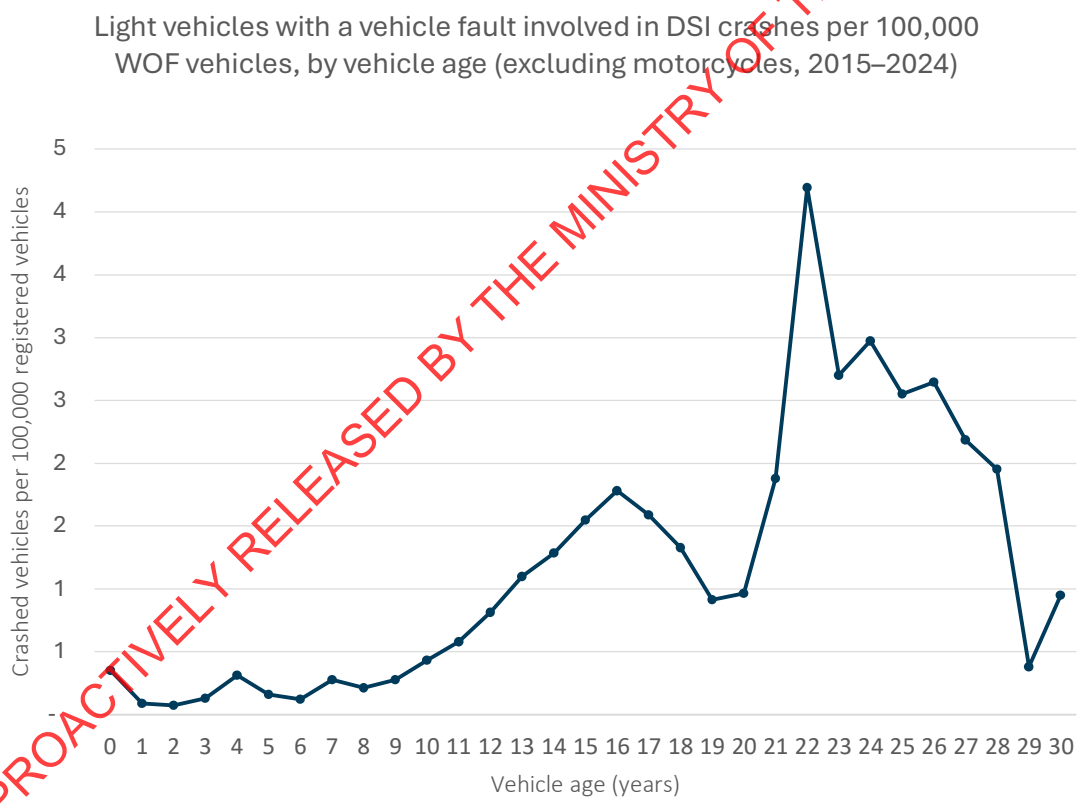
10. Our analysis pinpointed two main problem areas that could be addressed by a package of changes:

    - **Inspection interval** is not aligned to differing levels of risk, and shorter than many other jurisdictions
    - **Inspection scope** has not kept pace with technological developments and changes in the fleet

Inspection interval

11. The WoF and CoF A regimes impose compliance costs on vehicle owners, rental vehicle providers, passenger service organisations, and NZTA as the regulator. While some level of cost is necessary to deliver intended safety outcomes, an efficient system ensures those outcomes are achieved in a proportionate, targeted, and adaptive way. As noted above, vehicle defect-related crashes represent a very small proportion of all crashes and have seen a general decline over time from a peak of 4.27% in 2004 to below 2% in more recent years.[2]

12. The current annual inspection frequency in New Zealand is relatively high compared to other jurisdictions. For example, most Australian states either do not have a mandatory safety inspection or only require one at point of sale. However, these jurisdictions often have a broader suite of supporting treatments and interventions that help maintain vehicle safety outcomes. Further information on international comparisons can be found in Annex 1.



Source: NZTA

[2] This trend may reflect improvements in vehicle design, maintenance practices, and inspection systems, but may also be influenced by limitations in defect reporting, crash investigation and enforcement.

13. Current inspection intervals also do not reflect differing levels of risk from vehicles of different ages or uses. When viewed by vehicle age, crash data demonstrates there is an upward trend in crash risk as vehicles age, particularly beyond twenty years.[3]

14. Inspection frequencies also do not take into account how well-maintained the vehicle is likely to be. For example, CoF A vehicle drivers and operators generally have regular maintenance regimes, driven by commercial incentives and workplace health and safety law – but these vehicles face the same compliance costs as other higher-risk vehicles.

15. Taken together, this evidence suggests that New Zealand's light vehicle inspection settings and roadworthiness interventions are insufficiently targeted to risk, leading to higher than necessary compliance costs for households and businesses.

Inspection scope

16. The inspection system's scope is inflexible and has not kept pace with technological developments or changes in the fleet. For example, Advanced Driver Assistance Systems are not routinely checked. While the WoF and CoF A systems contribute to safety, they could be more effective in targeting the highest risks in an evolving safety and technology landscape.

What objectives are sought in relation to the policy problem?

17. The Land Transport Rules Reform Programme aims to improve regulatory efficiency and reduce compliance burden while maintaining public safety. The objectives of this project build on these aims and seeks to:

    - Maintain road safety outcomes by ensuring more effective detection and deterrence of unroadworthy vehicles
    - Reduce the regulatory compliance burden on vehicle owners and operators by ensuring requirements are proportionate to risk and cost-effective to deliver
    - Strengthen the long-term efficiency, adaptability, and sustainability of the vehicle inspection system.

What consultation has been undertaken?

18. In addition to targeted consultation with key stakeholders during policy development, public consultation was undertaken on a version of the proposed changes. A total of 5,215 submissions were received with 69% expressing broad support for the package of reforms.

