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Preliminary assessment of compliance cost and safety effects of WOF/COF policy changes to public consultation and RIA process

Project information

Project title		
Vehicle Licencing: Reduced inspection frequency for light vehicles		
Due date	10 October 2025	
Commissioning contact	Team	Position and role
Keegan Taylor	Regulatory Reform	Principal Adviser (Policy lead)
Analysis team personnel	Team	Role
Ainsley Smith	Economics	Fleet modelling, safety effects and industry impacts
Kane Swift	Economics	Safety effects, compliance cost effects & simulation modelling
Context and scope		
The Regulatory Reform team is providing an options analysis for public consultation on reducing the frequency of Warrant of Fitness (WOF) and Certificate of Fitness (COF) for different light vehicle cohorts. The initial proposed options below apply to light vehicles: 1. Extend initial WOF-free period for new vehicles from 3 years to 5 years (referred to as 4-5yrs). 2. Extend initial WOF-free period for new vehicles from 3 years to 4 years (referred to as 4yrs). 3. Annual WOF inspections for vehicles currently on 6-monthly inspections (mainly vehicles manufactured before year 2000 and passenger service vehicles). Referred to as Mfr pre-2000. 4. Biennial WOF inspections for vehicles aged 4 to 14 (referred to as 4 to 14 yrs), and annual WOF inspections for vehicles aged 15 and over. 5. Annual COF inspections for rental vehicles, currently on 6-monthly inspections for the first 5 years (referred to as rental). 6. Annual COF inspections for rental and other passenger service vehicles (PSV), currently on 6-monthly inspections for the first 5 years (referred to as passenger service vehicles). After the initial analysis was completed an additional 7th option, (based on Option 4 with a smaller cohort) was added: 7. Biennial WOF inspections for vehicles aged 4 to 10 (referred to as 4 to 10 yrs), and annual WOF inspections for vehicles aged 11 and over. This note focuses on providing results of our preliminary assessment of safety and compliance cost effects to support the policy development process. In scope of this analysis: • Light passenger and light commercial vehicles • Costs relating to increased fatal, serious and minor crashes • Benefits related specifically to reduced inspections (i.e., costs of inspection, compliance time and unnecessary repairs) Out of scope: • Motorcycles, rental vehicles and trailers are excluded due to the lack of relevant data • Heavy vehicles are excluded as they are not affected by the policy. • Implementation and enforcement costs are excluded as details on implementation and enforcement options are not yet available. • Environmental costs but the effects are likely to be negligible.		

Executive summary

Overview

1. This note summarises the preliminary assessment of the two biggest effects resulting from the policy change – the safety effects and the change in the compliance costs of reducing the inspection frequency for light vehicles. It uses data from Motor Vehicle Register (MVR) and Crash Analysis System (CAS) to estimate the safety costs and calculates the expected change in the number of inspections and the effects on compliance costs (including costs of inspection and time) and unnecessary repairs.
2. Several uncertainties (due to limited or weak data) and unknowns (e.g., future safety trends) have constrained our ability to estimate the effects in a precise manner. To evaluate how the uncertainties with the data and assumptions affect the results, we undertook a Monte Carlo simulation of the key assumptions/variables and report the results as ranges.
3. Furthermore, we have used slightly out-dated vehicle fleet projections (using data up to 2023) for this analysis as an update of the projections is yet to be finalised as part of the current Vehicle Fleet Model redevelopment process. All estimates outlined in this document are, therefore, preliminary only and will need to be updated when new fleet projections become available.

Method

4. Our approach can be summarised as below:
 - (a) **Effects on inspection volume** – We calculated the number of annual inspections, with and without the policy change, by multiplying the projections of the number of vehicles in the fleet (for affected vehicle cohorts) by the required number of inspections by age group for each year.
 - (b) **Effects on compliance costs** – We calculated the changes in the total costs of inspection, compliance time and unnecessary repairs by multiplying the change in inspections by their associated resource costs.
 - (c) **Safety effects** – We estimated the changes in road crashes (by crash severity and vehicle cohort) by analysing respective crash data from 2015 to 2024 (since the last policy changes). Our analysis shows that the relative risk (between inspection-related crashes and non-inspection-related crashes) increases slightly with the number of weeks since the last inspection. To establish the likely change in crashes, we extended the relative risk forward to match the new inspection frequency. We then adjusted the resulting estimates for traffic growth and baseline risk reduction effects (eg due to vehicle and other improvements).
5. We have provided estimates of 95% confidence interval using Monte Carlo analysis to account for the level of uncertainties with the inputs and assumptions for the above.
6. We performed the analyses using R, GitLab and AWS environments.

Results

7. The results in [Table 1](#) show that Options 1 to 4 and 7 will likely be net beneficial for road users. The time since a vehicle's last inspection appears to have a weak effect on the risk of crash involvement with inspection-related contributing factors. Hence, the benefits of reducing inspection-related costs outweigh the potential increase in crash-related costs for these options.
8. The results for Options 3 are less reliable than options 1, 2, 4 and 7 because there were not enough crashes with inspection-related contributing factors in this vehicle cohort to establish a statistically sound relationship between the time since a vehicle's last inspection and its relative safety risk (see [Table 5](#)).

9. For Options 5 and 6, we were unable to model a relationship between the time since a vehicle's last inspection and its relative safety risk for those vehicle cohorts. This is because there was only one reported crash with an inspection-related contributing factor across 10 years of crash data.
10. Some considerations are:
- (a) The affected vehicle cohorts for options 3, 5 and 6 are relatively small (see [Figure 1](#)) so the scale of the risk is small. The vehicle cohort for option 3 (vehicles manufactured pre-2000) are also driven less and both their fleet size and level of travel (see [Figure 2](#)) are expected to diminish over time along with any safety risks exposure.
 - (b) The small numbers of relevant crashes for these cohorts suggest that the relative safety risk was not very high to start with.
11. Both considerations suggest that extending the inspection frequency under options 3, 5 and 6 will likely be net beneficial to society as well, though we still caution applying the [Table 1](#) results for those options.

Table 1. Key policy effects by of policy options – cumulative total for the years 2027 to 2055 (all dollar values are discounted at a 2% rate)

Key policy effects		Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Increased social cost of road crashes	Fatal crashes	6 to 16	1 to 2	0 to 1	4 to 13			3 to 8
	Serious crashes	43 to 117	4 to 14	0 to 3	33 to 95	N/A	N/A	17 to 52
	Minor crashes	223 to 604	18 to 74	2 to 16	192 to 561			102 to 313
	Increased crash costs (\$m)	\$192 to \$522	\$17 to \$67	\$3 to \$22	\$151 to \$444	N/A	N/A	\$83 to \$255
Reduced compliance costs (ie benefits)	Inspections (m)	6.7	2.6	2.9	30.5	2.2	3.2	18.5
	Time (m hours)	3.8 to 6.2	1.5 to 2.5	1.6 to 2.7	17.2 to 28.3	2.6 to 4.2	3.7 to 5.9	10.6 to 17.2
	Benefits of fewer inspections (\$m)	\$467 to \$670	\$184 to \$264	\$279 to \$433	\$2254 to \$3398	\$380 to \$479	\$537 to \$678	\$1391 to \$2070
Net Present Value (NPV) (\$m)		\$22 to \$414	\$137 to \$230	\$267 to \$424	\$1987 to \$3110	\$380 to \$479	\$537 to \$678	\$1208 to \$1911
Benefit Cost Ratio (BCR)		1.0 to 3.1	3.2 to 12.9	15.4 to 138.2	6.0 to 18.8	N/A	N/A	6.3 to 21.1

Note: Both the NPV and BCR estimates only considered safety and compliance cost impacts and have not yet incorporated effects such as changes to enforcement and administrative costs.

Note: These ranges are based on a 95% confidence interval of 10000 random iterations for each item. The cost and benefit ranges will not solve to the BCR and NPV (see Annex 3 for how BCR and NPV results were distributed across the simulation).

Caveats and limitations

12. The preliminary estimates are indicative only due to a range of uncertainties associated with the inputs and assumptions. However, based on the 95% confidence interval of the Monte Carlo simulation, we believe the policy changes are likely to be net beneficial for Options 1 to 4 and 7.
13. The main uncertainties of this analysis are:
- (a) The vehicle fleet projections used in the model to calculate inspections are based on projections using data up to 2023. We plan to update the analysis when new fleet projections become available in early 2026.
 - (b) The cost ranges for inspection fees, compliance time and unnecessary repairs. We have also not adjusted for any changes to inspection and repair fees because of these policy options.

- (c) Risk factors were calculated using a relatively small numbers of inspection-related reported crashes, especially for the vehicle cohort with a smaller fleet (eg rental, PSV or pre-2000 vehicles). Inspection related crashes only make up about 2% of total number of reported crashes (excluding non-injury and unlicensed vehicle crashes). The accuracy and the level of reporting of vehicle factors as a crash contributing factor by Police are uncertain.

14. Due to time constraints and lack of data, our analysis has not considered the following safety effects:

- (a) Under-reporting of vehicle defeats as a crash contributing factor will affect the resulting safety assessment. We have not made any adjustment to account for this, which will likely increase the size of the estimated safety effects (in 2012 the estimated increase was between 5% and 28%).
- (b) To buy or sell a vehicle, the law requires the vehicle to have a valid WOF that is no more than one month old when the buyer takes possession. Vehicles with less frequent inspection requirements might still have additional inspection over and above the legal requirements. In this case, the safety effects from the policy change would be lower. We have not yet made an adjustment to account for this, which will likely decrease the size of the estimated safety effects (in 2012 the estimated reduction was less than 10%).
- (c) With a less frequent inspection regime, safety conscious car owners could continue to get their vehicles inspected and repaired during the period when an inspection is not required. We have not yet made an adjustment to account for this, which will likely decrease the size of the estimated safety effects (in 2012 the estimated reduction was between 26% and 28%).
- (d) It is assumed a WOF/COF inspection will correctly identify relevant vehicle faults and require them to be addressed before a vehicle can pass. It is also assumed this resets the safety risk of those vehicle faults. However, we know that not all inspections are undertaken properly, which means that risk reset would not have occurred. If this were the case, we are likely to overstate the effects of inspections. We have not adjusted for any instances where this may have occurred, though the effects of some instances may be present in the CAS data, which would affect the safety risk analysis.
- (e) The risk analysis assumes that the presence of an inspection-related contributing factor leads to an increased risk of a crash. However, a crash can have multiple contributing factors, and the inspection-related ones may not necessarily be the primary cause of the crash. This suggests we likely overstate the safety effects.

Introduction

15. The Regulatory Reform policy team is investigating the potential effects of reducing the inspection frequencies of light vehicles to reduce regulatory compliance burden, without unduly affecting road safety. This document summaries our preliminary assessment of the effects on safety and compliance cost on seven policy options to support the policy consultation process.

The policy options

16. Table 2 tabulates the inspection frequency requirements by vehicle cohort for the current regime and for the six policy options analysed.

Table 2: Inspection frequency options for in-service private light passenger vehicles

Inspection frequency by vehicle cohort and inspection type		Current policy	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
WOF light vehicles	Under 3 years old	None	None	None	None	None	None	None	None
	>3 to 4 years old	Annual	None	None	Annual	Annual	Annual	Annual	Annual
	>4 to 5 years old	Annual	None	Annual	Annual	Biennial	Annual	Annual	Biennial
	4 – 10 years	Annual	Annual	Annual	Annual		Annua	Annua	
	11 – 14 years old	Annual	Annual	Annual	Annual		Annual	Annual	
	Other post-2000 YOM vehicles	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
	Pre-2000 YOM vehicles	6-monthly	6-monthly	6-monthly	Annual	Annual	6-monthly	6-monthly	Annual
COF light vehicles	Rental ≤ 5 years	6-monthly	6-monthly	6-monthly	6-monthly	6-monthly	Annual	Annual	6-monthly
	Rental > 5 years						6-monthly	6-monthly	
	Rental and PSV ≤ 5 years	6-monthly	6-monthly	6-monthly	6-monthly	6-monthly	6-monthly	Annual	6-monthly
	Rental and PSV > 5 years							6-monthly	

Note: PSV – Passenger service vehicle.

Effects assessed

17. As shown in Table 2, due to time constraints and the lack of specific policy details (eg on implementation and enforcement options), our analysis focuses only on the two main effects (safety and compliance costs).

Table 3: A summary of the effects assessed

Effects	Measures	Valuation	Expected results
Consumer compliance costs and charges	Change in time and inconvenience to comply	Value of time	Monetised reduction in compliance cost from reduced inspection frequency Total in present values (at 2% discount rate) for 2026-2055.
	Change in annual inspection costs	Representative inspection costs	
	Change in avoidable repair costs	Representative repair costs	
Safety	Changes in frequency and of inspection-detectable injury crashes	Average social cost of road crashes by severity (this includes loss of life and life quality, medical costs, loss output and productivity, legal and court costs and property damage costs)	Monetised increase in road crashes from reduced inspection frequency Total in present values (at 2% discount rate) for 2026-2055.

Data and inputs

18. Table 4 summarises the key data inputs and their sources. For practical purposes, we did not include values where there are many observations or inputs.

Table 4. Key data and inputs used in the analysis

Dataset/input	Detail	Values	Source
Crash analysis system (CAS)	CAS data provides detailed information about crashes. The CAS data used in this analysis includes crash date, severity of crash, vehicle id (plate), and presence of contributing vehicle factors (faults) and what they were (used to determine if it was an inspection related crash or not).	Various	NZTA
Motor vehicle register (MVR)	MVR data provides detailed information about the vehicle involved in crashes. The MVR data used in this analysis includes vehicle id (plate), vehicle type, vehicle inspection and licencing history, vehicle age, vehicle kms travelled and use (e.g. rental or passenger service vehicle).	Various	NZTA
Vehicle fleet model (VFM)	Aggregate projections of vehicle numbers by vehicle age to 2055 (based on data up to 2023).	Various	MOT
Safety improvement trend	Annual improvement in vehicle safety under the business-as-usual scenario because of newer vehicles with more safety features entering the fleet over time	1% to 2% per annum	Assumed
Social cost of road crashes	Average social cost per reported road injury crash, in June 2024 dollars	Fatal \$17,081,200 Serious \$1,792,500 Minor \$350,800	MOT
Inspection fees	Average fees charged for WOF/COF inspections which are assumed to represent the economic resource cost of those inspections (i.e., labour, stationary, property costs etc).	WOF: \$50 to \$90 COF: \$150 to \$200	Assumed based off Google searches
Compliance costs	The monetary cost of compliance time per hour in June 2024 dollars	Low \$33 High \$34.96	Treasury NZTA

Dataset/input	Detail	Values	Source
Compliance time	The time spent (in minutes) by the vehicle owner on WOF/COF inspections including waiting and travelling to/from.	WOF: 30 to 60 minutes COF: 60 to 120 minutes	Assumed based off Google searches
Repair costs	Average annual repair costs in June 2024 dollars	Various across different cohorts	DTCC C5
Non TSDA market share	Transport Service Delivery Agents include AA and VTNZ. Non-TSDAs are regular mechanics.	80%	Assumed from 2012 CBA
Unnecessary repairs (%)	Proportion of average annual repairs that were undertaken to pass an inspection, but not required to do so	0 to 10%	Assumed from 2012 CBA

Defining vehicle cohorts

19. The analysis uses the following vehicle age groupings to align with the policy settings:

- (a) "4-5yrs" – Associated with Option 1. Defined as vehicles aged between 3 and 5 years.
- (b) "4yrs" - Associated with Option 2. Defined as vehicles aged between 3 and 4 years.
- (c) "Mfr pre-2000" – Associated with Option 3 and 4. Defined as vehicles manufactured before year 2000.
- (d) "4 to 14 yrs" – Associated with Option 4. Defined as vehicles aged between 3 and 14 years (inclusive).
- (e) "Rental vehicle" - Associated with Options 5 and 6. Defined as vehicles that have an MVR "VEHICLE USAGE" value of 7. These are vehicles that are classified as rental vehicles.
- (f) "Passenger service vehicle" - Associated with Option 6. Defined as vehicles that have an MVR "VEHICLE USAGE" value of 2. These are vehicles that are classified as passenger service vehicles (taxis and the like).
- (g) "4 to 10 yrs" – Associated with Option 7. Defined as vehicles aged between 3 and 14 years (inclusive).
- (h) 'Unchanged years' – Are vehicle age groupings not associated with an option and discarded.

Defining crash types

20. Crashes are categorised into two groups - inspection-related crash and non-inspection-related crashes.

21. A crash is considered inspection-related when the CAS contributing factors input data showed the vehicle involved (not necessarily responsible) had a vehicle factor that would have been picked up at WOF/COF inspection.

22. All other crashes (non-inspection-related crashes) are where the vehicle did not have one of those factors (see Annex 1).

Compliance cost analysis

Vehicle fleet and inspection projections

23. This analysis uses both the MVR light vehicle registration data and the vehicle fleet data to ensure the estimated number of inspections required is consistent with the number of vehicles registered (after accounting for inspection frequency by vehicle age).
24. The estimation process starts by aggregating the numbers of vehicle affected for each policy and then distributing inspection events evenly across each cohort over the inspection frequency. This is done for each year with any overlaps removed.
25. As vehicle fleet projections are not available for all the vehicle cohorts, additional steps are needed to disaggregate the vehicle fleet projections:
 - (a) For PSV and rental vehicles, using historic data from 2015 to 2024 we fitted a linear trend model to project the fleet size to 2055.
 - (b) For vehicles manufactured before year 2000, using the linear trend approach we projected this cohort will reduce to zero by 2035 (when the vehicles would be at least 35 years old).
26. The results are then summarised by vehicle cohort to produce the overall change to the number of inspections for each year for each policy option. [Figure 1](#) shows the vehicle fleet projections for each cohort while [Figure 2](#) shows their VKT projections.

Figure 1. Fleet projections by vehicle cohort

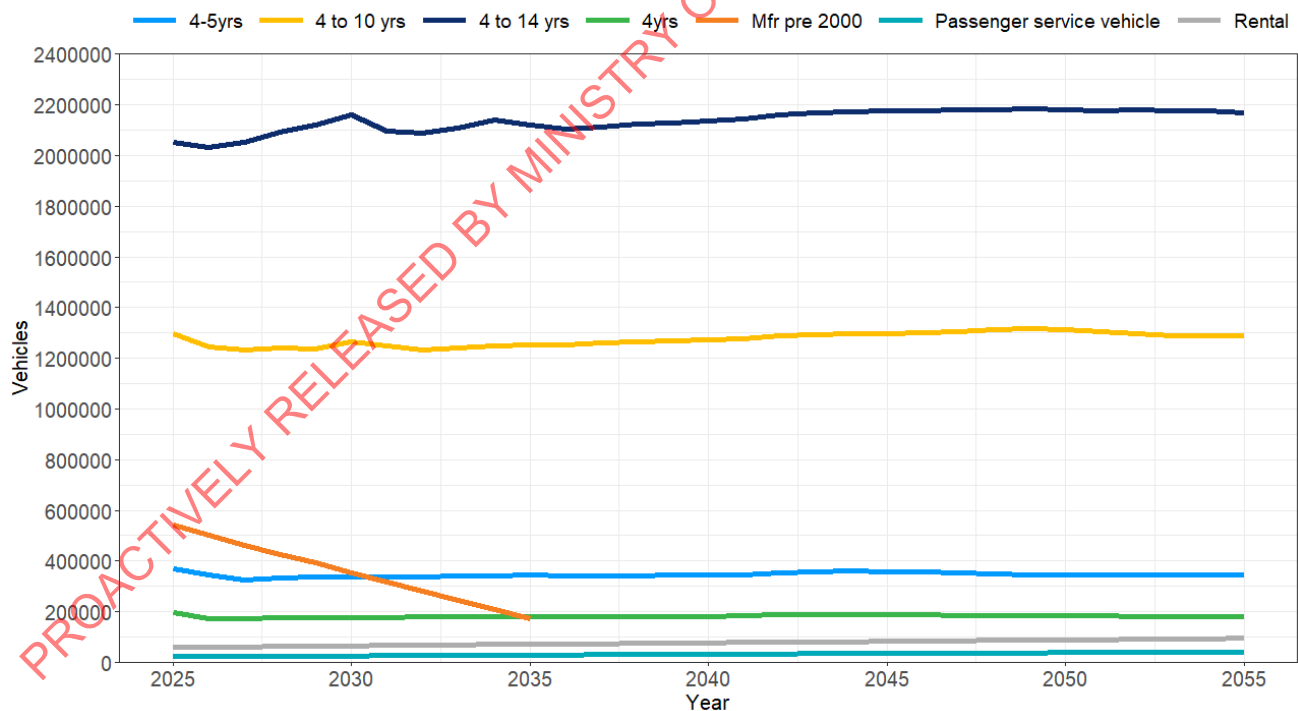
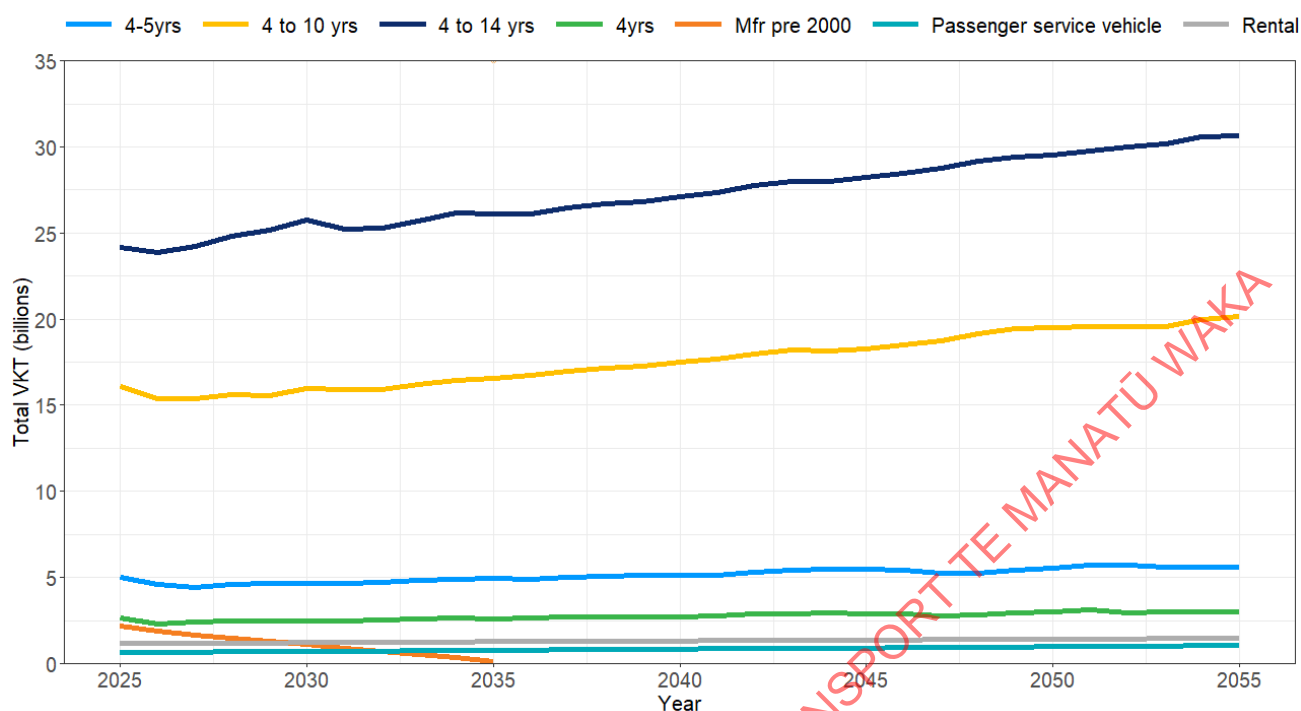


Figure 2. Total Vehicle Kilometres Travelled by vehicle cohort (billion kms)



Compliance costs

27. The analysis covers three compliance cost components:

- (a) Avoided cost of vehicle inspection
- (b) Avoided time cost of obtaining vehicle inspection
- (c) Avoided premature or unnecessary repair costs

28. The avoided costs of vehicle inspection were estimated by multiplying the change in the number of inspections by the corresponding inspection fees (WOF for cohorts 4-5 years, 4 years, 4-14 years, 4 to 10 yrs) and YOM pre-2000; COF for rental and PSVs).

29. The reduced compliance time was estimated by multiplying the estimated time per inspection by the changes in number of inspections. This is then monetised using the value of time (in \$/hour).

30. Unnecessary repair costs assumes that that a proportion of repairs that some vehicles undergo to pass an inspection were not needed. This arises due to asymmetric information in the inspection market – the vehicle owner does not also know exactly what repairs are needed to pass an inspection, but the seller of repairs does.

31. These were estimated by assuming a proportion of average annual repair costs that are unnecessary for each cohort and multiplying these by the number of inspections at regular mechanic garages.

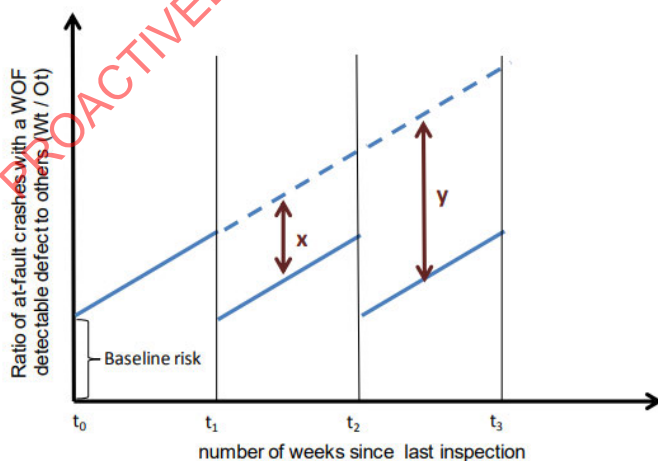
Safety analysis

Method

32. We estimate the safety effects using the key steps below:

- (a) Extracting historic (2015 to 2024) numbers of inspection-related and non-inspection-related injury crashes, for the affected vehicle cohorts, by crash severity from CAS.
- (b) Calculating the ratio of inspection-related to non-inspection-related injury crashes (for all injury crashes) by the number of weeks since the last inspection, for each affected vehicle cohort. For brevity, we refer this ratio as the **relative risk ratio**.
- (a) Identifying the relationship between the relative ratio and time since last inspection through econometric analysis and extend the relationship overtime.
- (b) Calculating the risk changes between the case with and without policy changes.
 - (i) As shown in Figure 3, a one-period extension of the inspection frequency (eg from annual to biennial) would increase the relative risk (by extrapolating the solid line forward) by an average of x per week (or by y per week for a two-period extension).
 - (ii) As the random variations in crash involvement for each vehicle age would be too large to provide a good indication of the crash risk, the analysis is carried out by vehicle age group to align with the vehicle cohorts affected by each policy option.
- (c) Projecting the counterfactual number of crashes for each vehicle cohort up to 2055 by taking average number of non-inspection related crashes (by age group and severity) using **the last three full years of data (2021-2024)** and scaling them for:
 - (i) changes in VKT over time (by vehicle cohort), and
 - (ii) baseline safety improvements, assumed to vary between 1% and 2% per annum.
- (d) Applying the risk change to the projected counterfactual crashes to estimate the additional crashes from the risk change under the policy options.
- (e) Converting the results to social cost using the average social cost of per reported road crashes (in 2024 prices).
- (f) Applying discounting to obtain present value of the safety effects.

Figure 3 Graphical illustration of the estimation approach



Relative risk since last inspection

33. Using data from 2015-2024, we established the relationship between the relative risk ratio and the number of weeks the last inspection for each of the affected vehicle cohorts (see Table 5). To interpret the results:

- (a) the intercept represents the baseline risk immediately after the previous inspection,
- (b) the risk coefficients are the incremental increases in risk for each week after the previous inspection,

Table 5. Changes in relative risk since last inspection (for each week increment)

Light vehicle cohort (by vehicle age group)	Intercept (risk unrelated to time since last inspection)	Relative risk coefficient (i.e. slope of the risk line)			Degrees of freedom
		Low limit estimate (-2SD)	Central estimate	Upper limit estimate (+2SD)	
Up to 3 years	0.00819	0.00009	0.00064***	0.00118	15
Up to 5 years	0.00063	0.00023	0.00071**	0.00118	19
4 – 14 years	0.00732***	0.00004	0.00012***	0.00020	51
Pre-2000	0.01590***	0.00000	0.00025	0.00062	26
Rental	NA	NA	NA	NA	NA
Rental and PSV	NA	NA	NA	NA	NA
4 to 10 years	0.00708	0.00000	0.00008**	0.00015	45

Note: Asterisks denote statistical significance at 1% (***), 5% (**) and 10% (*). SD – Standard deviation.

34. The results indicate a higher relative risk for the younger vehicle cohorts. This could be the combined result of the current inspection requirement and the level of travel:

- (a) Vehicles under 3 years of age do not require periodic inspection and have the highest average annual mileage per vehicle. They have a higher inspection-related relative crash risk than those with more frequent inspections.
- (b) Vehicles manufactured before 2000 currently require 6-monthly inspections and have much lower annual mileage per vehicle. They have a slightly higher (but not statistically significant) inspection-related relative crash risk than vehicles aged between 4 and 14 years.

35. Regression results were unable to be derived for the Rental and Rental + PSV cohorts because there was only one crash with an inspection-related contributing factors across 10 years of crash data. This meant we were unable to determine a statistical relationship between the time since last inspection and the likelihood of having crash with an inspection related contributing factor. This could be the result of the:

- (a) relatively small size of the cohorts (see [Figure 1](#)),
- (b) vehicles having a lower inspection-related relative crash risk due to having 6-monthly inspections, and/or
- (c) potential under reporting of relevant crashes for those vehicle cohorts

36. In the Monte Carlo simulation, we substitute the central estimates by the +/- 2 standard deviation estimates to generate a range.

Estimating the effects on injury crashes

37. Table 6 shows the estimated changes in the annual number of injury crashes (by severity) by policy cohort using the crash data for 2022-24. It also shows the total estimated increase to 2055 after adjusting for VKT and assumed annual road safety improvements (to account for any vehicle and other improvements that could occur without the policy change).
38. In the Monte Carlo simulation, we vary the assumed annual road safety improvements (0%, 1% and 2%) and report the results as a range.
39. The resulting injury crash estimates are converted to dollar terms using the average social cost per reported crash (by severity), in June 2024 dollars¹.

Table 6. Average annual injury crashes by severity and policy cohort for years 2021-24 and 2025-2055 after adjusting for VKT and road safety improvements

	Historical (2021 to 2024)			Projected (2025 to 2055) Counterfactual scenario			Estimated average annual increase due to policy changes (2027 to 2055)		
	Fatal	Serious	Minor	Fatal	Serious	Minor	Fatal	Serious	Minor
>3 to 4 years old	2.5	15.8	82.1	2.1 to 2.4	13.0 to 15.2	67.3 to 78.6	2.1 to 2.5	12.9 to 15.7	67.5 to 81.6
>4 to 5 years old	3.5	25.5	131.0	2.9 to 3.3	20.8 to 24.3	107.0 to 125.0	3.0 to 4.0	21.6 to 29.0	111.0 to 149.0
>4 – 14 years old	58.2	425.0	2501.0	46.9 to 54.7	342.0 to 400.0	2012.0 to 2350.0	46.9 to 55.3	343.0 to 403.0	2016.0 to 2373.0
Pre-2000	24.0	112.0	535.0	13.9 to 14.6	64.5 to 67.7	309.0 to 325.0	13.9 to 14.7	64.5 to 68.1	309.0 to 327.0
Rental	4.0	12.5	53.0	2.3 to 2.6	7.1 to 8.2	30.0 to 34.7	N/A	N/A	N/A
PSV	1.0	1.0	6.3	0.7 to 0.8	0.7 to 0.8	4.1 to 4.7	N/A	N/A	N/A
>4 to 10 years old	35.0	221.3	1339.0	28.9 to 33.8	182.6 to 213.5	1105.1 to 1292.1	28.9 to 34.1	182.9 to 215.6	1106.8 to 1304.6

¹ See Annual Update of Social Cost of Road Crashes and Injuries, 2024 update. See link here <https://www.transport.govt.nz/area-of-interest/safety/social-cost-of-road-crashes-and-injuries>

Results

40. A Monte Carlo simulation was conducted to account for the uncertainty that underpins several of the inputs. The simulation consisted of 10000 random simulations testing the inputs in [Table 7](#).

Table 7. Inputs tested in the Monte Carlo simulation

Input tested	Distinctions	Values
Increase in relative risks per week since last inspections	By policy cohort	See Table 5
Average annual improvement in vehicle safety	None	See Table 4
Inspection fees	WOF or COF inspection (applies to different cohorts)	See Table 4
Compliance time	WOF or COF inspection (applies to different cohorts)	See Table 4
Repair costs	By policy cohort	See Table 4
Unnecessary repairs (%)	None	See Table 4

41. The results in [Table 8](#) were based on finding the 95% confidence interval for each effect in the simulation (see [Annex 3](#) for how the results were distributed across the simulation).
42. The size of the ranges indicates that there is significant uncertainty for each effect. Despite that, the results suggest that all policy options could be net beneficial to society (that is the benefits outweigh the costs where:
- (a) Options 1, 2, 4 and 7 are the most reliable due to having statistically sound models for the relative risk increase underpinning them (see [Table 5](#)).
 - (b) Results for Option 3 are not reliable due to the relative risk increase not being statistically significant. For Options 5 and 6 we were unable to establish a model at all due to a lack of crashes with inspection related contributing factors.
43. Some considerations are for Options 3, 5 and 6 are:
- (a) The affected vehicle cohorts are relatively small (see [Figure 1](#)) so the scale of the risk is small. The vehicle cohort for option 3 (vehicles manufactured pre-2000) are also driven less and both their fleet size and level of travel (see [Figure 2](#)) are expected to diminish over time along with any safety risks exposure.
 - (b) The small numbers of relevant crashes for these cohorts suggest that the relative safety risk was not very high to start with.
44. Both considerations suggest that extending the inspection frequency under options 3, 5 and 6 will likely be net beneficial to society as well, though we still caution applying the [Table 1](#) results for those options.
45. Fatal crash costs account for the higher proportion of increased safety costs. This is due to the high value for the social cost per reported fatal crash (see [Table 4](#)). The potential increase in fatal crashes over a 30-year period will likely be small (see [Table 1](#) and [Table 6](#)).
46. Reduced costs of inspection fees account for the largest proportion of benefits, which reflects a reduction of resources (such as labour) allocated to inspections that could be allocated elsewhere. There likely will be some impact on WOF/COF agents because of this reduction. [Annex 2](#) includes a high-level estimation of the potential industry impacts.

Table 8. Monetised effects of policy options – cumulative total for the years 2027 to 2055 (all dollar values are discounted at a 2% rate)

Key policy effects (\$m)		Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Costs	Increased fatal crashes	\$76 to \$206	\$7 to \$29	\$1 to \$11	\$57 to \$168	N/A	N/A	\$34 to \$104
	Increased serious injury crashes	\$58 to \$157	\$5 to \$19	\$1 to \$5	\$44 to \$128	N/A	N/A	\$22 to \$69
	Increased minor injury crashes)	\$58 to \$158	\$5 to \$19	\$1 to \$6	\$50 to \$148	N/A	N/A	\$27 to \$82
	<i>Total costs</i>	<i>\$192 to \$522</i>	<i>\$17 to \$67</i>	<i>\$3 to \$22</i>	<i>\$151 to \$444</i>	<i>N/A</i>	<i>N/A</i>	<i>\$83 to \$255</i>
Benefits	Reduced inspection fees	\$282 to \$433	\$111 to \$171	\$148 to \$227	\$1284 to \$1974	\$259 to \$316	\$367 to \$447	\$771 to \$1204
	Reduced compliance time	\$95 to \$157	\$37 to \$62	\$50 to \$82	\$430 to \$713	\$64 to \$103	\$91 to \$145	\$265 to \$430
	Avoided repair costs	\$33 to \$142	\$13 to \$56	\$42 to \$163	\$270 to \$1027	\$23 to \$88	\$32 to \$125	\$166 to \$635
	<i>Total benefits</i>	<i>\$477 to \$687</i>	<i>\$186 to \$268</i>	<i>\$270 to \$419</i>	<i>\$2345 to \$3493</i>	<i>\$193 to \$244</i>	<i>\$275 to \$348</i>	<i>\$1391 to \$2070</i>
Net Present Value (NPV) (\$m)		\$22 to \$414	\$137 to \$230	\$267 to \$424	\$1987 to \$3110	\$380 to \$479	\$537 to \$678	\$1208 to \$1911
Benefit Cost Ratio (BCR)		1.0 to 3.1	3.2 to 12.9	15.4 to 138.2	6.0 to 18.8	N/A	N/A	6.3 to 21.1

Note: Both the NPV and BCR estimates only considered safety and compliance cost impacts and have not yet incorporated effects such as changes to enforcement and administrative costs.