19. The main concerns raised in submissions were the additional road safety risk from less frequent inspections, concerns around vehicle owners' ability to maintain their vehicles adequately, and support for a distance-based inspection threshold. We consider the changes partially address these concerns by introducing complementary initiatives to incentivise compliance.[4]

[3] This analysis does account for any relationship between vehicle owners and vehicle age and condition e.g. whether higher risk drivers are more likely to drive older vehicles.
[4] Detailed responses to key submission themes can be found in the NZTA Summary of Submissions document available here.

20. The main themes of support in submissions were how modern vehicles are safer and more reliable and how regular servicing can help identify and address vehicle safety issues. There was strong support for the objective of reducing compliance cost for vehicle owners as well complementary initiatives like increased penalties and education.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

21. Our criteria reflect the core objectives of the review, the statutory considerations set out in section 164 of the Land Transport Act 1998, and best practice principles for regulatory design:

    - **Improves safety outcomes** – The likely effect on road safety outcomes, including the detection and deterrence of unroadworthy vehicles.
    - **Reduces regulatory compliance costs** – The cost and burden for regulated parties (e.g., time, fees, administrative effort).
    - **Ease of implementation and ongoing management** – The practicality of rollout, administrative demands, and long-term sustainability of the system. This includes considering whether the change can be implemented within the current system in order to deliver benefits in the short- to medium-term.
    - **Supports system-level efficiency and coherence** – The effect on the overall functioning of the transport regulatory system, including efficiency, clarity, and alignment with wider system needs (e.g., fleet renewal, integration with other regimes).
    - **Delivers fair and equitable social outcomes** – The distribution of impacts across different user groups and regions, including access, affordability, and unintended consequences for vulnerable users.

22. All criteria have been weighted equally.

23. There are trade-offs between criteria. For example, improving vehicle safety is a central goal of the current requirements, but measures to enhance safety often introduce higher costs for regulated parties. Reducing compliance costs aligns with the system's objective to be efficient and proportionate but may weaken safety outcomes by allowing unroadworthy vehicles to remain in use longer. Striking the right balance between affordability and deterrence is essential, especially in the context of an aging fleet and uneven vehicle maintenance practices.

What scope will options be considered within?

24. The scope of considered options was set intentionally broad to consider the system as a whole and identify a range of options for improving its efficiency. However, to ensure that work could be completed in the time available and within the scope of the overall rules programme, we did not consider changes to primary legislation or improvements to the current emissions testing requirements. The Minister also expressed a preference for options that could deliver benefits sooner.

25. The options were developed to address the core challenges identified in the current WoF and CoF A systems and are grouped into two categories: **changes to inspection interval** and **changes to inspection scope**.

26. These categories are assessed separately, but **a package of options from across both categories is recommend**. We also propose other changes that will complement these options, including increased penalties and information campaigns. This holistic approach to actions across the system combines actions that may result in increases to safety risk (while significantly reducing compliance costs) with actions to support compliance with safety requirements.

What changes to inspection interval are being considered?

27. Options in this group aim to improve system efficiency and effectiveness by targeting inspection frequency more proportionately to risk, and reducing unnecessary burden on users with safe, well-maintained vehicles. The options are not mutually exclusive: they can be combined with each other and with actions in the other categories.

Possible WoF changes:

Option	Description	Rationale
I1	Extend the period before a new vehicle (excluding imported used vehicles) is required to undergo its second inspection from three to five years	Reflects lower crash risk for vehicles under five years of age and aligns with some international jurisdictions such as New South Wales, Australia.
I2	Extend the period before a new vehicle (excluding imported used vehicles) is required to undergo its second inspection from three to four years	Reflects lower crash risk for vehicles under five years of age and aligns with some international jurisdictions such as Norway.
I3	Set annual inspections for all vehicles older than three years	Would bring vehicles made prior to 2000 into line with requirements for the rest of the fleet and bring interval closer to international norms e.g. the United Kingdom.
I4	Risk-tiered frequency, with inspections every two years for vehicles less than ten years from first registration, and every one year for vehicles over ten years from first registration	More consistent with the data on relative vehicle safety risk over time, which shows an increase in crashes where vehicle factors were recorded for vehicles over 15 years of age. Reflects tiered approach in many European jurisdictions.
I5	Risk-tiered frequency, with inspections every two years for vehicles (excluding motorcycles) less than fourteen years from first registration, every one year for vehicles over fourteen years from first registration, and annual inspections for motorcycles	More consistent with the data on relative vehicle safety risk over time, which shows an increase in crashes where vehicle factors were recorded for vehicles over 15 years of age. Reflects less frequent intervals in other jurisdictions such as Japan.
I6	Shift from time-based to distance-based inspection milestones. This could be at regular intervals (e.g. every X,000 kms) or at fixed milestones (e.g. every X,000 kms up to Y,000 then every Z,000 kms)	Reflects that for many vehicle fault types (e.g. tyre wear), distance travelled is more predictive of failure than time elapsed.
I7	An owner-based risk model, where people whose vehicles that fail an inspection are given a shorter	Intended to recognise and reward lower risk of vehicle failure where vehicle owners are

Option	Description	Rationale
	inspection expiry period. For example, a default period of two years, with a reduced inspection period of one year for vehicle owners that have failed an inspection	proactive in maintaining vehicle compliance
I8	Remove periodic inspection requirements and instead mandate a WoF inspection only when a light vehicle is sold or transferred to a new owner.	Aligns with the approach used in some Australian states and would significantly reduce compliance burden.

Possible CoF A changes:

Option	Description	Rationale
I9	Introduce 12-month default inspection frequency for all light rental service vehicles under five years of age	Reflects the lower crash risk associated with newer vehicles. Also, these vehicles tend to receive more regular maintenance and inspection than other CoF A vehicles and have better initial inspection pass rates – all of which may indicate less risk of vehicle defects
I10	Introduce 12-month default inspection frequency for all light rental service vehicles	Reflects the lower crash risk associated with these vehicles as they tend to receive more regular maintenance and inspection than other CoF A vehicles. Only one vehicle defect crash has been recorded in the past decade.
I11	Introduce 12-month default inspection frequency for all CoF A vehicles under five years of age	Reflects the lower crash risk associated with newer vehicles
I12	Introduce distance-based inspection frequency for all CoF A vehicles	Reflects that for many vehicle fault types (for example tyre wear), distance travelled is more predictive of failure than time elapsed

How do the changes to inspection interval compare to the status quo/counterfactual?