Note: These ranges are based on a 95% confidence interval of 10000 random iterations for each item. The cost and benefit ranges will not solve to the BCR and NPV.

Limitations

The following exclusion may overstate the safety effects.

47. To buy or sell a vehicle, the law requires the vehicle to have a valid WOF that is no more than one month old when the buyer takes possession. Vehicles with less frequent inspection requirements might still have additional inspection over and above the legal requirements. In this case, the safety effects from the policy change would be lower. We have not yet made an adjustment to account for this, which will likely decrease the size of the estimated safety effects (in 2012 the estimated reduction was less than 10%).
48. With a less frequent inspection regime, safety conscious car owners could continue to get their vehicles inspected and repaired during the period when an inspection is not required. We have not yet made an adjustment to account for this, which will likely decrease the size of the estimated safety effects (in 2012 the estimated reduction was between 26% and 28%).
49. It is assumed a WOF/COF inspection will correctly identify relevant vehicle faults and require them to be addressed before a vehicle can pass. It is also assumed this resets the safety risk of those vehicle faults. However, we know that not all inspections are undertaken properly, which means that risk reset would not have occurred. If this were the case, we are likely to overstate the effects of inspections. We have not adjusted for any instances where this may have occurred, though the effects of some instances may be present in the CAS data, which would affect the safety risk analysis.
50. The risk analysis assumes that the presence of an inspection-related contributing factor leads to an increased risk of a crash. However, a crash can have multiple contributing factors, and the inspection-related ones may not necessarily be the primary cause of the crash. This suggests we likely overstate the safety effects.

The following limitations may understate the safety effects.

51. Under-reporting of vehicle defeats as a crash contributing factor will affect the resulting safety assessment. We have not made any adjustment to account for this, which will likely increase the size of the estimated safety effects (in 2012 the estimated increase was between 5% and 28%).
52. Our safety analysis focussed on how the policy options affect the relative risk of being in a crash. It did not account for how the policy options might affect the likely severity of crashes (i.e., a minor injury crash becoming a serious injury crash).

It is uncertain how the following limitations may influence the safety effects.

53. The vehicle fleet projections used in the model to calculate inspections are based on projections using data up to 2023. We plan to update the analysis when new fleet projections become available in early 2026.
54. Risk factors were calculated using a relatively small numbers of inspection-related reported crashes, especially for the vehicle cohort with a smaller fleet (eg rental, PSV or pre-2000 vehicles). Inspection related crashes only make up about 2% of total number of reported crashes (excluding non-injury and unlicensed vehicle crashes).
55. The accuracy and the level of reporting of vehicle factors as a crash contributing factor by Police are uncertain.
56. The social costs per reported crash assume an average number of injuries for each crash. This injury composition was based on an average across three years for all crashes. The specific injury composition for crashes with inspection-related contributing factors may differ, though this is unlikely to affect the results significantly.

Annex 1: Vehicle contributing factor associated with inspection-related crashes

57. Developed based on similar lists from previous analyses and consultation with the Insights and Analytics team and NZTA analysts.

Vehicle contributing factor code	Contributing factor name	Include/Exclude
136	Lost control – vehicle fault	Exclude – unknown if fault is inspection related
420	Other vehicle controls	Exclude – unknown if inspection related
537	Child restrained failure/inappropriate	Exclude – child restraints are not covered by inspections
600	Other lights or reflectors	Include
602	Headlights inadequate / no headlights / failed suddenly	Include
604	Brake lights or indicators faulty or not fitted	Include
605	Tail lights inadequate or no tail lights	Include
606	Reflectors inadequate or no reflectors	Include
607	Lights or reflectors obscured	Include
609	Lights or reflectors at fault or dirty	Include
610	Other brakes	Include
611	Parking brakes failed/ defective	Include
613	Service brake failed	Include
614	Service brake defective	Include
615	Jack – knifed / uneven breaking	Exclude – sounds like it could refer more to driver behaviour
620	Other steering	Include – this might apply to the system rather than behaviour
621	Defective steering	Include
622	Steering failed suddenly	Include
630	Other tyres	Include
631	Puncture or blowout	Exclude – not something that gets to an inspection
632	Worn tread on tyre	Include
633	Incorrect tyre type	Include
634	Mixed tyre types / space savers	Include
640	Other windscreen / mirror	Include
641	Shattered windscreen	Include
643	Rear vision mirror	Include
650	Other mechanical	Include
651	Engine failure	Include
652	Transmission failure / broken axle	Include
653	Accelerator or throttle jammed	Exclude – not something that gets to an inspection
660	Other chassis / gear	Include
661	Body, chassis or frame failure	Include
662	Suspension failure	Include
664	Other body /doors	Include
665	Inadequate tow coupling	Include
666	Inadequate or no safety chain	Include
667	Door / bonnet catch failed, defective or not shut	Include
668	Wheel off	Exclude – not something that gets to an inspection
672	Seatbelt failed / defective	Exclude – affects severity, not crash risk
673	Air bag failed / defective	Exclude – affects severity, not crash risk
697	Vehicle software failure	Exclude – not covered by inspection

Annex 2: Supplementary analysis on industry employment and revenue impacts

This annex provides an indicative of how the policy changes might affect industry employment and revenue to support the completion of the Regulatory Impact Assessment.

We have replicated the simple approach adopted in 2012, with updated inputs and simplified workings.

The estimates rely on several assumptions outlined below:

- Proportion of vehicle inspections requires re-test (i.e. for those did not pass the first time) (based on 2012 analysis).
- Proportion of vehicles to have a basic safety check when inspection frequency reduced (based on 2012 analysis).
- Time in hours spend on inspection (for first inspection and for re-test) and providing basic vehicle services (based on 2012 analysis).
- Total annual FTE hours for each inspector of 1,800 hours with 70% productive time.
- Charges for WOF inspections and basic service fees).

As there are high-level of uncertainties with these assumptions, our estimates only aim to provide a high-level sense of the relative magnitude of the effects between options. Due to the small vehicle cohort size of options 5 and 6, related effects for these options have not been estimated.

The figures below provide the estimated effect on a single example year and are based on 2024 fleet numbers and revenue in \$2025 terms.

Table 9. Changes to annual number of inspections (based on 2024 volume)

Scenario	Number of Inspections pa	Change	% Change
Base	4,923,639		
Option1	4,571,491	-352,148	-7%
Option2	4,767,874	-155,765	-3%
Option3	4,333,798	-589,841	-12%
Option4	3,451,877	-1,471,762	-30%
Option7	4,173,446	-750,193	-15%

Table 10. Changes to industry employment (Full time equivalent compared to Base)

Scenario	Effects on industry employment	
	Low safety check uptake	High safety check uptake
Option1	-164	-154
Option2	-73	-68
Option3	-275	-257
Option4	-686	-642
Option7	-350	-327

Table 11. Changes to industry annual revenue \$mil (compared to base)

Scenario	Effects on industry annual revenue (\$m)	
	Low safety check uptake	High safety check uptake
Option1	-\$23	-\$20
Option2	-\$10	-\$9
Option3	-\$38	-\$33
Option4	-\$96	-\$82
Option7	-\$49	-\$42

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Annex 3- Distribution graphs of CBA outputs

Figure 4. NPV and BCR simulation results for Option 1

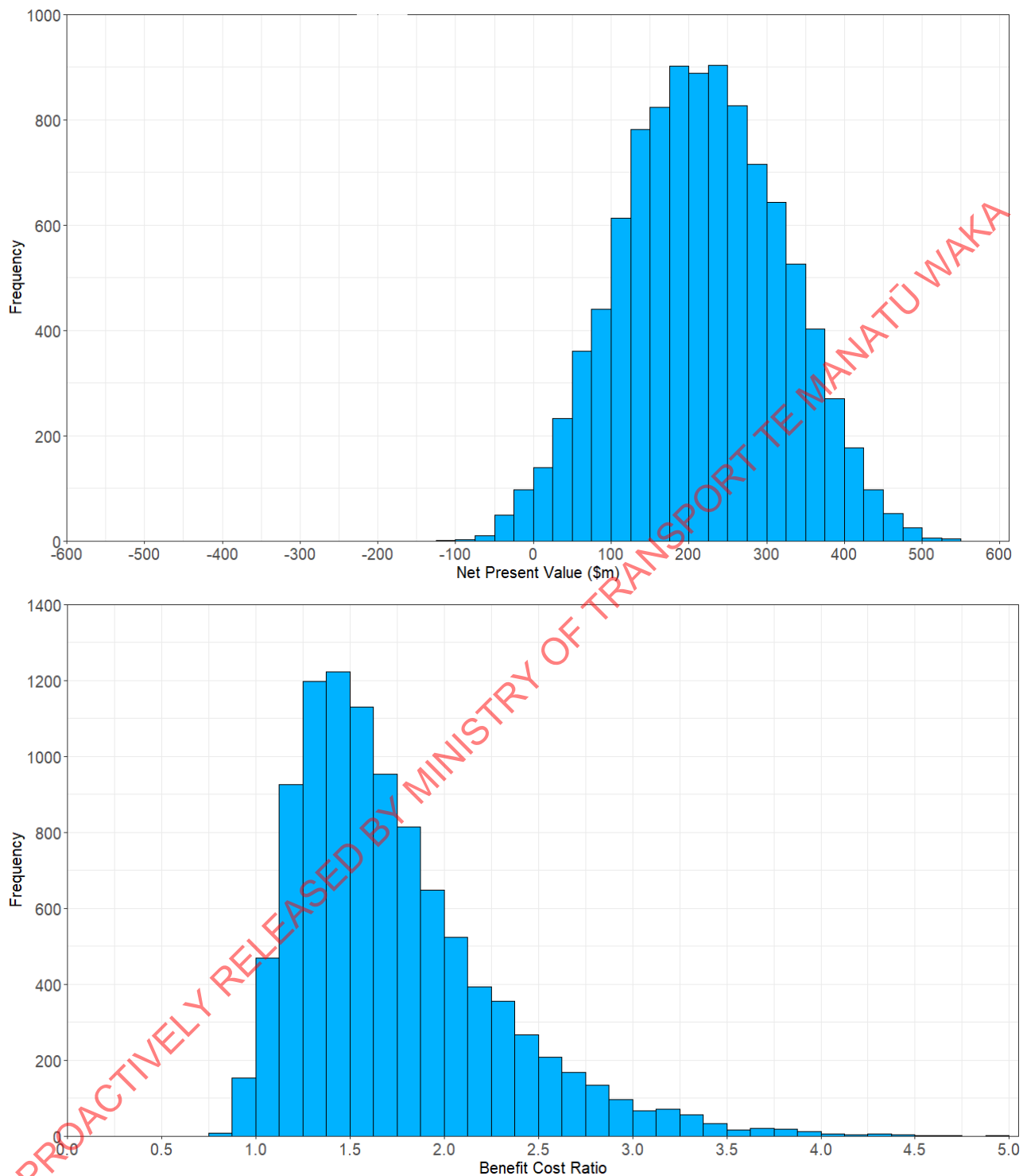


Figure 5. NPV and BCR simulation results for Option 2

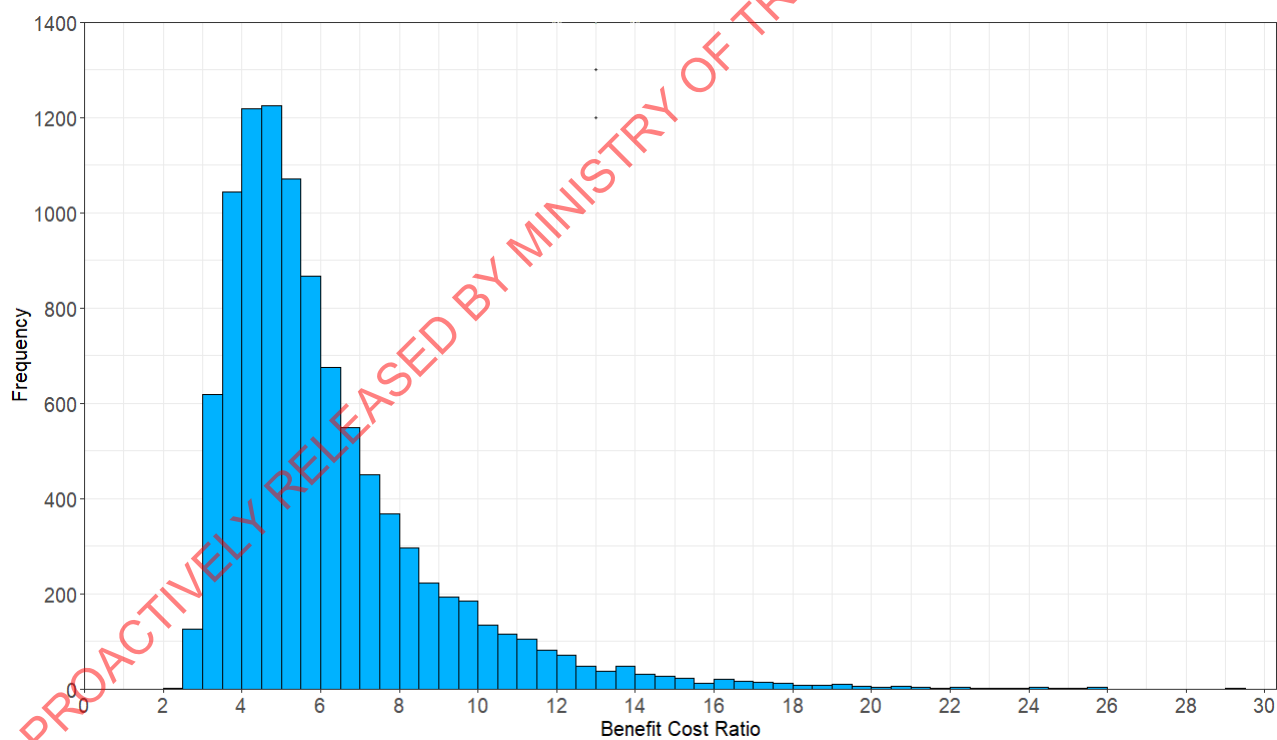
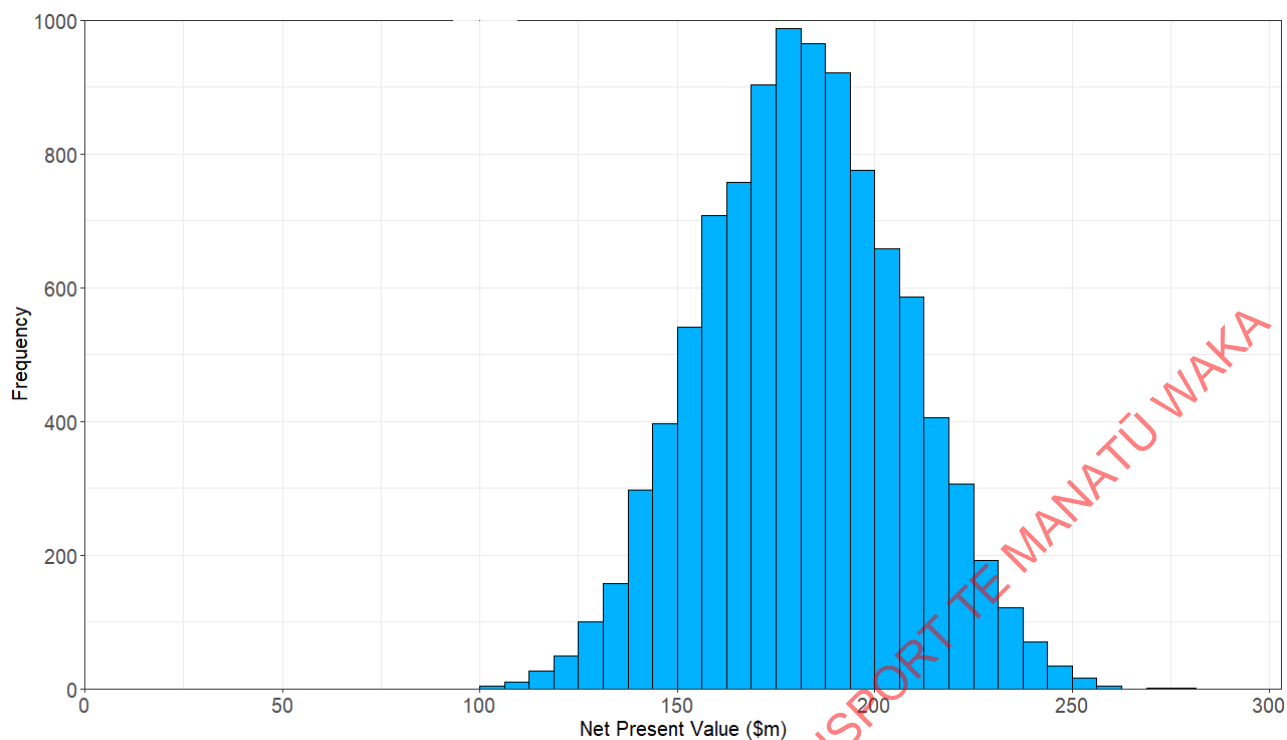


Figure 6. NPV and BCR simulation results for Option 3

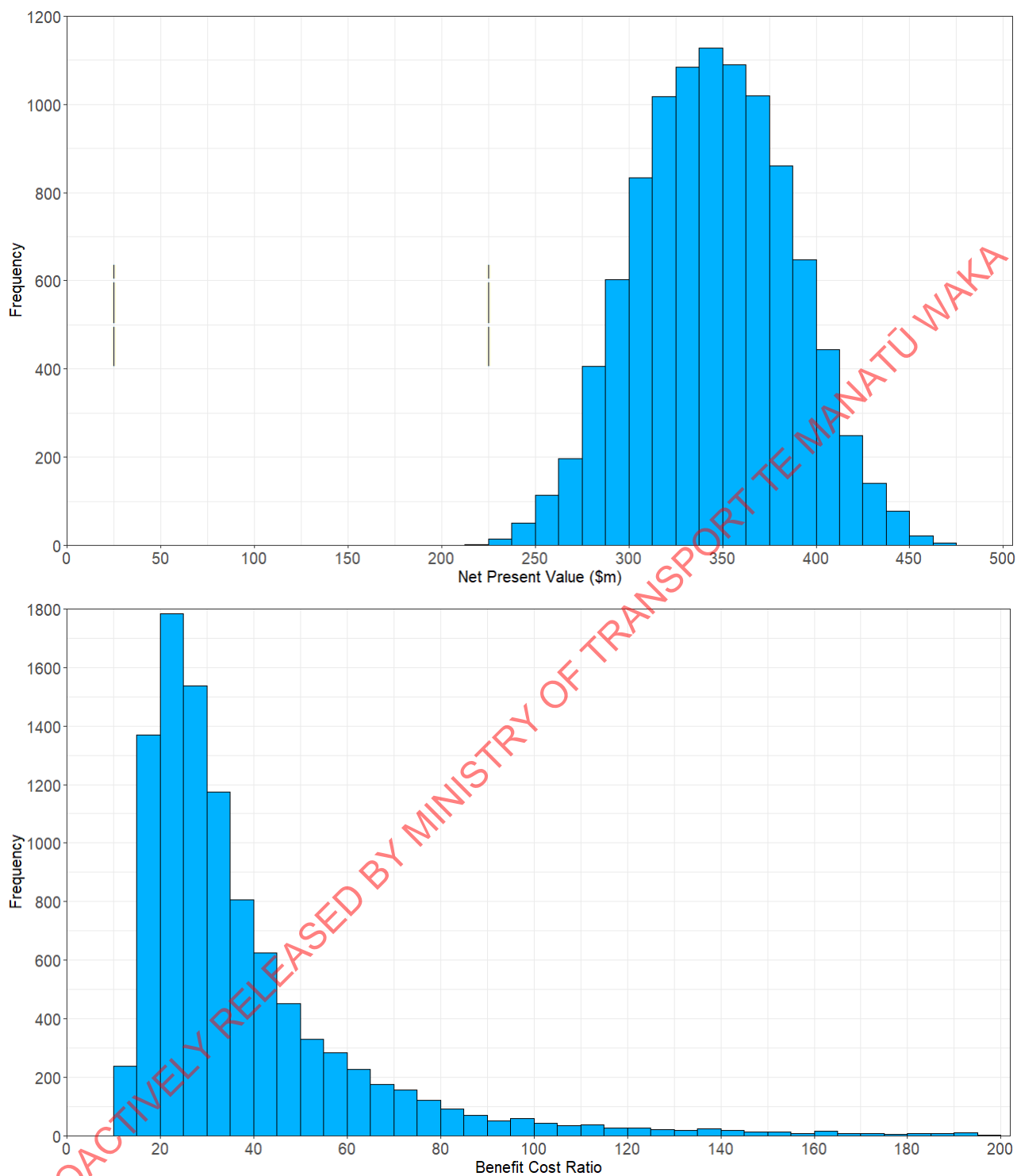


Figure 7. NPV and BCR simulation results for Option 4

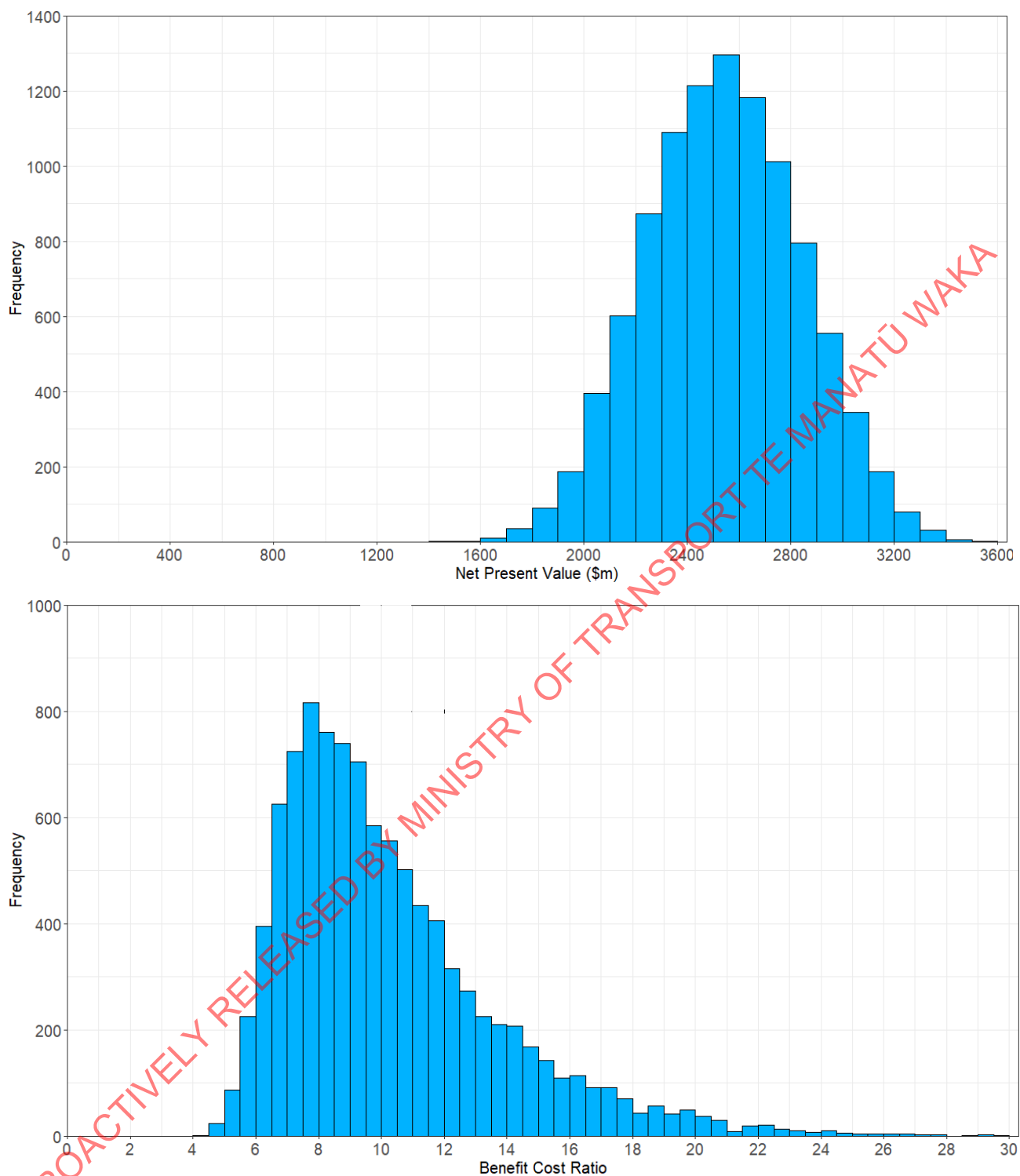
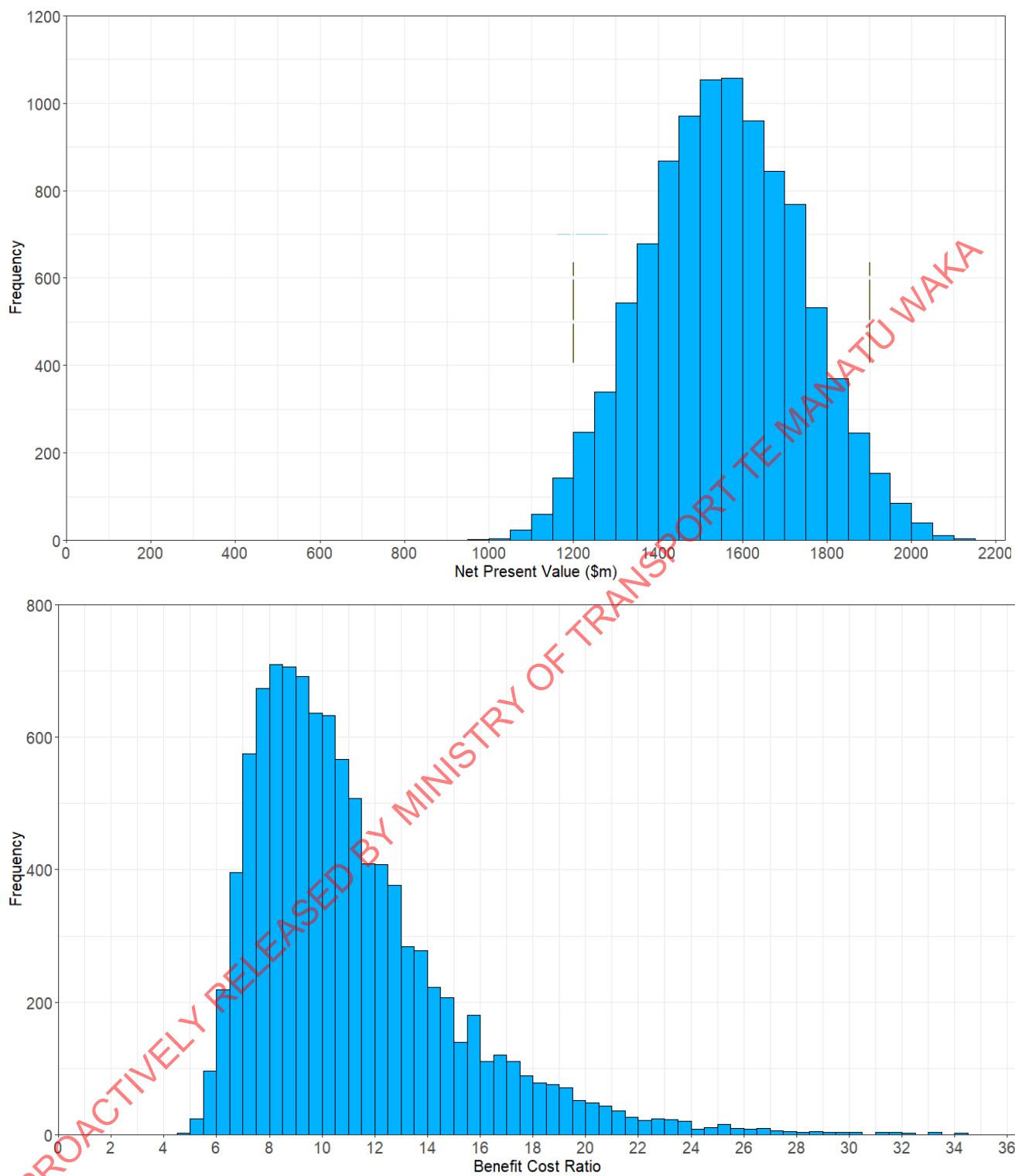


Figure 8. NPV and BCR simulation results for Option 7



Proactive Release

This document is proactively released by Te Manatū Waka the Ministry of Transport.

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.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)



16 October 2025

OC250865

Hon James Meager

Action required by:

Associate Minister of Transport

Wednesday, 22 October 2025

APPROVAL TO START PUBLIC CONSULTATION ON CHANGES TO WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A

Purpose

To seek your approval to commence public consultation on a recommended package of changes to Warrant of Fitness (WoF) and Certificate of Fitness A (CoF A) requirements for light vehicles.

Key points

- We recommend publicly consulting (via NZ Transport Agency Waka Kotahi – NZTA) on a package of changes to improve the efficiency of light vehicle inspections between 29 October 2025 and 17 December 2025. The key proposals are:
 - tiered WoF intervals based on vehicle risk:
 - a four-year inspection-free period for new vehicles
 - two-yearly WoF for vehicles under ten years old
 - annual WoF for vehicles over 10 years old
 - a 12-month default CoF A frequency for all light rental service vehicles under five years old
 - an added requirement that certain Advanced Driver Assistance Systems (ADAS) features be tested if fitted
 - to carry out further work to investigate a series of broader system improvements to enhance personal responsibility and enforcement.
- In addition to general feedback, we recommend testing specific aspects of the proposals during public consultation to inform an assessment about the public's view of an acceptable level of risk. Specifically, we recommend seeking feedback on the proposed threshold for annual rather than two-yearly WoF inspections (proposed to be when vehicles are 10 years old), the length of the inspection-free period for new vehicles subject to WoF, and requirements for rental service vehicles.
- Subject to direction from you and final Cabinet decisions in April 2026, we will work to implement any changes by late 2026 with evaluations in 2029 and 2032.

Recommendations

We recommend you:

- 1 **agree** to NZTA publicly consulting on the recommended package of changes listed in Table 1, from 29 October 2025 to 17 December 2025. Yes / No
- 2 **agree** to also explicitly seek public feedback on the following:
 - the proposed vehicle age threshold for yearly, rather than two-yearly, WoF inspections Yes / No
 - the length of the inspection-free period for new vehicles subject to WoF
 - requirements for rental service vehicles.
- 3 **agree** to proactively release the documents listed in Annex 4, to support public consultation and reduce administrative burden on officials. Yes / No
- 4 **agree** that the new Rule will come into effect in late 2026, unless there are substantive changes to the recommended package. Yes/ No
- 5 **refer** this briefing to Hon Chris Bishop, Minister of Transport. Yes / No

s 9(2)(a)

Katrina Quickenden
Manager, Regulatory Reform
 16 / 10 / 2025

Hon James Meager
Associate Minister of Transport
 / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Keegan Taylor, Principal Advisor, Regulatory Reform	s 9(2)(a)	
Katrina Quickenden, Manager, Regulatory Reform	s 9(2)(a)	✓

APPROVAL TO START PUBLIC CONSULTATION ON CHANGES TO WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A

Officials have reviewed light vehicle inspection requirements

- 1 In June 2025, Cabinet agreed to the Land Transport Rules Reform Programme [ECO-25-MIN-0083 refers]. This programme included a review of WoF and CoF A requirements for light vehicles, with consultation on possible changes expected to begin in October 2025. This review has been delegated to you, and you have agreed for the consultation in October 2025 to focus on a preferred options package [Briefing OC250303 refers].
- 2 We provided an update on the review in September 2025 [Briefing OC250772 refers] and confirmed your areas of interest were addressed – in particular, alignment with other jurisdictions.

We recommend consulting on a package of changes to improve inspection efficiency

- 3 We have identified a package of proposed changes to both the WoF and CoF A light vehicle inspection regimes we consider provides a more efficient balance across inspection interval, enforcement, and the encouragement of greater personal responsibility. These are summarised in the Table 1 below and more detail is outlined in the attached interim Regulatory Impact Statement (Annex 1):

Table 1: Recommended package of changes

Component	WoF	CoF A
Inspection Interval	Extend initial inspection exemption for new vehicles from three to four years	Introduce 12-month default inspection frequency for all light rental service vehicles under five years of age
	Two-year inspection interval for vehicles under 10 years of age and annual inspection interval for vehicles older than 10 years	
Inspection Scope	Maintain current inspection approach, with improved testing of certain Advanced Driver Assistance Systems features	
Exploring broader system improvements	Consider raising the current fines and/or introducing demerit points for driving or parking a vehicle in a public place without a valid WoF/CoF A or with other vehicle fault conditions.	
	Work with local councils on increasing the frequency and consistency of local council enforcement	
	Design and run public education campaigns to encourage ongoing vehicle maintenance between inspections	

- 4 The recommended package is expected to deliver significant net benefits through reductions in compliance costs for most vehicle drivers and operators. The recommended package achieves this in a way that mitigates negative impacts on road safety outcomes compared to

other approaches. The recommended package also seeks to deliver benefits in the short term without adding additional system complexity.

- 5 Most of the benefits are driven by a reduction in the number of annual inspections (a 15% reduction as a result of the shift to two-yearly and yearly inspections).
- 6 While this reduction would yield considerable savings for vehicle owners, it is also expected to have a significant effect on the inspection industry. For example, modelling indicates up to 350 or 4% fewer full time equivalent inspection staff hours would be required, because there would be \$49 million less charged to motorists by shifts to two-yearly and yearly inspections. It is not known to what extent this reduction in revenue would then reduce the availability of inspections, nor whether inspection organisations would increase other service prices to compensate for lost income.
- 7 We expect to learn more about these effects as part of public consultation. However, any potential reduction in availability is likely to be mitigated by the fact that, in many cases, inspections are not the core focus of the business. Mechanics and service providers — particularly in areas where availability may be at risk — typically rely on a diverse range of revenue streams, with inspections forming only a small part of their overall operations.

We recommend testing specific aspects of the proposal during public consultation

- 8 Subject to your agreement, NZTA is preparing to release the attached discussion document (refer Annex 2) and undertake public consultation on the proposed changes from 29 October 2025 to 17 December 2025 (seven weeks). You also requested letters to send to key stakeholders once public consultation commences. A template letter is attached as Annex 3, and we have provided your office with a list of suggested contacts.
- 9 Consultation provides an opportunity to test the public's risk appetite, as there are ways the recommended package could be amended to deliver additional benefits. These changes would introduce a higher level of risk in absolute terms but may represent a better risk-reward trade-off.
- 10 Key aspects we are seeking feedback on include:
 - 10.1 **Threshold for annual WoF inspections** – Our recommended option proposes a ten-year threshold for a vehicle to change from two-yearly to yearly inspections, as this aligns with some other jurisdictions. However, our analysis suggests vehicle risk begins to increase more markedly at fifteen years of age, and that additional risk introduced by delaying the requirement for annual inspections could be outweighed by the benefit of reduced compliance costs.
 - 10.2 **Initial inspection period length** – Our recommended option proposes raising the initial inspection-free period for new vehicles from three to four years. Newer vehicles are generally lower risk, and this threshold aligns with some other jurisdictions. However, this logic could also be applied to support a shift from a three- to five-year initial inspection-free period. Increasing to five years would benefit a larger vehicle cohort but comes with a higher level of absolute risk compared to our recommended option.

10.3 Requirements for rental service vehicles – Our recommended option proposes rental vehicles under five years old be shifted to a 12-month default inspection interval, based on this age cohort being lower risk and rental vehicles typically receiving more regular ‘between CoF A’ inspections and maintenance than other light vehicles. This logic could also be applied to require rental vehicles to have a WoF rather than a CoF A. This would further reduce the compliance burden for rental vehicle operators in terms of both a less frequent and less intensive (and expensive) test but comes with additional risk compared to our recommended option.

- 11 To support better public understanding of the proposals and reduce administrative workload in responding to Official Information Act requests, we recommend you agree to proactively release the briefings and other documents set out in Annex 4 in addition to the standard package of material accompanying public consultation (e.g. a discussion document). This includes the interim Regulatory Impact Statement and the report on the Cost Benefit Analysis undertaken, which we expect to be requested by various parties and released under the Official Information Act.

We discounted other options based on implementation challenges and/or additional system complexity

- 12 We considered options for inspection intervals that may be more efficient in the long-run, such as distance-based inspection requirements. However, because they were not feasible to implement in the short term, we discounted them. 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.
- 13 For WoF inspection scope, we considered adding a fast visual inspection and/or a more rigorous inspection for older vehicles (e.g. 15 years or 200,000 kms) but did not consider the safety benefits likely to outweigh the additional compliance cost or system complexity.
- 14 We also considered changes to requirements for non-rental vehicle CoF A vehicles (rideshares vehicles and taxis). However, because these vehicles are less likely to be new and/or receive regular maintenance and inspection, we think the current higher inspection standards are justified.
- 15 A summary of the policy process to date, including the full long list of options considered and assessment criteria, is attached as Annex 5.