28. The predicted safety outcomes and compliance costs are based on modelling that used data from Motor Vehicle Register and Crash Analysis System. It used these data to estimate safety costs and calculate the expected change in the number of inspections and compliance costs (including costs of inspection and time) and unnecessary repairs. The limitations of this modelling are discussed in paragraph 53. Note because of the broad spectrum of options considered, the rating scale increments are very broad and some options that are rated similar in the table have material differences in practice.

Warrant of Fitness						
Criteria	**Improves safety outcomes**	**Reduces regulatory compliance costs**	**Ease of implementation and ongoing management**	**Supports system-level efficiency and coherence**	**Delivers fair and equitable social outcomes**	**Overall assessment**
Status quo	0	0	0	0	0	0
I1 - Extending the period before a new vehicle is required to undergo its second WoF inspection from three to five years	- We expect an increase in vehicle defects contributing to crashes compared to the status quo due to some defects not being identified – however, the modelled increase is small in real terms, as the cohort is small and the contribution of defects to crash rates is small.	+ Compliance costs are lower.	0 Changes required for implementation are minor and do not introduce any complexity.	0 Broadly the same as the status quo but does align with requirements in New South Wales, Australia.	0 Broadly the same as the status quo but with slight positive effect on new vehicle owners.	0 Reduced compliance costs are likely to outweigh the risks of worse safety outcomes, as new vehicles are generally low risk.
I2 - Extending the period before a new vehicle is required to undergo its second WoF inspection from three to four years	0 We expect a very small increase in vehicle defects contributing to crashes due to some defects not being identified – however, the modelled increase is so small in real terms (for the same reasons as above) that it is difficult to gauge the difference from the status quo.	+ Compliance costs are lower. Estimated to provide between $367m and $529m benefits over the next 30 years.	0 Changes required for implementation are minor and do not introduce any complexity.	0 Broadly the same as the status quo but does align with requirements in Norway.	0 Broadly the same as the status quo but with slight positive effect on new vehicle owners.	+ Reduced compliance costs are likely to outweigh the risks of worse safety outcomes as new vehicles are generally low risk and typically receive regular maintenance.
I3 - Set annual inspections for all vehicles over three years old	- Safety outcomes are worse than the status quo as issues that previously would have been identified in inspections may go unaddressed for a high-risk cohort of vehicles. This risk is mitigated by the number of affected vehicles (25-40 years of age) being small.	+ Compliance costs are lower.	0 Changes required for implementation are minor and overall reduce complexity by having less diversity of requirements.	0 Similar to the status quo in some ways, but there may be some broader disadvantages (e.g. emissions increases) that come with incentivising an older fleet and the lack of alignment that the settings have with evidence of safety risk. Partially aligns with some other jurisdictions including the United Kingdom.	+ Slight positive effect for older vehicles owners who are more likely to be low socioeconomic groups who are less able to afford required maintenance or upgrade to a newer vehicle.	+ Reduced compliance costs are likely to outweigh worse safety outcomes.
I4 - Risk-Tiered frequency based on 10-year age threshold	- Safety outcomes are worse than the status quo as issues that previously would have been identified in inspections may go unaddressed for longer. Estimated to incur between $34m and $223m costs due to increased fatal, serious injury and minor injury crashes.	++ Compliance costs are significantly lower. Estimated to provide between $1,182m and $1,751 benefits over the next 30 years.	0 Broadly the same as status quo as changes required for implementation are moderate, but overall system complexity is not materially increased.	0 Similar to the status quo in some ways, but there may be some broader advantages (e.g. emissions reductions) that come with incentivising a newer fleet and the improved alignment that the settings have with evidence of safety risk. More similar to some other jurisdictions including Sweden and Ireland. Expected to have a material effect on the inspection industry.	+ Reduced compliance cost positively effects a broad range of groups, but this is offset by worse safety outcomes which are likely to affect certain groups.	++ Reduced compliance costs are likely to outweigh the risks of worse safety outcomes as vehicles less than 10 years old are lower risk and represent most vehicles affected.
I5 - Risk-Tiered frequency based on 14-year age threshold	- Safety outcomes are worse than the status quo as issues that previously would have been identified in inspections may go unaddressed for longer. Estimated to incur	++ Compliance costs are significantly lower. Estimated to provide between $949m and $1,406m additional	0 Broadly the same as status quo as changes required for implementation are moderate, but overall system complexity is not materially increased.	0 Similar to the status quo in some ways, but there may be some broader advantages (e.g. emissions reductions) that come with incentivising a newer fleet and the improved alignment that the settings have	+ Reduced compliance cost positively effects a broad range of groups, but this is offset by worse safety	++ Reduced compliance costs are likely to outweigh the risks of worse safety outcomes as vehicles less than 14 years old

	between $196m and $490m additional costs compared to Option 14 due to increased fatal, serious injury and minor injury crashes.	benefits compared to Option I4.		with evidence of safety risk. More similar to some other jurisdictions including Japan and Germany. Expected to have a material effefct on the inspection industry, roughly twice the size of the effect of Option I4.	outcomes which are likely to affect certain groups.	are lower risk and represent most vehicles affected.
I6 - Introduce distance-based inspection frequency	- Based on a 30,000km threshold, safety outcomes are worse than the status quo as issues that previously would have been identified in inspections may go unaddressed for significant periods of time.	++ Compliance costs are significantly lower.	-- Significant implementation complexities, such as how to measure and monitor distance travelled and how to enforce the requirements, that are likely to take years to work through. There is also an interdependency with Road User Charges transition work.	0 Broadly the same as status quo but with some alignment with the proposed shift to source revenue from Road User Charges. No jurisdictions were identified as having distance-based inspection requirements. Likely to lead to significant reduction in the inspector marketing, which may lead to less availability.	+ Slight positive effect for older vehicles owners who are more likely to have lower mileage and potentially less able to afford required maintenance or upgrade to a newer vehicle.	- Implementation complexities likely outweigh the benefits of reduced compliance, particularly in the short term. At a 30,000km threshold, safety outcomes are also likely to mean costs outweigh the benefits.
I7 - Introduce variable frequency based on maintenance history	- Safety outcomes are worse than the status quo as issues that previously would have been identified in inspections may go unaddressed for significant periods of time.	++ Compliance costs are significantly lower.	-- Some implementation complexity due to variable requirements for different vehicles. Risk for ongoing compliance and system viability because of perverse incentives for noncompliance or system gaming.	+ Clear alignment between behaviour and requirements.	- Likely to lead to significant disparities between vehicles owners and disadvantage owners who are fewer able to afford regular maintenance.	- Implementation complexity, worse safety outcomes, and perverse incentives are likely to outweigh the benefits of reduced compliance costs.
I8 - Shift to Point-of-Sale Vehicle Inspections for Light Vehicles	-- Safety outcomes are worse than the status quo as issues that previously would have been identified in inspections may go unaddressed for significant periods of time.	++ Compliance costs are significantly lower.	- Implementation complexity as represents a significant shift away from the current requirements.	0 Broadly the same as the status quo but does align with requirements in most Australian states. Likely to lead to significant reduction in the market for inspections, which may lead to less availability.	+ Slight positive effect for vehicles owners who hold their vehicle for longer because they are less able to afford to upgrade to a newer vehicle.	- Worse safety outcomes and implementation complexity are likely to outweigh the benefits of reduced compliance costs as many issues may go unaddressed for significant period of time.

Certificate of Fitness A						
Criteria	**Improves safety outcomes**	**Reduces regulatory compliance costs**	**Ease of implementation and ongoing management**	**Supports system-level efficiency and coherence**	**Delivers fair and equitable social outcomes**	**Overall assessment**
Status quo	0	0	0	0	0	0
I9 - Introduce 12-month default inspection frequency for all light rental service vehicles under five years of age	0 We consider additional risk of crashes compared to the status quo to be very low, as these vehicles are likely to receive regular maintenance due to other factors such as commercial incentives and workplace health and safety legislation. The cohort of vehicles is also very small. Estimated to incur between $8m and $50m costs due to increased fatal, serious injury and minor injury crashes.	+ Compliance costs are lower for CoF A vehicle owners. Estimated to provide between $247m and $313m benefits over the next 30 years.	0 Changes required for implementation are minor and only introduces minor additional complexity.	0 Broadly the same as the status quo.	0 Broadly the same as the status quo.	+ Reduced compliance costs are likely to outweigh the risks of worse safety outcomes as the cohort is low risk and small.
I10 - Introduce 12-month default inspection frequency for all	0 We consider additional risk of crashes compared to the status quo to be low, as these vehicles are likely to receive regular maintenance due to other factors such as	+ Compliance costs are lower for CoF A vehicle owners. Estimated to provide between $119m	0 Changes required for implementation are minor and only introduces minor additional complexity.	0 Broadly the same as the status quo.	0 Broadly the same as the status quo.	+ Reduced compliance costs are likely to outweigh the risks of worse safety outcomes as the cohort is low risk and small.

light rental service vehicles	commercial incentives and workplace health and safety. Estimated to incur between $8m and $54m additional costs compared to Option 19 due to increased fatal, serious injury and minor injury crashes. legislation. The cohort of vehicles is also very small.	and $252m additional benefits over the next 30 years compared with Option I9.				
I11 - Introduce 12-month default inspection frequency for all CoF A vehicles under five years of age	0 Because this cohort is very small, we think the additional risk of crashes due to defects being missed is low – however the incentives for regular maintenance for all CoF A vehicles are less strong than for the CoF A rental service vehicle subset, so the absolute risk is greater than options I9 and I10.	+ Compliance costs are lower for CoF A vehicle owners.	0 Changes required for implementation are minor and only introduces minor additional complexity.	0 Broadly the same as the status quo.	0 Broadly the same as the status quo.	+ Reduced compliance costs are likely to outweigh the risks of worse safety outcomes as the cohort is low risk and small – however, the factors mitigating the risk (incentives/enforcement for compliance) are less strong than for I9, and the reduction in compliance cost is not much bigger than I9.
I12 - Introduce distance-based inspection frequency	0 Safety outcomes are broadly the same as the status quo as the cohort has a high annual average mileage, is very small, and is likely to receive regular maintenance.	0 Compliance costs are lower for CoF A vehicle owners, but the difference from the status quo is small, and there could be costs to fit distance-measuring devices	-- Significant implementation complexities, such as how to measure and monitor distance travelled and how to enforce the requirements, that are likely to take years to work through. There is also an interdependency with Road User Charges transition work.	0 Aligns well with the proposed shift to source revenue from Road User Charges. No jurisdictions were identified as having distance-based inspection requirements.	0 Broadly the same as the status quo.	-- Implementation complexities likely outweigh any compliance cost and alignment benefits, particularly in the short term.

Recommended options for inspection interval

29. For WoF, we recommend:

    - extending the period before a new vehicle is required to undergo its second WoF inspection from three to four years (Option I2)
    - requiring an inspection every two years until a vehicle (other than a motorcycle) is fourteen years old and every year for all vehicles after that point (Option I5).

30. We consider these options will:

    - deliver significant cost savings for vehicle owners
    - more consistently align with relative vehicle safety risk over time
    - align New Zealand with other jurisdictions like Japan where two yearly inspections are the default for most vehicles.

31. For motorcycles, incidents of crashes indicate that risk does not correlate with vehicle age, and modelling suggests the benefits of shifting them to two-yearly inspections is likely to be outweighed by the additional safety risk. Therefore, Option I5 sets an annual inspection for', all motorcycles.

32. For CoF A, we recommend moving from a six-month default inspection to a twelve-month default inspection for rental vehicles (Option I10). This approach delivers significant cost savings for these vehicles' operators. These vehicles also pose a smaller safety risk as they typically receive regular maintenance and inspections, which we heard during our stakeholder engagements and as evidenced by their higher initial inspection pass rate.