Changes could come into effect in late 2026, with evaluations in 2029 and 2032

- 16 Officials are currently working on more detailed implementation planning. Early estimates indicate changes would take at least 12 months to come into effect and cost approximately \$1.6 million. The proposals would affect most elements of the vehicle inspection system, and several system changes would be required, including to key IT platforms and technical guidance.

- 17 An implementation date of late 2026 will be feasible if there are few or no changes to the policy proposals consulted on. If there are changes to the proposals or Cabinet wants further changes or new policies included, a late 2026 implementation date is unlikely to be achievable.
- 18 We expect to monitor and evaluate any changes made to confirm their effect. Further work is underway to confirm the details of the approach. Currently, we plan to recommend Cabinet agree to an implementation evaluation two years after implementation, followed by an outcome evaluation five years after implementation.
- 19 We recommend you agree that any amended Rule requirement come into effect in late 2026. Setting a clear expectation will enable officials to plan for implementation from now rather than delaying this work until after Cabinet makes a formal decision in April 2026.

Next steps

- 20 Officials will analyse the submissions from public consultation and provide you with a final proposal for changes to the *Land Transport Rule: Vehicle Standards Compliance 2002* in March 2026. At the same time, we will provide you with a draft Cabinet paper to enable Cabinet to take policy decisions in April 2026.

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ANNEX 1: INTERIM REGULATORY IMPACT STATEMENT

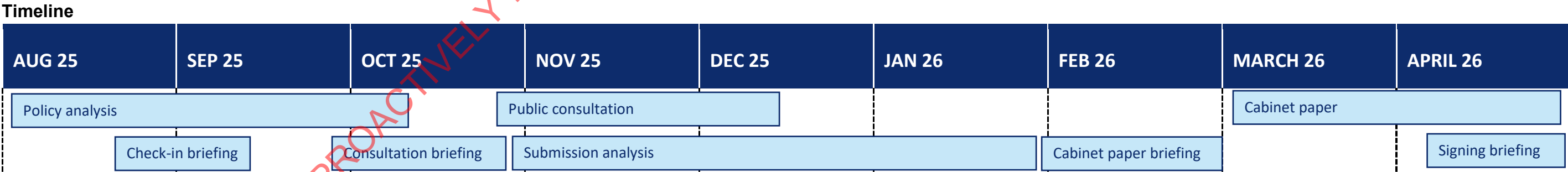
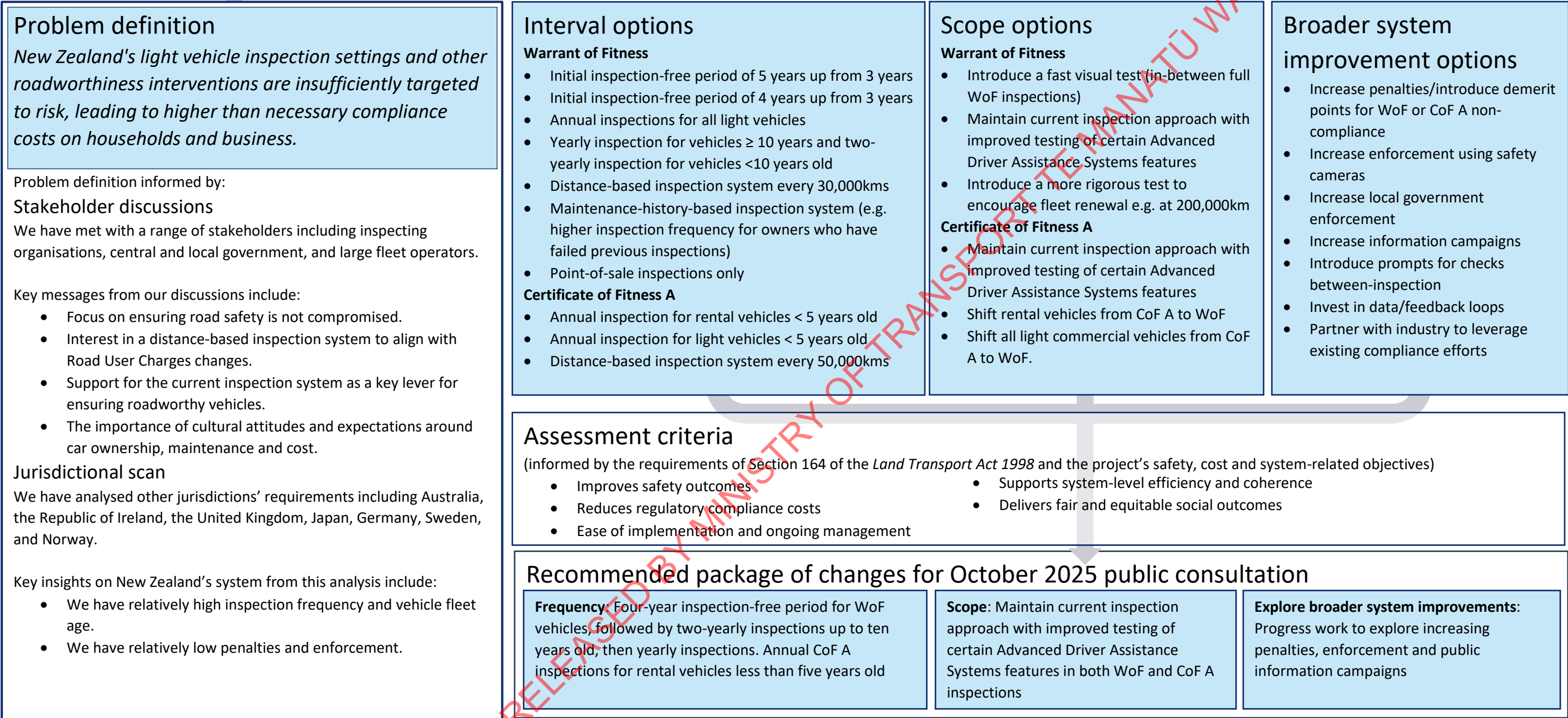
ANNEX 2: DISCUSSION DOCUMENT

ANNEX 3: TEMPLATE LETTER FOR KEY STAKEHOLDERS

ANNEX 4: PROACTIVE RELEASE BUNDLE

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ANNEX 5: OVERVIEW OF THE REVIEW OF WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A FOR LIGHT VEHICLES



Proactive Release

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6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Interim Regulatory Impact Statement: Review of Warrant of Fitness and Certificate of Fitness A requirements for light vehicles

Decision sought	Release of a discussion document with proposed changes to 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	15 October 2025

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
- requiring certain modern Advanced Driver Assistance Systems such as Automatic Emergency Braking and Lane Keep Assist to be working if fitted
- exploring ways to improve compliance with inspection requirements by better 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 the inspection system. Our analysis pinpointed three main problem areas:

- **Inspection interval** is 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 fleet.
- **Broader system settings** do not sufficiently incentivise compliance and disincentivise noncompliance.

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 vehicle inspection system.

Key outcomes to be monitored will depend on the final changes agreed, but could include:

- Deaths and serious injuries where vehicle defects are a contributing factor
- Cost burden for both private and commercial vehicle owners
- Public awareness of the need to maintain vehicle safety (regardless of vehicles' WoF/CoF A status)
- Infringement rates for non-compliance (reflecting changes in enforcement behaviours and/or changes to penalties for non-compliance).

We recommend an evaluation of the implementation of the changes two years after they are implemented, and an outcomes evaluation five years after implementation.

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

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

- **Changing inspection interval** 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.
- **Exploring changes to broader system settings** to increase compliance – for example, public education campaigns, increased penalties for noncompliance, and increased enforcement.

We assessed possible actions in each category against the status quo and considered the effect of a package combining the preferred actions from all three 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 the following:

	WoF	CoF A
Inspection Interval	Extending 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 under five years of age
	Two-yearly inspection interval for vehicles fewer than ten years old and yearly inspection interval for vehicles older than ten years	

Inspection Scope	Maintain current inspection approach, with improved testing of certain Advanced Driver Assistance Systems features
Exploring broader system improvements (for further development)	Consider raising the current fines and/or introducing demerit points for driving or parking a vehicle in a public place without a valid WoF/CoF A or with other vehicle fault conditions.
	Work with local councils on increasing the frequency and consistency of local council enforcement e.g parking wardens
	Design and run public education campaigns to encourage ongoing vehicle checks and maintenance between inspections
What consultation has been undertaken?	
This RIS accompanies a discussion document for full public consultation. We undertook targeted consultation with stakeholders, including local and central government entities, inspection organisations, inspection and motor industry representatives and several large fleet operators. Discussions focused on stakeholders' views on the strengths and weaknesses of the current system. Recommended options have been tested with other central government entities.	
Is the preferred option in the Cabinet paper the same as preferred option in the RIS?	
This interim RIS accompanies a discussion document, not a Cabinet paper. The preferred option in the discussion document is the same as the preferred option in the RIS.	

Summary: Minister's preferred option in the discussion document

Costs (Core information)
Our modelling shows costs to road users, NZ Police, ACC and insurance companies from increased minor and serious injury crashes and fatal crashes of: - For WoF initial inspection period: Between \$17m and \$67m - For WoF two-yearly/yearly inspections: Between \$83m and \$255m. 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, local councils, and the Crown from changes to administration costs and loss of revenue resulting from fewer inspections.
Benefits (Core information)
Our modelling shows benefits to vehicle owners for reduced inspection fees, compliance time, and avoided unnecessary or premature repair costs of: - For WoF initial inspection period: Between \$186m and \$268m - For WoF two-yearly/yearly inspections: Between \$1391m and \$2070m - For CoF A default 12-month inspection: Between \$193m and \$244m. We also made a qualitative assessment of the benefits to NZTA, local councils, 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 the following net benefits:

- For WoF initial inspection period: Between \$137m and \$230m
- For WoF two-yearly/yearly inspections: Between \$1208m and \$1911m
- For CoF A default 12-month inspection: Between \$380m and \$479m.

Implementation

The exact level of change and cost for implementation will depend on the final changes agreed by Ministers in early 2026. Based on current information, we estimate the recommend package of options will cost up to \$1.6 million to make the necessary operational changes. The estimated timeframe for completion is 12 months once Minister's make final decisions.

The package would affect most elements of the vehicle inspection system, and several system changes will be required including to key IT platforms and technical guidance, such as the Motor Vehicle Register, the Vehicle Inspection and Certification System, and the Vehicle Inspection Requirements Manual. Other major operational changes may be required to service delivery contracts with providers and the Vehicle Inspection Certificates.

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
- Safety conscious vehicle owners continuing to maintain vehicles even when a formal inspection is no longer required
- 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.

We have not been able to model the costs for changes to CoF A interval. There was only one crash with an inspection-related contributing factor in 10 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.

Qualitative assessments were informed by identifying relevant data that could be used to indicate the size of the effects, and focused on a static assessment of impacts and did not attempt to model impacts over time. Officials tried 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 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.

s 9(2)(a)

Responsible Manager(s) signature:

**Katrina Quickenden,
Manager, Regulatory Reform
17 October 2025**

Quality Assurance Statement

Reviewing Agency: Ministry of Transport

QA rating: Meets

Panel Comment: The RIS presents a coherent rationale for intervention. The analysis is strong, and it provides a balanced and sound impact assessment within the immediate policy context. It is well-structured, clearly identifies the main impacts, and presents an evaluation that is justified and reasonable.

Broader stakeholder and public engagement will strengthen the policy rationale and provide a more complete evidence base to fully assess the likely impacts not yet assessed in this RIS.

PROACTIVELY RELEASED BY MINISTRY OF TRANSPORT TE MANATŪ WAKA

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 vehicle¹ inspection regime requirements, 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: 4. Tyres 5. Brakes 6. Lights 7. Steering & Suspension 8. Structural Integrity 9. Exhaust System 10. Fuel System 11. Windscreen and Wipers Doors 12. Seatbelts 13. Airbags 14. Speedometer 15. Glazing	Builds on WoF inspection with greater compliance threshold for: 16. Seatbelts 17. Exhaust 18. Structural integrity 19. Lights 20. Brakes 21. Steering/Suspension Additional checks for: 22. Towing connections 23. Load restraints 24. Certificate of Loading 25. Transport Service Licence
2024 number of inspections	4.5 million	132,000
Cost	\$50 - \$90	\$150-\$200

¹ Less than 3,500kg gross vehicle mass.

Inspection	WoF	CoF A
Penalties	- Operating a vehicle without a valid WoF or CoF A - \$200 - Operating a vehicle in an unsafe state – up to \$600	

26. 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.

27. 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.

28. 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 shifting toward a compliance-based enforcement approach. This approach provides eligible offenders the opportunity to rectify the causes of certain low-level traffic offences instead of receiving an immediate infringement fee i.e. fixing the fault the infringement was issued for.

29. 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). These defects included issues such as worn tyres, faulty brakes, and steering or suspension failures, many of which are detectable through regular WoF inspections.

30. 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.

31. As of July 2025, there were approximately 3 million passenger cars, 1.2 million forward control passenger/off-road passenger/light goods 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?

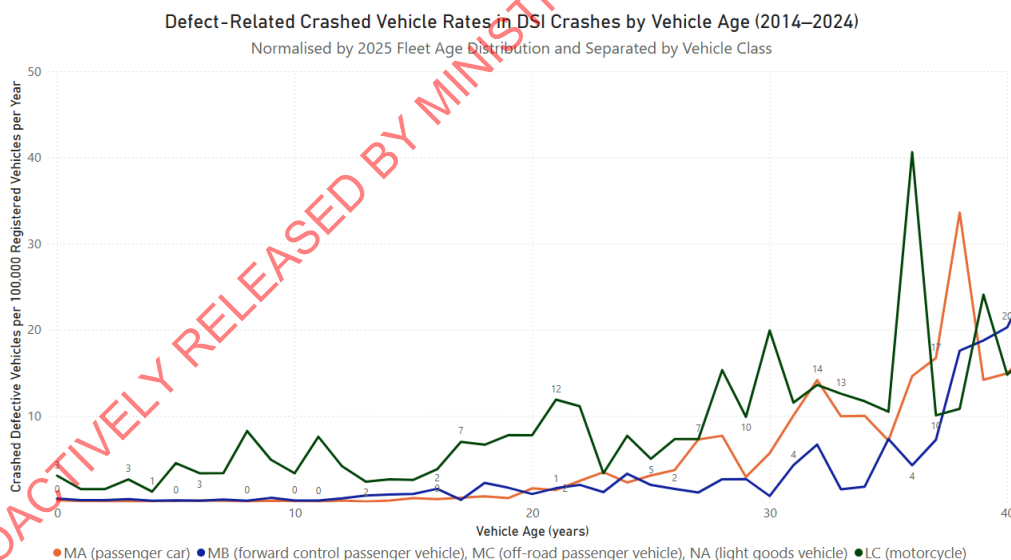
32. Our analysis pinpointed three main problem areas that could be addressed by a package of changes:

- 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

33. **Broader system settings** do not sufficiently encourage compliance and deter noncompliance.

Inspection interval

34. 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 in the previous section, 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
35. The current annual inspection frequency in New Zealand is relatively high compared to a range of comparable jurisdictions. For example, most Australian states either don't 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 — such as targeted enforcement, education campaigns, or technology-driven compliance measures e.g. ANPR — that help maintain vehicle safety outcomes. New Zealand also has a much older average fleet age, at approximately fifteen years. Further information on international comparisons can be found in Annex 1.
36. 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 a clear upward trend in crash risk as vehicles age, particularly beyond fifteen years, with relatively few crashes recorded for vehicles below this threshold³.



37. 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 other factors like commercial incentives and

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.

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.

workplace health and safety law – but these vehicles face the same compliance costs as other higher-risk vehicles.

38. 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

39. **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. Further information on the relationship between which vehicle components feature in inspections data compared to crash statistics can be found in Annex 2.

Broader system settings

40. Variable compliance with current requirements is limiting the system's effectiveness. Current compliance rates indicate there are a material number of vehicles operating that may not be roadworthy. Non-compliant vehicles are also overrepresented in death and serious injury crash statistics.
41. Inspection settings and system incentives may not sufficiently encourage vehicle owner or driver responsibility for maintaining roadworthiness. While some vehicle inspection checks require specialist skills or equipment, many safety-critical factors such as tyre tread depth, windscreen and wiper condition and the operation of lights should be regularly checked by vehicle owners and drivers. There may be an opportunity to better integrate roadworthiness compliance with support for greater individual responsibility, increased on-road enforcement and private sector mechanisms such as third-party provision of digital tyre tread checkers.
42. The inspection system is inadequately supported by other mechanisms that could support vehicle roadworthiness, such as public safety campaigns, automated enforcement, or, in the case of CoF A operators, commercial incentives for providing a quality service. This limits opportunities to reinforce safe behaviour between inspections.

What objectives are sought in relation to the policy problem?

43. 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 seek to respond to the issues identified above:
- 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?

44. We undertook targeted consultation with stakeholders including local and central government entities, inspection organisations, industry representatives and several large fleet operators⁴. These discussions focused on hearing stakeholders' views on the strengths and weaknesses of the current system. The recommended options have been tested with other central government entities. Public consultation is planned before final rule changes are recommended.

Section 2: Assessing options to address the policy problem

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

45. 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:
- a. **Improves safety outcomes** – The likely effect on road safety outcomes, including the detection and deterrence of unroadworthy vehicles.
 - b. **Reduces regulatory compliance costs** – The cost and burden for regulated parties (e.g., time, fees, administrative effort).
 - c. **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.
 - d. **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).
 - e. **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.
46. All the criteria have been weighted equally.
47. 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. On the other hand, 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.

⁴ Over August and September 2025, MoT and NZTA officials meet with Auckland Transport, Tauranga City Council, Christchurch City Council, New Zealand Police, Accident Compensation Corporation, Ministry of Business, Innovation and Employment, the Automobile Association, Vehicle Testing New Zealand, Vehicle Inspection New Zealand, the Motor Trade Association, the Rental Vehicle Association, Uber, the Small Passenger Service Association and the Insurance Council of New Zealand.

48. Some options — especially those involving digital transformation, data sharing, or alignment with broader transport reforms — may offer long-term system benefits but involve short-term disruption or investment. These options are harder to implement quickly or uniformly and could place pressure on regional infrastructure or existing providers.

What scope will options be considered within?

49. The scope of considered options is set intentionally broad so as to consider the system as a whole and identify a broad range of options for improving its efficiency. To ensure that work could be completed in the time available and within the scope of the overall programme, some limits were imposed. The most notable were to exclude 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.
50. The options were developed to address the core challenges identified in the current WoF and CoF A systems. To facilitate the analysis and general ease of understanding, the options were grouped into three categories: **changes to inspection interval**, **changes to inspection scope**, and **broader system improvements**, with each category targeting a specific aspect of the system's performance.
51. Each of these categories is assessed separately, but **a package of options from across the three categories is recommend**. This approach allows a more holistic approach to actions across the system, combining 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?