33. There is uncertainty in the modelling of risk for the proposed changes. However, it is important to note that the estimated net benefit is so significant that even if costs are much higher than expected or most benefits are not realised, the proposed change will still be net positive.

Discounted options for inspection interval

Option	Description	Reason for discounting
I1	Extend initial inspection exemption to 5 years	Higher safety risk; less alignment with international norms
I3	Set annual inspections for all vehicles	Minimal change from status quo; limited benefit
I6	Distance-based inspection frequency	High implementation complexity; odometer fraud risk
I7	Variable frequency based on maintenance history	Perverse incentives; equity concerns; complexity
I8	Point-of-sale inspections only	Significant safety risk; misalignment with NZ context
I9	Annual inspection for rental service vehicles under 5 years	Less benefits than I10; limited evidence to justify introducing an age-based threshold
I11	Annual inspections for all CoF A vehicles under 5 years	Safety risk for taxis/rideshare vehicles; less consistent maintenance
I12	Distance-based inspection frequency	Complexity; low benefit; risk of fraud

34. We considered and discounted more fundamental changes, such as shifting to inspections based on distance (for both WoF and CoF A) and maintenance history, because these as they have significant implementation challenges. For example, work would need to be undertaken to determine a viable method for measuring and monitoring mileage, as well as considering enforcement challenges. Work underway to support the fleetwide transition to

Road User Charges may result in technological solutions making this a viable option in the long term, but it is not feasible to implement in the short term.

35. For CoF A, we considered shifting all CoF A vehicles from a six-month default inspection to a twelve-month default inspection. However, other CoF A vehicles, such as taxis and rideshares, are less likely to be new and/or receive regular maintenance and inspection, meaning the additional risk of defects would be less mitigated. We also did not include an age threshold for rental service vehicles because of limited evidence of increased risk.

What changes to inspection scope are being considered?

36. This group of options aims to enable inspections to better reflect real-world safety risks and check relevant, targeted, and proportionate vehicle factors when considering vehicle characteristics. These changes should complement the options in the other categories.

Possible WoF inspection scope changes:

Option	Description	Rationale
S1	Introduce a fast visual inspection focused on tyres, lights, windscreen, wipers and mirrors for where a vehicle is inspected every two years (assumes frequency changed as per Options I4 and I5), to address tyre tread depth and selected high risk items between full inspections	Mitigate additional safety risk from increased interval in Options I4 and I5
S2	Introduce requirement for Advanced Driver Assistance Systems to be functioning if fitted in all WoF eligible vehicles.	Aligns with direction of overseas jurisdictions and enables checks to see if modern safety features are working correctly
S3	Introduce a more rigorous inspection test that could include invasive (wheels off) brake inspection, objective suspension performance testing, emission system performance testing and on-board diagnostic (OBD) scanning of core safety and emission-relevant systems (at fifteen years of age or 200,000km, whichever occurs first)	Mitigate additional safety risk from less frequent inspections for older vehicles, which have higher risk of defects

Possible CoF A inspection scope changes:

Option	Description	Rationale
S4	Introduce requirement for Advanced Driver Assistance Systems to be functioning if fitted in all CoF A eligible vehicles.	Aligns with direction of overseas jurisdictions and enables checks to see if modern safety features are working correctly
S5	Shift rental service vehicles from CoF A to WoF	Reduces compliance costs as these checks could be done in garages rather than inspection centres – more accessible, cheaper, less frequent
S6	Shift all CoF A vehicles to WoF	Reduces compliance costs as these checks could be done in garages rather than inspection centres – more accessible, cheaper, less frequent

How do the changes to inspection scope compare to the status quo/counterfactual?

37. Note – for these options, the status quo assumes the interval changes recommended above have taken place.

Warrant of Fitness						
Criteria	**Improves safety outcomes**	**Reduces regulatory compliance costs**	**Ease of implementation and ongoing management**	**Supports system-level efficiency and coherence**	**Delivers fair and equitable social outcomes**	**Overall assessment**
Status quo	0	0	0	0	0	0
S1 - Introduce a fast visual inspection focused on tyres and selected high risk items	0 Safety outcomes are broadly the same as the status quo as key safety issues are still likely to be identified and addressed under the new inspection intervals despite the lighter touch approach.	- Compliance costs are higher than if no interim inspection during the two-year interval	- Changes required for implementation are moderate, and the different inspection type adds complexity to the regime.	0 Broadly the same as the status quo.	0 Broadly the same as the status quo.	-- Safety benefits are unlikely to justify the additional complexity in the regime.
S2 - Introduce requirement for Advanced Driver Assistance Systems to be functioning if fitted	+ Safety outcomes are better as issues with important safety features are identified and addressed.	- Compliance costs may rise marginally as inspections may require additional maintenance to pass.	0 Changes required for implementation are minor and do not introduce significantly more complexity.	0 Broadly the same as the status quo.	0 Requirements only apply to vehicle owners with newer vehicles that have the additional features.	0 Improved safety outcomes are likely to justify additional costs and risks.
S3 - Introduce a more rigorous WoF inspection test at 15 years or 200,000km	+ Safety outcomes are better as older vehicles, which are typically higher risk, are inspected more thoroughly for issues. This is offset by the fact that the existing inspection scope already addresses the major drivers of risk. This option also increases the incentive to retire older vehicles.	- Compliance costs are higher as inspections may require additional maintenance to pass.	- Changes required for implementation are moderate, and the different inspection type adds complexity to the regime.	0 Broadly the same as the status quo but there may be some broader benefits (e.g. emissions reduction) that come with incentivising a younger fleet.	- May disproportionately negatively affect low social economic groups who are less able to afford required maintenance or upgrade to a newer vehicle.	-- Improved safety outcomes are unlikely to justify additional costs and risks as the current inspection scope address the major drivers of risk.