52. 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	More consistent with the data on relative vehicle safety risk over time, which shows an increase in crashes where vehicle

Option	Description	Rationale
	registration, and every one year for vehicles over ten years from first registration	factors were recorded for vehicles over 10-15 years of age. Reflects tiered approach in many other jurisdictions such as Sweden, Ireland, Japan, and Germany.
15	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
16	An owner-based risk model, where people whose vehicles that fail an inspection are given a shorter 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	Intended to recognise and reward lower risk of vehicle failure where vehicle owners are proactive in maintaining vehicle compliance
17	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
18	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
19	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
110	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?

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 54.

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.	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 social economic 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 (but increase is broadly comparable to F3)	++ Compliance costs are significantly lower.	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. Aligns with some other jurisdictions including Sweden, Ireland, Japan, and Germany.	+ 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 - Introduce distance-based inspection frequency	-- 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.	0 Broadly the same as status quo but with some alignment with the proposed shift to source revenue from RUC. Few, if any, jurisdictions have distance-based inspection requirements. Likely to lead to significant reduction in the inspector	+ Slight positive effect for older vehicles owners who are more likely to have lower mileage and potentially fewer able to afford required	- Implementation complexities likely outweigh the benefits of reduced compliance, particularly in the short term. At a 30,000km threshold, safety outcomes are

			There is also an interdependency with RUC transition work.	marketing, which may lead to less availability.	maintenance or upgrade to a newer vehicle.	also likely to mean costs outweigh the benefits.
I6 - 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.
I7 - 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 inspector marketing, 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
I8 - 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.	+ Compliance costs are lower for CoF A vehicle owners.	0 Changes required for implementation are minor and do not introduce any 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.
I9 - 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 option I8.	+ Compliance costs are lower for CoF A vehicle owners.	0 Changes required for implementation are minor and do not introduce any 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 F8, and the reduction in compliance cost is not much bigger than I8.
I10 - 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 RUC transition work.	0 Aligns well with the proposed shift to source revenue from RUC. Few, if any, jurisdictions have 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

53. For WoF, we recommend:

- a. Extending the period before a new vehicle is required to undergo its second WoF inspection from three to four years (Option I2)
- b. requiring an inspection every two years until a vehicle is ten years old and every year for all vehicles after that point (Option I4).

54. We believe these options will:

- a. deliver significant cost savings for vehicle owners
- b. more consistently align with relative vehicle safety risk over time
- c. align New Zealand with several other comparable jurisdictions' frequency requirements

55. There are some amendments that could be made to the recommended package that could potentially deliver greater benefits but would introduce a higher level of risk in absolute terms. We recommend these are tested with the public to help inform risk trade-offs.

56. For example, extending the initial period from three to five years (Option I1) would also have aligned with some other jurisdictions, and the benefits in cost savings would be likely to outweigh the safety costs, but this would still represent a higher safety risk in absolute terms than the preferred option.

57. For the variable interval option (Option I4), depending on risk tolerance, the threshold for when vehicles shift from two-yearly inspection to yearly inspections could be shifted. A shorter threshold than the proposed ten years would be similar to the annual inspection option that was considered (Option I3), which delivers fewer benefits as it is not materially different to the status quo. A longer threshold, such as fifteen years, would deliver benefits that would outweigh the costs, but represents an increase in risk in absolute terms.

58. For CoF A, we recommend moving from a six-month default inspection to a twelve-month default inspection for rental vehicles less than five years old (Option I8). This approach delivers significant costs savings for these vehicles' operators. At the same time, these vehicles are less risky as they are newer and likely to receive regular maintenance and inspection, which we heard during our stakeholder engagements and as evidenced by their higher initial inspection pass rate.

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
I5	Distance-based inspection frequency	High implementation complexity; odometer fraud risk
I6	Variable frequency based on maintenance history	Perverse incentives; equity concerns; complexity
I7	Point-of-sale inspections only	Significant safety risk; misalignment with NZ context
I9	Annual inspections for all CoF A vehicles under 5 years	Safety risk for taxis/rideshare vehicles; less consistent maintenance
I10	Distance-based inspection frequency	Complexity; low benefit; risk of fraud

59. We considered more fundamental changes including shifting to inspections based on distance (for both WoF and CoF A) and maintenance history, but we discounted these as they have significant implementation challenges and would not deliver benefits in the short term. 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.

60. 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.

What changes to **inspection scope** are being considered?

61. 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 Option I4), to address tyre tread depth and selected high risk items between full inspections	Mitigate additional safety risk from increased interval in Option I4
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?

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 mostly 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; however these owners also gain the benefits of another party checking the features are working correctly	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 effect 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 worse than the status quo as issues that previously would have been identified in inspections may go unaddressed. However, 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

62. 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.
63. 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). We recognise it is unlikely to have any material safety benefits or cost as most of these vehicles will receive regular maintenance and inspection. However, 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

64. For WoF, we considered adding a fast visual inspection and a more rigorous inspection for older vehicles (e.g. 15 years or 200,000 kms) but did not consider the safety benefits were likely to outweigh the additional compliance cost or system complexity.
65. 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. While this safety risk is likely to be outweighed by the decrease to compliance costs, this option would still introduce a greater amount of risk than the preferred option. Other CoF A vehicles, such as taxis and rideshares, are less likely to be new or receive regular maintenance and inspection, which likely justifies the higher inspection standards.

What broader system improvements are being considered?

66. In addition to inspection interval and scope, several wider aspects of the WoF and CoF A system contribute to their overall performance and user experience. These include how compliance is monitored and enforced as well as the role of incentives and communications in encouraging vehicle owners to more pro-actively inspect and maintain their vehicle's safety systems.
67. We have identified a range of possible action areas to support compliance, for example by strengthening enforcement to deter noncompliance, or by incentivising and supporting voluntary compliance. All of the options would require further work to progress (for example policy development, work with enforcement organisations). All options are relevant to both WoF and CoF A.

Police have an existing enforcement role that would continue following any changes to inspection requirements. The possible actions to increase compliance being considered in this section would complement that existing role.

Option	Description	Rationale
O1	Consider raising the current fines and/or introducing demerit points for driving or parking a vehicle in a public place without a valid WoF/CoF A or with other vehicle fault conditions.	Introduces a more meaningful disincentive for non-compliance.
O2	Explore integrating Automatic Number Plate Recognition into the existing safety camera network to detect and issue penalties for WoF/CoF A non-compliance alongside speed enforcement.	Increase enforcement to disincentivise noncompliance.
O3	Work with local councils on increasing the frequency and consistency of local council enforcement of WoF/CoF A compliance using existing parking and compliance officers.	Increase enforcement to disincentivise noncompliance.
O4	Design and run public education campaigns to encourage ongoing vehicle maintenance and awareness of safety risks between inspections for a set period after other changes are made to inspection frequency.	Increase voluntary compliance.
O5	Consider introducing proactive prompts for light vehicle drivers and operators encouraging self-checks of core vehicle features, such as tyres or lights, between inspections. This could be facilitated via existing communication methods and digital modernisation such as the NZTA app.	Increase voluntary compliance.
O6	Develop tools and data systems that link inspection outcomes with safety and compliance indicators, enabling dynamic refinement of inspection settings and better accountability.	Improve long-term system visibility and transparency.
O7	Work collaboratively with industry players (e.g. inspection providers, fleet owners, insurance companies, leasing firms) to extend, align, or enhance their existing compliance-promoting efforts — such as customer reminders, vehicle maintenance incentives, or communications about safety responsibilities.	Increase voluntary compliance.

How have the **broader system improvements** been assessed?

We have not applied a full multi-criteria assessment to the options below, because the ultimate outcomes will depend on how the policies are designed and implemented. Our goal with these is to identify which options merit further exploration a part of a package with changes to inspection interval and scope. We have therefore focused on whether we consider them likely to deliver compliance benefits beyond the cost to implement, and whether they can feasibly be implemented in the short- to medium-term. A full multi-criteria analysis can be carried out for the proposals that are progressed once they have been developed more fully.

Option	Likely to have safety benefits beyond costs to implement?	Feasibility to implement in the short- to medium term?	Overall assessment
O1 – Consider raising the current fines and/or introducing demerit points	Could improve safety outcomes by deterring noncompliance with roadworthiness requirements	Changes required for implementation are likely to be minor and we expect no material ongoing increase in costs. Change to regulation required.	Likely to deliver improved safety outcomes with minimal additional cost
O2 – Explore integrating Automatic Number Plate Recognition into the existing safety camera network	Could improve safety outcomes by deterring noncompliance with roadworthiness requirements	Changes required for implementation are likely to be significant for NZTA including potential primary legislation change, and there is some ongoing increase in costs to fund additional functions	Likely to deliver improved safety outcomes through more efficient enforcement, but time to implement would mean limited effect in the short term
O3 – Work with local councils on increasing the frequency and consistency of enforcement of WoF/CoF A compliance	Could improve safety outcomes by deterring noncompliance with roadworthiness requirements – noting these increases would primarily be in urban areas	Changes required for implementation are likely to be either minor or moderate in the case of local councils and there is no material ongoing increase in costs	Likely to deliver improved safety outcomes through more efficient enforcement despite the risks associated with the urban focus.
O4 - Design and run public education campaigns	Could improve safety outcomes by deterring noncompliance with roadworthiness requirements	Changes required for implementation are minor and there is no material ongoing increase in costs if campaigns are time limited	May deliver improved safety outcomes through shifts in vehicle owner behaviour at limited risk and cost
O5 – Consider introducing proactive prompts for light vehicle drivers and operators encouraging self-checks of core vehicle features	Could improve safety outcomes by deterring noncompliance with roadworthiness requirements	Changes required for implementation are likely to be moderate for NZTA, with some ongoing increase in costs to fund additional capabilities, but these are likely to be stood up regardless of changes to inspection requirements	May deliver improved safety outcomes through shifts in vehicle owner behaviour, but time to implement would mean limited effect in the short term
O6 - Develop tools and data systems that link inspection outcomes with safety and compliance indicators	Broadly the same as the status quo, but safety outcomes could possibly be improved, as better data can lead to a more effective and efficient regulatory system	Changes required for implementation could be significant for NZTA, and there would likely be an ongoing increase in costs to fund additional or improved functions. Improved data supports a more effective and efficient regulatory system	Broadly the same as the status quo but with some upside if improved data leads to a more effective and efficient regulatory system
O7 - Work collaboratively with industry players to extend, align, or enhance their existing compliance-promoting efforts	Could improve safety outcomes by deterring noncompliance with roadworthiness requirements	Changes required for implementation are likely to be minor or moderate for government, with no material ongoing increase in costs for government. Private sector may incur additional cost	Broadly the same as the status quo as potential for safety benefits uncertain

Recommended options for broader system improvements

68. We recommend further work be undertaken to develop a set of complementary changes for supporting enforcement through local councils and considering increasing penalties and introducing demerit points (Options O3 and O1). We also recommend increasing public information to raise awareness of vehicle safety risks and consequences for non-compliance (Option O4). This is because enforcement and personal responsibility are two important and complementary levers for achieving road safety outcomes and mitigating any negative effects of changes to frequency. While these options will need to be refined further, our initial assessment is they could deliver safety benefits beyond their direct cost.

Discounted options for broader system improvements

Option	Description	Reason for discounting
O2	NZTA camera-based enforcement	High cost; privacy/legal risks; long lead time
O5	Behavioural nudges via digital prompts	Digital exclusion; uncertain behavioural impact
O6	Data and feedback loop investment	Long-term benefit; short-term cost; uncertain impact
O7	Industry-led compliance initiatives	Variable quality; unclear behavioural impact; coordination challenges

69. We considered other options for increasing compliance and improving safety outcomes, including improved IT systems and working with industry, but have focused on progressing changes we consider will have the highest chance of improving outcomes in the short- to medium-term.

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

70. 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	Extending the period before a new vehicle is required to undergo its second WoF inspection from three to four years Two-yearly inspection interval for vehicles fewer than ten years old and yearly inspection interval for vehicles older than ten years	Introduce 12-month default inspection frequency for all light rental service vehicles under five years of age
Inspection Scope	Maintain current inspection approach with improved testing of certain Advanced Driver Assistance Systems features	
Exploring broader system improvements	Consider raising the current fines and/or introducing demerit points for driving or parking a vehicle in a public place without a valid WoF/CoF A or with other vehicle fault conditions.	
	Work with local councils on increasing the frequency and consistency of local council enforcement	

	WoF	CoF A
	Design and run public education campaigns to encourage ongoing vehicle maintenance between inspections	

71. Officials have considered the holistic effects of these proposals to recommend a balance across inspection frequency, enforcement, and the encouragement of greater personal responsibility.
72. As outlined above, tensions between the objectives of the project mean there are trade-offs between our assessment criteria (reducing compliance costs may have negative safety effects, and improving safety outcomes may increase compliance costs). A package of actions taken together allows for options with strengths across the different objectives and criteria to be combined.
73. The recommended package is expected to deliver significant net benefits through reductions in compliance costs for most vehicle drivers and operators. The recommended package achieves this in a way minimising and mitigating negative effect on road safety outcomes compared to other options.
74. The complementary changes to inspection scope and the broader system improvements are intended to improve compliance and road safety outcomes as direct mitigations to the expected negative safety effects of changes to frequency. Delivering these complementary changes is expected to result in additional administration costs on the part of the regulatory and enforcement entities. However, it is expected the system as whole will operate a more efficient balance across the available levers. The exact costs will depend on the specific proposals agreed by Ministers in 2026.
75. 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, such as distance-based inspection requirements, 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.
76. The reduction in the number of annual inspections (Approximately 15% as a result of the shift to two-yearly/yearly inspections) is expected to have a significant negative effect on the inspection industry. Modelling indicates up to 350 less inspection FTE and a loss of \$49 million revenue to this industry by shifts to two-yearly/yearly inspections.
77. It is not known to what extent this reduction in revenue would then reduce the availability of inspections. However, any potential reduction is likely to be mitigated by the fact that, in many cases, inspections are not the core focus of the business. Mechanics and service providers — particularly in areas where availability may be at risk — typically rely on a diverse range of revenue streams, with inspections forming only a small part of their overall operations. 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 discussion document?

Monetised impacts

78. In aggregate we expect benefits to outweigh costs by a significant margin. At this stage, each interval change has been modelled independently so all monetised benefits and costs are presented for each change separately. The recommended interval changes have monetised net benefits as set out below. These ranges are present value estimates of benefits less cost over the period 2026-2055 discounted at a 2% rate.
- For WoF initial inspection period: Between \$137m and \$230m
 - For WoF two-yearly/yearly inspections: Between \$1208m and \$1911m
 - For CoF A default 12-month inspection: Between \$308m and \$479m.
79. 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.
80. 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 understate the safety effects of changes. These include:
- a. Under-or over-reporting of vehicle faults as a crash contributing factor.
 - b. Safety conscious vehicle drivers and operators continuing to check and maintain vehicles even when a formal inspection is less frequent.
81. Crashes can have multiple contributing factors, and the inspection-related factors may not necessarily be the primary cause of the crash.
- a. Inspections may not correctly identify relevant vehicle faults and require them to be addressed before a vehicle can pass.

Non-monetised impacts

82. 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. Officials 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, officials chose to only use monetised amounts that were produced by the formal cost benefit analysis in the RIS.
83. We have not been able to model the costs for changes to CoF A interval. There was only one crash with an inspection-related contributing factor in 10 years of crash data, so we could not determine a statistical relationship between the time since last inspection and the likelihood of having a crash with an inspection-related contributing factor.

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	For WoF initial inspection period: \$7m to \$29m For WoF two-yearly/yearly inspections: \$34m to \$104m	Medium – Safety effects are difficult to model for the reasons outlined in paragraph 58.
	Increased serious injury crashes	For WoF initial inspection period: \$5m to \$19m For WoF two-yearly/yearly inspections: \$22m to \$69m	
	Increased minor injury crashes	For WoF initial inspection period: \$5m to \$19m For WoF two-yearly/yearly inspections: \$27m to \$82m	
Inspection organisations	Loss of revenue from fewer inspections	High	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	Medium	High - The number of inspections can be modelled with accuracy based on vehicle cohort data.
	Increased administration cost	Low	Low – The costs are dependent on the specific proposals agreed by Ministers in 2026.
Local councils	Increased administration cost	Low	Low - The costs are dependent on the specific proposals agreed by Ministers in 2026.
Crown	Increased justice system costs	Low	High – The number of charges for relevant offences is very small.
	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		For WoF initial inspection period: \$17m to \$67m For WoF two-yearly/yearly inspections: \$83m to \$255m	
Non-monetised costs		Medium	Medium
Additional benefits of the preferred option compared to taking no action			
Vehicle drivers and operators	Fewer inspection fees	For WoF initial inspection period: \$111m to \$171m For WoF two-yearly/yearly inspections: \$771m to \$1204m For CoF A default 12-month inspection: \$259m to \$316m	High – Inspection requirements can be modelled with accuracy based on vehicle cohort data.
	Reduced compliance times	For WoF initial inspection period: \$37m to \$62m	Medium – Inspection requirements can be modelled with accuracy based on vehicle cohort data, but inspection length and travel time vary considerably.

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.

Affected groups	Comment	Impact ⁵	Evidence Certainty
		For WoF two-yearly/yearly inspections: \$265m to \$430m For CoF A default 12-month inspection: \$64m to \$103m	
	Avoided unnecessary or premature repair costs	For WoF initial inspection period: \$13m to \$56m For WoF two-yearly/yearly inspections: \$166m to \$635m For CoF A default 12-month inspection: \$23m to \$88m	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.
Local councils	Increased penalty revenue	Medium	Medium – There is uncertainty around the efficacy of efforts to increase enforcement, but other inputs can be modelled with certainty.
Crown	Increased penalty revenue	Medium	Medium - There is uncertainty around the efficacy of efforts to increase enforcement, but other inputs can be modelled with certainty.
	Higher compliance and more inspections leads to increased tax	Low	Medium – There is uncertainty around how effective increased enforcement will be at increasing compliance but other inputs can be modelled with certainty.
Road users, NZ Police, ACC, insurance companies	Reduced fatal, serious injury, and minor injury crashes due to increased compliance	Low	Low – There is considerable uncertainty about how effective increased enforcement and information campaigns will be at improving safety outcomes.
Total monetised benefits		For WoF initial inspection period: \$186m to \$268m For WoF two-yearly/yearly inspections: \$1391m to \$2070m For CoF A default 12-month inspection: \$193m to \$244m	
Non-monetised benefits		Medium	Medium

Is the Minister's preferred option in the discussion document the same as the agency's preferred option in the RIS?

84. Yes, the Minister's preferred option in the discussion document is the Ministry of Transport's preferred option.

Section 3: Delivering an option

How will the proposal be implemented?

85. The exact level of change and cost for implementation will depend on the final changes agreed by Ministers in early 2026.
86. Based on current information, we estimate the recommended package of options will cost up to \$1.6 million to make the necessary operational changes. The estimated timeframe for completion is 12 months once Ministers make final decisions.
87. The package would affect most elements of the vehicle inspection system, and several system changes will be required including to key IT platforms and technical guidance, such as the Motor Vehicle Register, the Vehicle Inspection and Certification System, and the Vehicle Inspection Requirements Manual. Other major operational changes may be required to service delivery contracts with providers and the Vehicle Inspection Certificates.

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

Monitoring

88. The key effects to be monitored will depend on the final changes agreed by Ministers in early 2026 but will likely include:
- a. Deaths and serious injuries where vehicle defects are a contributing factor
 - b. Cost burden for both private and commercial vehicle owners
 - c. Public awareness of the need to maintain vehicle safety (regardless of vehicles' WoF/CoF status)
 - d. Infringement rates for non-compliance (reflecting changes in enforcement behaviours and/or changes to penalties for non-compliance)
89. These outcomes above are also the indicators we will use to monitor the effects of the changes. Potential data sources are yet to be determined but will likely include the Crash Analysis System, Motor Vehicle Register, and the Public Attitudes to Road Safety Survey. This would require adding additional questions to the survey.
90. Monitoring will be reported by NZTA on a quarterly basis. Baseline monitoring will provide the comparison point for the subsequent evaluations.

Evaluation

91. NZTA 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.

92. 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.
93. 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 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.

DRAFT

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Annex 1: International comparisons

Inspection frequency and enforcement

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.

These countries also have stronger rules to make sure people follow inspection requirements. For example, Japan and Norway charge daily fines or even take vehicles off the road if they don't meet inspection rules. The UK requires yearly checks for vehicles over three years old and closely monitors commercial vehicles.

In New Zealand, enforcement isn't as strong. Police now focus more on factors like seatbelts, speeding, and drunk driving. As a result, fines for not having a valid WoF have dropped by about 50% since 2016. The fine amount hasn't changed since the year 2000.

This means there's a chance to improve how we enforce inspection rules. By updating penalties and making sure people follow the rules, we could reduce how often inspections are needed while keeping roads safe. The table below compares how often vehicles are inspected and how strongly each country enforces roadworthiness rules, helping to show the different ways governments work to keep vehicles safe on the road.

Country	Inspection frequency	Enforcement approach	Vehicle defects in DSI crashes
New Zealand	Every 6–12 months depending on vehicle age	Moderate fines; limited roadside enforcement	2–3%
Australia – NSW	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	First at 4 years, then 2 years until 10 years, then annual	Fines up to \$233 NZD	<2%
United Kingdom	Annual MOT test for vehicles >3 years	Fines up to \$5,300 NZD; strict for PSVs and commercial vehicles	~2%
Japan	First at 3 years, then 2 years; annual for commercial vehicles	Fines up to \$3,500 NZD	1–2%

Germany	First at 3 years, then 2 years	Fines up to \$162 NZD; relatively light enforcement	<1%
Sweden	First at 3 years, then 2 years, then annual	Fines up to \$490 NZD; impoundment possible	Not specified, presumed low
Norway	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	X	✓	✓	Limited
Australia	✓	✓	Varies	X	✓	✓	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 like the UK (8.6 years), Germany (9.5 years), or Ireland (10 years).

Older vehicles are more likely to break down or have worn-out parts, and they often don't 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 our 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.

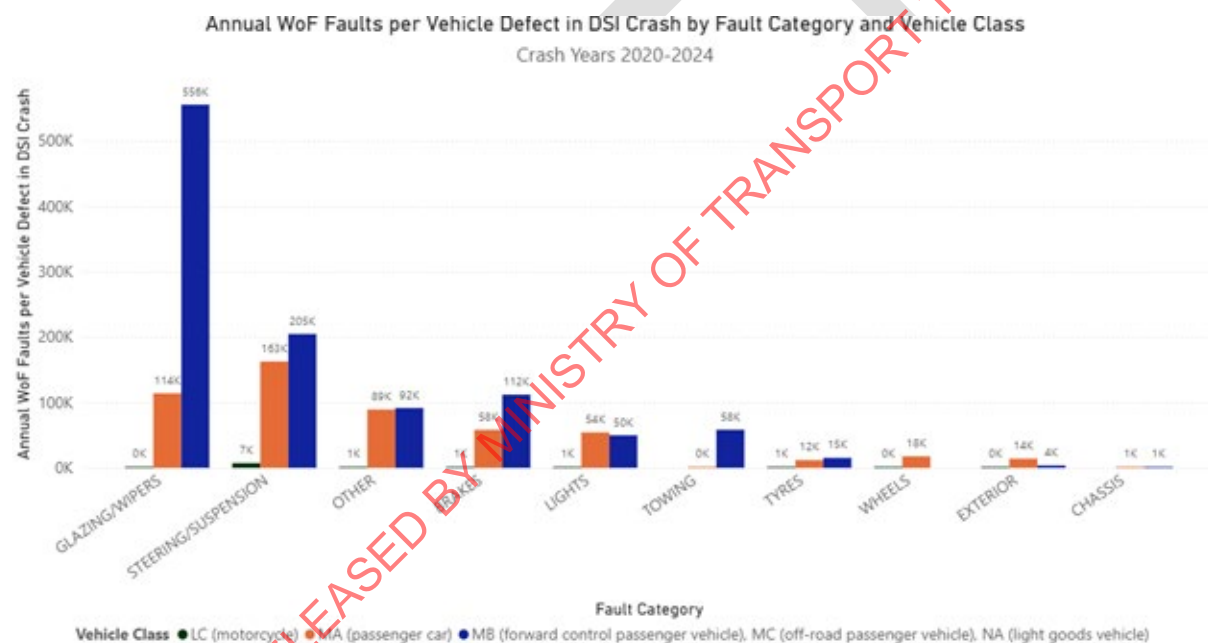
Because of this, it's important to maintain the safe working condition of all our vehicles, especially older ones. Regular inspections help catch problems early and prevent harm.

Annex 2: Inspection fault sensitivity to vehicle defects in serious and fatal crashes

The graph below shows how often different types of vehicle faults—found during WoF inspections—were linked to crashes causing death or serious injury from 2020 to 2024. It breaks it down by defect type and vehicle class, such as passenger cars, motorcycles, and light commercial vehicles.

The results describe the most common vehicle faults in serious crashes. For example, problems with windscreens and wipers (called glazing/wipers) were the most frequent fault for some vehicle types. Issues with steering, suspension, brakes, and lights also appeared relatively frequently.

By looking at this data, we can see the parts of a vehicle most likely to contribute to serious crashes if they aren't working properly. This helps us decide what inspections should focus on to help keep people safe on the road.



Proactive Release

This document is proactively released by Te Manatū Waka the Ministry of Transport.

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.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)



14 May 2025

OC250303

Hon James Meager

Action required by:

Associate Minister of Transport

Friday, 23 May 2025

CONSULTATION APPROACH: WARRANT OF FITNESS AND CERTIFICATE OF FITNESS REFORM

Purpose

To seek your agreement to an approach to consulting on the review of light vehicle Warrant of Fitness (WOF) and Certificate of Fitness (COF) frequency and inspection content.

Key points

- The Minister of Transport has agreed to consult the public on a reform of our WOF and COF systems for light vehicles (cars and motorbikes) (OC250164 refers), and has recently confirmed that this work is delegated to you (see weekly report WC 5 May 2025).
- WOF and COF inspections are intended to ensure the roadworthiness of New Zealand's fleet by inspecting some key vehicle features.
- Industry stakeholder bodies are aware of the Minister's intention to include a review of WOF and COF settings in his Land Transport Rules Reform Programme.
- This work includes considering possible changes to light vehicle inspection settings:
 - **WOF frequency:** we require more frequent inspections than many other jurisdictions
 - **When a COF should be required instead of a WOF** (for example for rental cars or taxis): the current COF inspection requirements may not be justified, and
 - **WOF and COF inspection requirements:** we may be inspecting some features unnecessarily, and do not currently inspect many increasingly prevalent modern safety features that rely on complex technology.
- Any proposal to reduce WOF/COF frequency or change the vehicle components inspected is likely to be contentious, as seen during consultation on the current requirements (set in 2014). We are undertaking research to evaluate the likely effect of a reduction in WOF frequency, and considering whether it may be possible to somewhat mitigate any additional risk.

- This work is currently in the policy analysis phase. The next step will be for you to seek Cabinet's agreement to public consultation (due to start in October 2025), either on specific proposals and a draft rule, or on a range of options for reform.
- We recommend consulting on a range of options, as it would:
 - gauge public support for any changes to inspection requirements or frequency without committing to a firm proposal
 - test a range of options for how to best balance reducing cost and inconvenience for vehicle owners and ensuring road safety, and
 - align the consultation approach with the approach you have agreed to for mandating vehicle safety features (OC250364 refers), enabling a balanced discussion of risk appetite across different elements of the regulatory system.
- If public consultation does not provide sufficient information to meet the statutory requirements for a rule change, it may be necessary to consult again. While this could prolong the overall process, our view is that it is the best way to ensure any rule changes are sensible and workable.
- If you agree, we will brief you on the results of our analysis and provide a draft Cabinet paper and consultation document in September 2025 for you to take to Cabinet in October 2025, alongside the work on mandating vehicle safety features.

Recommendations

We recommend you:

- | | | |
|---|--|--------|
| 1 | note that the Minister of Transport has delegated to you a review of light vehicle WOF and COF frequency and inspection requirements, as part of the Land Transport Rules Reform Programme. | Yes/No |
| 2 | agree for officials to provide a draft Cabinet paper in September 2025, seeking agreement to consult on a range of options (alongside consultation on vehicle safety features), followed either by a rule change by Order in Council (if consultation has been sufficient to meet statutory requirements for a rule change) or by consultation on a draft rule. | Yes/No |



Paul O'Connell
Deputy Chief Executive, Sector Strategy
Ministry of Transport

14/05/2025

Hon James Meager
Associate Minister of Transport

..... / /

Minister's office to complete:

" Approved

" Declined

" Seen by Minister

" Not seen by Minister

" Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Paul O'Connell, Deputy Chief Executive, Sector Strategy	s 9(2)(a)	
Katrina Quickenden, Manager Regulatory Reform	s 9(2)(a)	✓

CONSULTATION APPROACH: WARRANT OF FITNESS AND CERTIFICATE OF FITNESS REFORM

Purpose

The Minister of Transport has delegated oversight of a review WOF and COF settings for light vehicles to you

- 1 The Government Policy Statement on land transport 2024 includes a commitment to review the vehicle regulatory system to enable better management of the safety performance of the vehicle fleet, reduce regulatory burden, and ensure our domestic rules are fit for purpose.
- 2 New Zealand's vehicle inspection system is not as effectively targeted to risk as it could be. We check some things too often and others insufficiently or not at all. New Zealand has one of the most frequent inspection programmes in the world, and it is not clear if this is delivering sufficient safety benefits to justify the costs imposed. Reviewing inspection frequency while improving testing could make the system more fit-for-purpose and lower some compliance costs.
- 3 Our WOF and COF settings have not been substantially changed since 2014. Building on the strong support for reducing WOF/COF frequency for vintage/veteran vehicles and privately-owned heavy motorhomes, it is timely to review the WOF/COF settings for all other light vehicles. This includes personal cars and motorbikes, and light commercial vehicles like taxis and rental cars.
- 4 We have identified three potential areas for reform:
 - WOF frequency
 - WOF and COF inspection requirements, including:
 - When a COF should be required instead of a WOF (for example for rental cars or taxis)
 - What must be inspected.
- 5 Work to consider changes to these settings has been underway for some time, including targeted engagement with industry stakeholder bodies. The Minister of Transport has agreed to consult the public on a reform of our WOF and COF systems for light vehicles as part of his Land Transport Rules Reform Programme (OC250164 refers), and has recently confirmed that you will be responsible for this review (see weekly report WC 5 May 2025).
- 6 This paper explains the opportunities for reform, and sets out options for progressing the work through public consultation.

Context

WOF/COF inspections are intended to ensure the roadworthiness of our fleet

- 7 WOF and COF inspections are intended to ensure the roadworthiness of New Zealand's fleet by inspecting some key vehicle features. This can prevent deaths and serious injuries (DSIs) that can be caused by the failure or wear of features such as brakes, steering or tyres. On average, between 2015 and 2019, 35 DSI incidents per year listed vehicle factors as a contributing factor.
- 8 Vehicle registration holders have an obligation to keep their vehicle roadworthy between inspections. There are offences and penalties for driving an unsafe vehicle, including for insufficient tyre tread depth. In practice, however, many drivers have come to rely on inspections to identify and correct maintenance issues, and roadside enforcement is low¹.
- 9 In-service inspections like WOF and COF are also one of the few levers that our regulatory system uses that encourage people to remove old and un-roadworthy vehicles from the fleet – often when the repairs required to pass the next inspection exceed the value of the vehicle.
- 10 **Annex One** provides additional information about current WOF and COF settings.

Opportunities for reform

New Zealand requires more frequent inspections than many places

- 11 An initial scan of other jurisdictions (included in **Annex Two**) shows that:
 - for vehicles that are 5-20 years old, most jurisdictions have either no regular inspections or inspections every 2 years, and
 - many countries have mandatory inspections only on initial registration, sale or transfer.
- 12 However, our inspections are primarily visual or non-invasive, so may be less expensive or onerous than some. The different frequencies and inspection requirements may also reflect the different contexts of these jurisdictions, some of which have:
 - a lower average age of vehicles in the fleet (for example 5.5 years in Singapore, compared to 15 years here)
 - more stringent requirements and/or active enforcement (e.g. by Police), providing a greater incentive to keep vehicles up to the required standard, and
 - infrastructure differences (like predominantly urban environments), which may mean a different risk profile.

¹ The New Zealand Police transitioned from the Tyres, Windscreen, Indicators, Rust, and Lights (TWIRL) to the Restraints, Impairment, Distraction and Seatbelts (RIDS) campaign in 2018. RIDS targets key high-risk behaviours: Restraints (seatbelts), Impairment (alcohol/drugs), Distraction (e.g. mobile phone use), and Speed.

- 13 The key to this work will be striking the best balance between safety and cost/inconvenience for vehicle owners. As vehicles are increasingly fitted with modern safety features, there may be a case for reduction in inspection frequency on the basis that road safety risks are offset by technological improvement. It may also be possible to somewhat mitigate any negative effects on safety by improving the effectiveness of inspections and better targeting them to risk (as discussed further below).

Data is unlikely to be conclusive on the costs and benefits of a reduction in inspections

- 14 In 2022, NZ Transport Agency Waka Kotahi (NZTA) evaluated the WOF inspection frequency change from 6-months to 12-months in 2014. Comparing the relevant crash rates for 2015-2019 with crash rates for 2010-2014, NZTA found a small but statistically significant increase in DSIs from crashes where vehicle factors were recorded as a contributing factor. However, NZTA analysis concluded that multiple factors might have affected crash rates, making it impossible to confidently attribute crash outcomes to the WOF regulatory changes.

- 15 We are working to model the costs and benefits of further changes to WOF and COF frequency, but our analysis will face the same limitations, and may be challenged by stakeholders. Challenges include the following:

- data on the causes of crashes is complicated. Most serious crashes involve multiple contributing factors. If someone drinks and drives a car, while speeding, in the rain, with a broken taillight, the degree of blame attributable to each contributing factor in a crash is difficult to evaluate. Additionally, Police can only evaluate visible defects with a vehicle (e.g. tyres). So, the actual effect of a reduction in WOF frequency is hard to evaluate.
- due to limited time and data, some factors will be evaluated qualitatively (e.g. the effect on mechanics/inspection service providers).

- 16 While the analysis and public debate about a possible reduction in frequency will involve data and accident statistics, the key decision-making factors are likely to be largely qualitative.

Some stakeholders will oppose a reduction in inspection frequency

- 17 A reduction in frequency would affect inspection organisations. The industry bodies that represent them (particularly the Motor Trade Association and the Automobile Association) are likely to oppose the changes (as occurred with the 2014 changes), and to raise concerns about an increase in DSIs. We will investigate possible mitigations for any increase in life safety risk as we continue policy development work.

- 18 We are unclear on the degree of public support for such changes, but based on the 2014 reform, it is likely to be controversial and the focus of media attention. We note, however, that there has been support for reduction of the vintage car and motorhome WOF/COF frequency.

- 19 There could also be unintended consequences for Road User Charge (RUC) regulations, as WOF/COF inspectors report the mileage of the vehicle to NZTA during inspections, which triggers cost recovery for any unpaid RUC. However, there is work underway to explore other ways of obtaining distance recorder readings.

The inspection settings for light rental vehicles and taxis may not be justified

- 20 Light rental vehicles and taxis require a COF every six months. COFs are more intensive and expensive than WOFs. However, these vehicles are often newer, fitted with more safety features, or kept in better condition than the average personal vehicle. The light vehicle COF may be a case of unnecessary regulation, in which case we may be able to reduce the required frequency or allow light commercial vehicles to transition to WOF.
- 21 The basis for the current requirements is that the vehicles:
- are operated commercially, transporting people who do not have control or knowledge of the vehicle's maintenance, and
 - travel much more than the average vehicle (with corresponding increased wear and tear on brakes, tyres and other areas).
- 22 Other regulatory systems also come into play, including Health and Safety regulations, which may mitigate the risk of unsafe practices (e.g. driving with bald tyres). The review of the *Health and Safety at Work Act 2015* is underway, and it is an opportunity to further examine how these risks are managed.

We may be able to better target inspections to risk by ensuring we check the right things

- 23 There may be vehicle features we currently inspect that are lower risk and could be removed from the inspection regime. There may also be things we should check that we currently do not. Modern vehicles are increasingly fitted with a range of safety features, many of which are associated with software and sensors that are not currently covered by WOF. These systems can develop faults which require rectification to work properly.
- 24 However, there are challenges in inspecting these features, as they work differently in different vehicles and models, and rely on a plethora of different software, mechanisms, and sensors.
- 25 This is an area we would like to work with the sector on to identify what might be feasible. There are a number of ways that inspecting these features can be approached, and we need to balance the cost of additional requirements with safety.