Certificate of Fitness A						
Criteria	**Improves safety outcomes**	**Reduces regulatory compliance costs**	**Ease of implementation and ongoing management**	**Supports system-level efficiency and coherence**	**Delivers fair and equitable social outcomes**	**Overall assessment**
Status quo	0	0	0	0	0	0
S4 - Introduce requirement for Advanced Driver Assistance Systems to be functioning if fitted	0 Safety outcomes are broadly the same as the status quo, as most CoF A vehicles already receive regular maintenance and inspection.	0 Compliance costs are broadly the same as the status quo.	0 Changes required for implementation are minor and do not introduce significantly more complexity.	+ Broadly the same as the status quo with benefit of system coherence if there is alignment between inspection types.	0 Broadly the same as the status quo.	0 Improved safety outcomes and alignment with other inspection types likely to justify additional costs.
S5 - Shift rental service vehicles from CoF A to WoF	0 Safety outcomes are broadly the same as the status quo as this cohort is likely to undergo regular maintenance and inspection and is very small.	+ Compliance costs are lower.	0 Changes required for implementation are minor and do not introduce significantly more complexity.	0 Broadly the same as the status quo.	0 Broadly the same as the status quo.	+ Reduced compliance costs are likely to outweigh the risks of worse safety outcomes given regular maintenance and cohort size.
S6 - Shift all CoF A vehicles to WoF	- Safety outcomes are worse than the status quo as issues that previously would have been identified in inspections may go unaddressed. However, most of this cohort is likely to undergo regular maintenance and inspection and is very small.	+ Compliance costs are lower.	0 Changes required for implementation are minor and reduces complexity by having fewer diversity of requirements.	0 Broadly the same as the status quo with a risk of less alignment with other jurisdictions that maintain separate commercial inspection requirements.	0 Broadly the same as the status quo.	0 Reduced compliance costs are unlikely to outweigh worse safety outcomes given the marginal risk posed by non-rental service vehicles.

Recommended options for inspection scope

38. For WoF, we recommend maintaining the current inspection approach but adding a requirement for certain Advanced Driver Assistance Systems features to be working if fitted (Option S2). This change is likely to introduce little additional inspection cost as we anticipate a light touch, visual based approach, but the change may deliver additional safety outcomes. On balance, we think the additional safety benefits are likely to outweigh the compliance costs.

39. For CoF A, we recommend aligning with the inspection approach for WoF, including requirements for Advanced Driver Assistance Systems to be functioning if fitted (Option S4). Most of these vehicles receive regular maintenance and inspection so the change is unlikely to have any material safety benefits or cost. However, we think there is a benefit to maintaining alignment between inspection scopes.

Discounted options for inspection scope

Option	Description	Reason for discounting
S1	Fast visual inspection between biennial checks	Added complexity; limited safety benefit
S3	Rigorous inspection at 15 years/200,000km	High compliance cost; marginal safety gain
S5	Shift rental vehicles from CoF A to WoF	Potential safety risk; lighter inspection regime
S6	Shift all CoF A vehicles to WoF	Safety risk for older vehicles; misalignment with international practice

40. For WoF, we considered adding a fast visual inspection and a more rigorous inspection for older vehicles (e.g. 15 years or 200,000kms) but did not consider the safety benefits were likely to outweigh the additional compliance cost or system complexity.

41. We also considered shifting rental vehicles or all CoF A vehicles from having to have a CoF A to having a WoF. Shifting rental vehicles to WoF could build on the recommended change to CoF A frequency but may come with additional safety risk because of older vehicles being included and the lighter touch inspection.

What package of options across the categories is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

42. Drawing from the assessment conducted within each category of changes, we have identified a package of proposed changes to both the WoF and CoF A light vehicle inspection regimes. These are summarised in the table below:

	WoF	CoF A
Inspection Interval	Extend the period before a new vehicle is required to undergo its second WoF inspection from three to four years	Introduce 12-month default inspection frequency for all light rental service vehicles
	Introduce a two-yearly inspection interval for vehicles less than fourteen years old (excluding motorcycles), and a yearly inspection interval for	

	WoF	CoF A
	motorcycles and for vehicles older than fourteen years	
Inspection Scope	Maintain current inspection approach with expanded testing of certain Advanced Driver Assistance Systems features	

43. As outlined above, tensions between the objectives of the project mean there are trade-offs between our assessment criteria. The recommended package is expected to deliver significant net benefits through reductions in compliance costs for most vehicle drivers and operators.

44. We have recommended the same approach as was supported during public consultation (a two-tier periodic inspection) but are recommending a fourteen-year threshold rather than a ten-year threshold. While a fourteen-year threshold increases the absolute level of risk, it is expected to deliver over 50 percent more net benefits due to the larger number of vehicles affected, which is a key objective of the review.

45. Incidents 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 strikes a balance between delivering significant reductions in compliance cost while recognising that it will take time for other mitigations to take effect. Additionally, we understand that vehicle owners rely heavily on required inspections ass prompts for necessary vehicle maintenance and it will likely take time for this expectation to shift.

46. It is important to note that the estimated net benefit is so significant that even if costs are much higher than expected or most benefits are not realised, the proposed change will still be net positive.

47. The recommended package also seeks to deliver benefits in the short term without adding significant additional system complexity. This has meant those options potentially more efficient in the long run, but not feasible to implement currently, are not recommended. We consider there is value in reassessing the opportunity for distance-based inspection requirements when the fleet wide transition to Road User Charges is further progressed. The potential technology options for Road User Charges could make distance-based inspections more feasible.

48. While the changes are expected to make the system more efficient, they do increase the risk vehicle defect related crashes. To help mitigate this, we are increasing penalties for WoF non-compliance to deter such behaviour and are supporting increased parking warden enforcement. NZTA is also raising public awareness of vehicle owners' responsibilities and the penalties for non-compliance.

49. The estimated 32% reduction in the number of annual inspections is expected to have a significant negative effect on the inspection industry. Modelling indicates that by the time changes are fully implemented up to 703 less inspection FTE and up to $98 million less revenue for the industry.

50. It is uncertain whether this reduction in revenue would then reduce the availability of inspections, as industry submissions during public consultation did not provide information on this. However, our view is that any potential reduction is likely to be mitigated by the fact that inspections are generally not the core focus of mechanics. Mechanics, who are more common in rural areas, typically rely on a range of revenue streams, with inspections forming only a small part of their overall operations. Organisations that focus exclusively on testing are concentrated in urban areas where availability is less likely to be an issue.

51. There is also a possibility that some inspection organisations may increase service prices to offset any loss of income, though this will depend on how individual businesses respond to changes in demand.

What are the marginal costs and benefits of the preferred package of options in the Cabinet paper?

Monetised impacts

52. In aggregate we expect benefits to outweigh costs by a significant margin. The net benefit of all changes is estimated to be between $2,644m and $4,101m over the next 30 years. This figure represents the estimated benefits less cost over the period 2026-2055 discounted at a 2% rate to achieve a present value.

53. Monetised impacts were developed using a model similar to the one used for the Vehicle Licensing Reform Project in 2014. It identifies and extrapolates the observed relationship between a vehicle's crash risk and the time since its last inspection to predict the effect of changes to inspection intervals. The model did not accounted for phasing of changes during implementation.

54. However, there are limitations to the modelling that may cause it to over or understate the safety effects of changes. These include:

- Under-or over-reporting of vehicle faults as a crash contributing factor.
- Safety conscious vehicle drivers and operators continuing to check and maintain vehicles even when a formal inspection is less frequent.
- Crashes can have multiple contributing factors, and the inspection-related factors may not necessarily be the primary cause of the crash.
- Inspections may not correctly identify relevant vehicle faults and require them to be addressed before a vehicle can pass.

Non-monetised impacts

55. Non-monetised impacts were developed by identifying relevant data to inform a qualitative assessment of the impact. This analysis focused on a static assessment of impacts and did not attempt to model impacts over time. We attempted to align inputs between this assessment and the formal cost benefit analysis modelling, but the different methodologies mean the figures are not directly comparable. To mitigate any risk of confusion, we chose to only use monetised amounts that were produced by the formal cost benefit analysis in this document.

.Affected groups	Comment	Impact[5]	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Road users, NZ Police, ACC, insurance companies	Increased fatal crashes	$137m to $301m	Medium – Safety effects are difficult to model for the reasons outlined in paragraph 54.
	Increased serious injury crashes	$100m to $222m	
	Increased minor injury crashes	$113m to $253m	
Inspection organisations	Loss of revenue from fewer inspections	Up to $98m per annum[6]	High – Inspection requirements can be modelled with accuracy based on vehicle cohort data.
Mechanics	Loss of revenue from fewer inspection and avoided vehicle repair costs	Medium	Low – Repair costs vary considerably, and the estimate relies on a judgement about what is avoidable.
NZTA	Loss of fee revenue	$161.7m[6]	High - The number of inspections can be modelled with accuracy based on vehicle cohort data.
Crown	Loss of tax from fewer inspections	Medium	High - The number of inspections can be modelled with accuracy based on vehicle cohort data as can tax implications.
Total monetised costs		$351m to $776m	
Non-monetised costs		Medium	Medium
Additional benefits of the preferred option compared to taking no action			
Vehicle drivers and operators	Fewer inspection fees	$1.867m to $2,718m	High – Inspection requirements can be modelled with accuracy based on vehicle cohort data. There is a risk that the cost of inspections may increase as a result of the change, which would reduce the expected benefits.
	Reduced compliance times	$623m to $954m	Medium – Inspection requirements can be modelled with accuracy based on vehicle cohort data, but

[5] For qualitative assessments, high, medium and low impacts can be understood as greater than $50 million impact, between $50 million and $10 million, and fewer than $10 million respectively on an annual basis. All other figures are present value totals over the 2027 to 2055 period unless noted.
[6] This figure is presented as a nominal rather than present value figure.

.Affected groups	Comment	Impact[5]	Evidence Certainty
			inspection length and travel time vary considerably.
	Avoided unnecessary or premature repair costs	$343m to $1,319m	Low – Repair costs vary considerably, and the estimate relies on a judgement about what is avoidable.
NZTA	Reduced administrative cost due to fewer WoF and CoF A issued	Medium	Medium – The number of inspections can be modelled with accuracy based on vehicle cohort data but reductions in administration cost require assumptions around the fixed or variable nature of costs.
Total monetised benefits		$3,226m to $4,600m	
Non-monetised benefits		Medium	Medium

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

56. Yes, the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS.

Section 3: Delivering an option

How will the proposal be implemented?

57. The changes begin to take effect from November 2026. This process is already underway with the development of an implementation plan and will conclude with a period of post implementation support and review.

58. NZTA is the lead agency for implementing these changes. NZTA will also work with enforcement partners (including NZ Police and local enforcement e.g. local councils) to aid their access to NZTA vehicle inspection data sources.

59. Changes are required to the Motor Vehicle Register, and Vehicle Inspection and Certification System. These changes affect approximately, 8,500 vehicle inspectors who will be required to implement the changes when performing inspections and issuing WoF and CoF A

60. The cost of the changes for NZTA is comprised of the following elements:

Activity	Cost ($m)

Project Management, Business Analysis and Change Management	0.93
Digital Development	0.79
Information and Education	0.07
Contingency and other costs (e.g., WoF/CoF A book replacement)	0.22
Total	**2.01**

How will the proposal be monitored, evaluated, and reviewed?

Monitoring

61. Key outcomes will be monitored and reported on a regular basis:

Indicator	Source
Deaths and serious injuries where vehicle defects (particularly tyres) are a contributing factor	Crash Analysis System
Cost burden for both private and commercial vehicle owners	Survey
Estimated rates of non-compliance with Warrant of Fitness requirements	Motor Vehicle Registry
Infringements issued by NZ Police and reasons provided	NZ Police
Vehicle inspection performance monitoring (pass and fault rates)	Vehicle Inspection and Certification System

Evaluation

62. We expect to conduct an implementation evaluation two years after implementation, which would focus on whether the regulatory changes have been implemented as intended. Any early issues in implementation and/or unintended consequences will also be identified to enable early course correction.

63. We then recommend an outcomes evaluation be conducted five years after implementation. This would focus on determining to what extent the regulatory changes have had the desired effect, understanding any unintended consequences, and making recommendations for further improvement.

64. The key limitations for these evaluations relate to data availability and methodological challenges. Causality and the counterfactual (i.e. what would have happened otherwise) can be particularly challenging to determine when evaluating road safety. For example, if a vehicle crashes it needs to be determined if the vehicle had a defect, whether the defect was a contributing factor in the crash, and whether the defect (and subsequent crash) would have occurred regardless of the regulatory change.

Annex 1: International comparisons

Inspection frequency

New Zealand checks vehicles more often than most other countries. Most cars need a WoF every 6 to 12 months, depending on their age. In other places like the UK, Germany, Japan, and Norway, inspections happen every one or two years. The table below compares how often vehicles are inspected and how strongly each country enforces roadworthiness rules.

Country	Average age of vehicle fleet	Inspection frequency	Enforcement approach	Vehicle defects in DSI crashes
New Zealand	15 years	Every 6–12 months depending on vehicle age	Moderate fines; limited roadside enforcement	2–3%
Australia – NSW	10 – 12 years	Annual for vehicles >5 years	Fines up to $760 NZD; ANPR used; linked to registration	2–3%
Australia – VIC		No periodic inspections; required at sale or re-registration	Fines up to $1,067 NZD	2–3%
Australia – QLD		No periodic inspections; required at sale or transfer	Fines up to $627 NZD; roadside checks	3–4%
Australia – SA		No periodic inspections; enforced at registration and roadside	Fines up to $1,350 NZD	6%
Australia – WA		No periodic inspections; required for unregistered or defected vehicles	Fines up to $540 NZD	3%
Australia – TAS		No periodic inspections; required at registration or sale	Fines up to $908 NZD	3.34%
Ireland	10 years	First at 4 years, then 2 years until 10 years, then annual	Fines up to $233 NZD	<2%
United Kingdom	9 years	Annual MOT test for vehicles >3 years	Fines up to $5,300 NZD; strict for PSVs and commercial vehicles	~2%
Japan	10-13 years	First at 3 years, then 2 years; annual for commercial vehicles	Fines up to $3,500 NZD	1–2%
Germany	10 years	First at 3 years, then 2 years	Fines up to $162 NZD; relatively light enforcement	<1%

Sweden	10 years	First at 3 years, then 2 years, then annual	Fines up to $490 NZD; impoundment possible	Not specified, presumed low
Norway	11 years	First at 4 years, then 2 years until 8 years, then annual	Fines up to $800 NZD; daily penalties for non-compliance	Not specified, presumed low

Additional in-service inspection requirements for light commercial vehicles

The table below summarises the additional in-service inspection requirements for commercial light vehicles—including taxis, rideshare, and rental vehicles—across selected jurisdictions. It highlights whether these vehicle types are subject to more frequent or stricter inspections than privately owned light vehicles.

Country	Additional inspection requirements	Details
New Zealand	Yes	Taxis, rideshare, and rental vehicles require a CoF A every 6 months, which is more frequent and stringent than the WoF for private vehicles.
Australia	Yes (varies by state)	All states require additional inspections for taxis and rideshare vehicles. For example: NSW – annual inspections; SA – taxis every 6 months, rideshare annual; WA – annual inspections for all Passenger Transport Vehicles.
Ireland	Yes	Taxis and other Small Public Service Vehicles (SPSVs) must pass a National Car Test and a separate SPSV suitability inspection.
United Kingdom	Yes	Local authorities require taxis and private hire vehicles to undergo biannual or quarterly inspections, in addition to the annual MOT test.
Japan	Yes	Taxis are classified as commercial vehicles and must undergo annual inspections, compared to biennial for private vehicles.
Germany	Not confirmed	All vehicles undergo biennial inspections. No specific additional inspection frequency for taxis was identified in official sources.
Sweden	Yes	Taxis must undergo annual inspections regardless of vehicle age, which is stricter than the general inspection regime.
Norway	Yes	Taxis require a Passenger Carrying Vehicle licence and are subject to annual inspections.

Inspection scope

The table below presents a comparative overview of the key inspection items included in light vehicle in-service inspection regimes across selected international jurisdictions. It highlights the presence or absence of inspection components such as brakes, tyres, emissions, advanced driver assistance systems, structural integrity, seatbelts/airbags, and digital systems. This comparison supports policy discussions by identifying areas of alignment and

divergence in inspection practices, informing potential improvements to New Zealand's inspection framework.

Country	Brakes	Tyres	Emissions	Advanced driver assistance systems	Structural integrity	Seatbelts/ airbags	Digital systems
New Zealand	✓	✓	Basic	✗	✓	✓	Limited
Australia	✓	✓	Varies	✗	✓	✓	Varies
Ireland	✓	✓	✓	Unknown	✓	✓	Moderate
United Kingdom	✓	✓	✓	✓	✓	✓	✓
Japan	✓	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓	✓
Sweden	✓	✓	✓	✓	✓	✓	✓
Norway	✓	✓	✓	✓	✓	✓	✓

Fleet age and vehicle defects

New Zealand has one of the oldest light vehicle fleets in the developed world, with an average age of about 15 years. This is much older than in places as outlined in the table above.

Older vehicles are more likely to break down or have worn-out parts, and they often do not have the latest safety features. This means there's a higher chance defects in older vehicles could lead to crashes.

In New Zealand, about 2–3% of serious crashes involve vehicles with defects. Countries with newer fleets and stricter inspection rules, like Germany and Japan, tend to have fewer crashes caused by vehicle defects.

One reason New Zealand's fleet is older is we import a high proportion of used cars, especially from Japan. These cars are often cheaper, but they add to the number of older vehicles on our roads.

Because of this, it is important to maintain the safe working condition of all our vehicles, especially older ones. Regular inspections help catch problems early and prevent harm.