Possible approaches to consultation

- 26 This work is currently in the policy analysis phase. The next step will be for you to seek Cabinet's agreement to public consultation (due to start in October 2025), either on specific proposals and a draft rule, or on a range of options for reform.

27 The table below explains the pros and cons of these two approaches:

Option	Pros	Cons/risks
Consult on a specific option: We would advise you on specific policy proposals, and if you agreed, you would seek Cabinet's agreement to consult on a draft rule in October 2025. You could then make a rule change in February 2026.	Should allow any rule changes to happen quickly and straightforwardly, without further consultation.	Could send a signal about Government intentions – sets expectations that changes will be made unless major risks/concerns are raised in consultation. Proposals may be based on incorrect assumptions, due to limitations of data and modelling.
Consult on a range of options (recommended): You would seek Cabinet's agreement to a discussion document covering a range of options for reform, for consultation in October 2025 (in parallel to consultation on mandating entry requirements). Rule changes could be via an Order in Council if consultation has provided sufficient information to meet statutory requirements for making a rule change. If not, there could be a further round of consultation on a draft rule to enable you to sign rule changes.	Would allow us to gauge public appetite for change to inspections, without giving the impression of certainty about whether/what changes will be implemented. Since aligned with consultation on mandating entry requirements, where you have agreed to an open-ended approach to consultation, it allows for a discussion about the balance of risk across different parts of the regulatory system.	If the initial round of consultation does not enable you to be satisfied, that the statutory requirements for making a rule change have been met, a further round of consultation on a draft rule may be required, extending the overall length of the process.

Next steps

- 28 We are continuing our policy analysis, including conducting research to try to model the costs and benefits of the different options.
- 29 If you agree to the recommended consultation approach, we will brief you on the results of our analysis and provide a draft Cabinet paper and consultation document in September 2025 for you to take to Cabinet in October 2025.

ANNEX ONE – BACKGROUND INFORMATION ON WOF AND COF SETTINGS

Roadworthiness inspections were introduced in 1937 alongside a raft of other measures including mandatory third-party insurance, and more consistent speed limit bylaws. At the time, the rates of car ownership were growing rapidly and there was growing concern of the safety effects. Initially, inspections were done by the local council and focused on ensuring that the lights, brakes, and horn were functional.

Warrant of Fitness (WOF)²

Length of WOF for light motor vehicles	
When was the vehicle first registered anywhere in the world?	How long the WOF is issued for
New vehicle that has never been registered	WOF is issued for three years
Less than two years ago	WOF is issued to the vehicle's third 'birthday' (third anniversary of when it was first registered)
More than two years ago, but less than three years ago	WOF is issued for 12 months
On or after 1 January 2000	WOF is issued for 12 months
Before 1 January 2000	WOF is issued for 6 months

The WOF inspection is a general safety check. The aspects checked are set out in the vehicle inspection requirements manual, and include:

- tyre condition (including tread depth)
- brake operation
- structural condition (rust is not allowed in certain areas)
- lights
- glazing (is the windscreen safe?)
- windscreen washers and wipers
- doors (do they open and close safely?)
- safety belts (must not be damaged or overly faded; buckles must work properly)
- airbags (if fitted)
- speedometer (must be working)
- steering and suspension (must be safe and secure)
- exhaust (there must be no leaks and the exhaust must not be smoky or louder than the original exhaust system)
- fuel system (there must be no leaks).

² From <https://www.nzta.govt.nz/vehicles/warrants-and-certificates/warrant-of-fitness/>.

Certificate of Fitness (COF)³

Vehicles requiring this certification are:

- heavy vehicles – trucks, larger trailers, and motor homes
- all passenger service vehicles – taxis, shuttles and buses
- rental vehicles.

Expiry of a COF: 3-12 months after date of issue

Approved vehicle inspectors check the aspects set out in the vehicle inspection requirements manual, including:

- tyre condition (including tread depth)
- brake condition and operation
- structural condition (rust is not allowed in certain areas)
- towing connection condition and certification
- load restraints such as load anchorages, log bolsters or curtain systems for condition and applicable certification
- certificate of loading (display and validity)
- transport service licence number (if required)
- lights (are all bulbs working? do lights comply?)
- glazing (is the windscreen safe?)
- windscreen washers and wipers
- doors (do they open and close safely?)
- safety belts (must not be faded or damaged, and buckles must work properly)
- airbags (if fitted)
- speedometer (must be working)
- steering and suspension (must be safe and secure)
- exhaust (there must be no leaks and the exhaust must not be smoky or louder than the original exhaust system)
- fuel system (there must be no leaks).

³ From <https://www.nzta.govt.nz/vehicles/warrants-and-certificates/certificate-of-fitness/>.

ANNEX TWO – INITIAL COMPARISON OF OVERSEAS LIGHT VEHICLE INSPECTION SYSTEMS

This table summarises an initial scan of vehicle in-use inspection settings in a range of jurisdictions. Most jurisdictions, including New Zealand, also require inspections when a vehicle is imported, first registered, or re-registered – these inspections have been omitted as they are more analogous to our Statement of Compliance than our WOF or COF inspections.

The inspections generally cover a similar list of features as a New Zealand WOF (though methods of inspection may vary) – key differences are noted in the Comments column.

KEY				
Same frequency as NZ				
Slightly less frequent than NZ				
Less frequent than NZ				
Much less frequent than NZ				
Jurisdiction	Vehicle age at first periodic inspection	Frequency/trigger for further inspections	Comments	
New Zealand	3 years	Annually (vehicles made after 1 Jan 2000) Every 6 months (pre-2000 vehicles)		
New South Wales	5 years	Annually		
Japan	3 years	Every 2 years	Includes a check of exhaust (emissions and noise).	
Victoria	No periodic inspection	None	Police officers can make vehicle owners get a vehicle inspection if there are clear faults on the exterior of vehicle (may also be the case in other jurisdictions).	
Singapore	3 years	Every 2 years (up to age 10) Annually (after age 10)	The average age of vehicles in the fleet is a third of the age of vehicles in the New Zealand fleet (5.5 years vs 15-years). Light vehicles travel in dense urban environments. Includes a check of exhaust (emissions and noise).	
Ontario	No periodic inspection	On sale or transfer of registration		
Alberta	No periodic inspection	After collision	Includes checks for structural integrity following a collision.	
United Kingdom	3 years	Annually (up to age 40) Not required under certain conditions after age 40	Includes exhaust emissions testing.	
Ireland	4 years	Every 2 years (up to age 10) Annually (after age 10) Every 2 years (age 30-14)	One provider mentioned an on-board diagnostics testing system that is used to scan the vehicle identification number, odometer reading, electronic braking system and anti-lock braking system. Includes exhaust emissions testing.	
Sweden	3 years	One inspection 2 years after first inspection, then every 14 months	Police officers and car inspectors are entitled to stop vehicles on the roads at any time for a spot inspection. Includes exhaust emissions testing.	
Denmark	4 years	Every 2 years	Includes exhaust emissions testing.	
Norway	4 years	Every 2 years	Includes exhaust emissions testing.	
Germany	3 years	Every 2 years	Includes exhaust emissions testing.	

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.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

AIDE MEMOIRE

29 July 2025

OC250684

Hon James Meager
Associate Minister of Transport

AIDE MEMOIRE: OPTIONS TO SPEED UP THE REVIEW OF WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A FOR LIGHT VEHICLES

Purpose

- 1 This aide memoire provides you with advice on options to speed up the review of Warrant of Fitness and Certificates of Fitness A¹ (WoF/CoF A) settings ahead of a meeting with officials 9am, Wednesday 30 July 2025.

Public consultation is scheduled for October 2025 followed by Rule signing in May 2026

- 2 Cabinet agreed to the Land Transport Rule Reform Programme in June 2025 (ECO-25-MIN-0083 refers), which contains seven streams of work, including a workstream to review the settings for WoF/CoF A for light vehicles.
- 3 The Cabinet paper signalled public consultation would begin in October 2025 followed by Rule signing in May 2026, and that the workstream would review both frequency and inspection requirements. The workstream will also look at the inspector reappointment process, roadside inspections performance, and other options for incentivising roadworthiness self-inspections.
- 4 Ministry of Transport (MoT) and New Zealand Transport Agency (NZTA) officials have established a project team and a plan to undertake analysis and provide you with advice based on the Cabinet paper timeline (refer to Annex 1).
- 5 The Land Transport Rule Reform Programme has received positive feedback from industry stakeholders, particularly noting the benefits of signalling a forward plan for consultation. This enables industry stakeholders to organise themselves efficiently and prepare members to provide input at the times signalled..

There are opportunities to bring forward the Rule signing

- 6 Timeframes between now and October 2025 are tight to deliver the required evidence. There is more flexibility to bring forward the date for Rule signing by combining advice on public consultation feedback (February 2026) with approval to lodge a Cabinet paper (March 2026). This could save between four to eight weeks and bring forward Rule signing to early April 2026, rather than in late May 2026.

¹ CoF A applies to light passenger service vehicles whereas CoF B applies to heavy vehicles over 3500kg

- 7 However, when the Rule will ultimately come into effect depends on the outcomes of the review and the option chosen and may be a significant period after the Rule signing, depending on implementation requirements. NZTA will provide advice on implementation requirements and timeframes for options ahead of public consultation.

We do not consider changes to scope to shorten timelines are justified given their opportunity cost

- 8 If you want to make progress faster than outlined above, more significant changes to scope or resource would be required.
- 9 The key change you could consider is narrowing the scope of the project to review only the frequency of WoF/CoF A. This is because most of the benefits and costs relate to this element of the system. If this change is made will mean officials would likely:
- 9.1 no longer review what is included in WoF/CoF inspections and the inspector reappointment process, and
- 9.2 only conduct a minimal review of current roadside inspection performance and other options for incentivising roadworthiness self-inspections.
- 10 This change would result in time savings in the order of weeks not months but forgoes an important opportunity to review the system as a whole and risks missing opportunities to improve other elements of the vehicle inspection system. In addition, frequency has been the primary focus of previous changes, which has led to inspection scope remaining relatively static despite significant progress in vehicle technology.
- 11 For example, the inspection scope would likely benefit from the inclusion of 'Advanced Driver Assistance Systems' (ADAS). ADAS includes highly effective safety mechanisms, such as Autonomous Emergency Braking and Lane Keep Assist, and have been standard safety features for the majority of cars manufactured over the last 5-7 years. Inspection organisations have signalled their support for changes to scope like this.

Changes to the quality of outputs or adding resource come with risk and complexity

- 12 The project timelines could also be reduced by adding more resource or reducing the expected quality of outputs, but these approaches come with risk or complexity we consider is likely to be unjustifiable.
- 13 Proposals to reduce WoF/CoF frequency are likely to be contentious with stakeholders concerned about safety, as was the case during consultation on the current requirements carried out in 2014. NZTA monitoring following the previous changes showed a small increase in deaths and serious injuries where vehicle faults were recorded as a contributing factor, though it is difficult to confidently attribute this to the regulatory changes.
- 14 We therefore expect there to be considerable public interest in any changes to the current vehicle inspection regime. This interest brings with it an increased risk of legal challenge in the form of judicial review. A key mitigation against successful legal challenge is ensuring the project can demonstrate that decisionmakers were provided with fulsome advice on a range of options and their respective risks and benefits.

- 15 Changes to the resource allocation for this project would require a reduction in resource allocation to another project within the programme or other initiatives outside the programme. Changes would require discussion and agreement with the Minister of Transport as they would likely affect outputs agreed with him.

Contacts

Name	Telephone	First contact
Keegan Taylor, Principal Advisor, Regulatory Reform	s 9(2)(a)	✓
Katrina Quickenden, Manager, Regulatory Reform	s 9(2)(a)	

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Annex 1: Project timeline

Deliverable / Milestone	Deadline
Project Plan – Draft and secure Steering Group approval of the project plan.	End of July 2025
Background paper: Jurisdictional scan	Early August 2025
Background paper: Current NZ regime	Early August 2025
Background paper: Implementation	Late August 2025
Background paper: Monitoring and analysis	Late August 2025
Targeted stakeholder engagement	Late August 2025 to Early September 2026
Background paper: Options analysis	Early September 2025
Briefing – Secure a steer/endorsement from the Minister(s) prior to detailed work.	Mid-September 2025
RIS - Draft and secure Steering Group approval of the RIS.	End of September 2025
Discussion document – Draft and secure Steering Group approval of the discussion document.	End of September 2025
Draft Rule - Draft and secure Steering Group approval of the draft rule.	End of September 2025
Briefing – Seek approval of the supporting documents and agreement to consultation from the associate minister.	Mid-October 2025
Public consultation	Mid-October 2025 to Mid December 2025
Submissions analysis – Analyse submissions and respond as required.	January 2026
Briefing – Summary of consultation feedback	Mid-February 2026
Briefing – Approval of draft Cabinet paper	Late March 2026
Cabinet paper – Seek agreement to rule change.	Late May
Implementation	From June 2026

Proactive Release

This document is proactively released by Te Manatū Waka the Ministry of Transport.

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.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)



3 September 2025

OC250772

Hon James Meager
Associate Minister of Transport

Action required by:
Wednesday, 10 September 2025

APPROACH TO REVIEW OF WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A FOR LIGHT VEHICLES

Purpose

To update you on the review of Warrant of Fitness (WoF) and Certificate of Fitness A (CoF A) settings (the review) and confirm your comfort with the direction of travel.

Key points

- Officials have begun work on your commitment to review WoF and CoF A settings and identified a long list of potential changes for assessment against selected criteria. Potential changes to frequency requirements range from the straightforward and substantive (e.g. increases in the time between inspections) to more long-term transformative (e.g. distance-based inspection requirements).
- The criteria we have developed for assessing options include consideration of ease of implementation. This focus is likely to mean our recommended change(s) to frequency requirements will not include fundamental shifts away from the current periodic approach. We are seeking your agreement to the criteria and resulting focus on options that deliver benefits in the short term.
- We will meet with you to discuss this briefing at weekly officials on Wednesday, 10 September 2025, ahead of providing a recommendation on changes for public consultation in October 2025.

Recommendations

We recommend you:

- 1 **agree** to the following assessment 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
- 2 **agree** that the next stage of the review focus on changes to frequency that can be implemented in this term of government
- 3 **note** this option does not preclude considering more fundamental, transformative changes in the future or signalling future changes as part of public consultation.
- 4 **refer** this briefing to Hon Chris Bishop, Minister of Transport.

Yes / No

Yes / No

Yes / No

Yes / No

s 9(2)(a)

Katrina Quickenden
Manager, Regulatory Reform

3/09/2025

Hon James Meager
Associate Minister of Transport

..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Keegan Taylor, Principal Advisor, Regulatory Reform	s 9(2)(a)	✓
Katrina Quickenden, Manager, Regulatory Reform	s 9(2)(a)	

UPDATE ON WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A FOR LIGHT VEHICLES REVIEW

Officials have begun work on your commitment to review WoF and CoF A settings...

- 1 In June 2025, Cabinet agreed to the Land Transport Rules Reform Programme [ECO-25-MIN-0083 refers]. This programme includes a review of WoF and CoF A requirements for light vehicles, with consultation on a proposed rule change expected in October 2025. This review has been delegated to you, and you have agreed for the consultation in October to focus on a preferred option [Briefing OC250303 refers].
- 2 This review gives effect to the following public commitments:
 - 2.1 Government Policy Statement on Land Transport 2024: *“Review the vehicle regulatory system to (among other objectives) enable better management of the safety performance of the vehicle fleet, reduce regulatory burdens, and ensure our domestic rules are fit for purpose.”*
 - 2.2 Road Safety Objectives 2024: *“Investigate our warrant of fitness and certificate of fitness systems to ensure that they more effectively and efficiently target risk and are fit for purpose for the vehicle being tested.”*
- 3 Current inspection requirements group light vehicles into two groups. Together these requirements are estimated to cost approximately \$170 million per annum in direct inspection costs.

Inspection	Vehicles	Frequency	2024 in-service certifications issued
Warrant of Fitness	All light vehicles not in scope of the Certificate of Fitness A including motorcycles and trailers.	- First inspection at three years 12-months for vehicle manufactured after 1 January 2000 6-months for vehicle manufactured before 1 January 2000 12-months for vehicles over forty years old	2,636,627
Certificate of Fitness A	Light passenger vehicles used in passenger services e.g., taxis, rideshare, and rental vehicles.	First inspection at 12 months followed by inspection every six months	105,622

- 4 In 2023, vehicle related contributing factors (e.g. tyre defects) were identified in 3.7% of fatal crashes. These proportions are much lower than for speeding or alcohol and/or drugs that were contributing factors in 30.6% and 53.9% of fatal crashes, respectively.
- 5 WoF non-compliance is estimated to be between 13-16%, and between 2014 and 2024, and 21.6% of crashes with vehicle related contributing factors did not have a valid WoF.

- 6 Officials have carried out policy work to develop our understanding of the core problem definition, and its root causes and effects, and have identified a set of project objectives and assessment criteria. This work has included assessing the current inspection requirements, discussing their strengths and weaknesses with key stakeholders, and undertaking a review of other jurisdictions' requirements. An overview of this work is attached in Annex 1.

...and identified a long list of potential changes for assessment against selected criteria

- 7 We have now identified a long list of potential changes that could be made to inspection frequency requirements and the scope of vehicle features checked during inspections, as core parts of the current regime. Alongside these options, we have identified a range of supporting regulatory and non-regulatory measures that could enhance or complement the core reforms. An overview of the long list of options is available in Annex 1.
- 8 Officials are now carrying out a multi-criteria assessment of the options using the following criteria listed below to identify the preferred changes and meet the requirements for changing a rule set out in Section 164(2) of the Land Transport Act 1998:

Criterion	Description
Improves safety outcomes	The likely effect on road safety outcomes, including the detection and deterrence of unsafe 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.
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.

- 9 We seek your agreement to the assessment criteria as confirmation that they aligns with the Government's objectives for the review outlined in the Government Policy Statement on Land Transport 2024 and the Road Safety Objectives 2024.

Our recommended changes are likely to build on the current system

- 10 We expect our final recommended option(s) will focus on changes to the current time-based system as these substantive changes can be made quickly but are still likely to deliver the desired benefits. More fundamental changes could be considered later.

- 11 The longlist of options also includes more fundamental changes, which would take several years to deliver benefits. For example, while a distance-based inspection system is promising and popular with several key stakeholders, changes would need to align with decisions on the fleetwide transition to Road User Charges that the Government will be considering in 2027. Aligning any changes would enable inspection requirements to leverage infrastructure and compliance efforts being made as part of the transition.

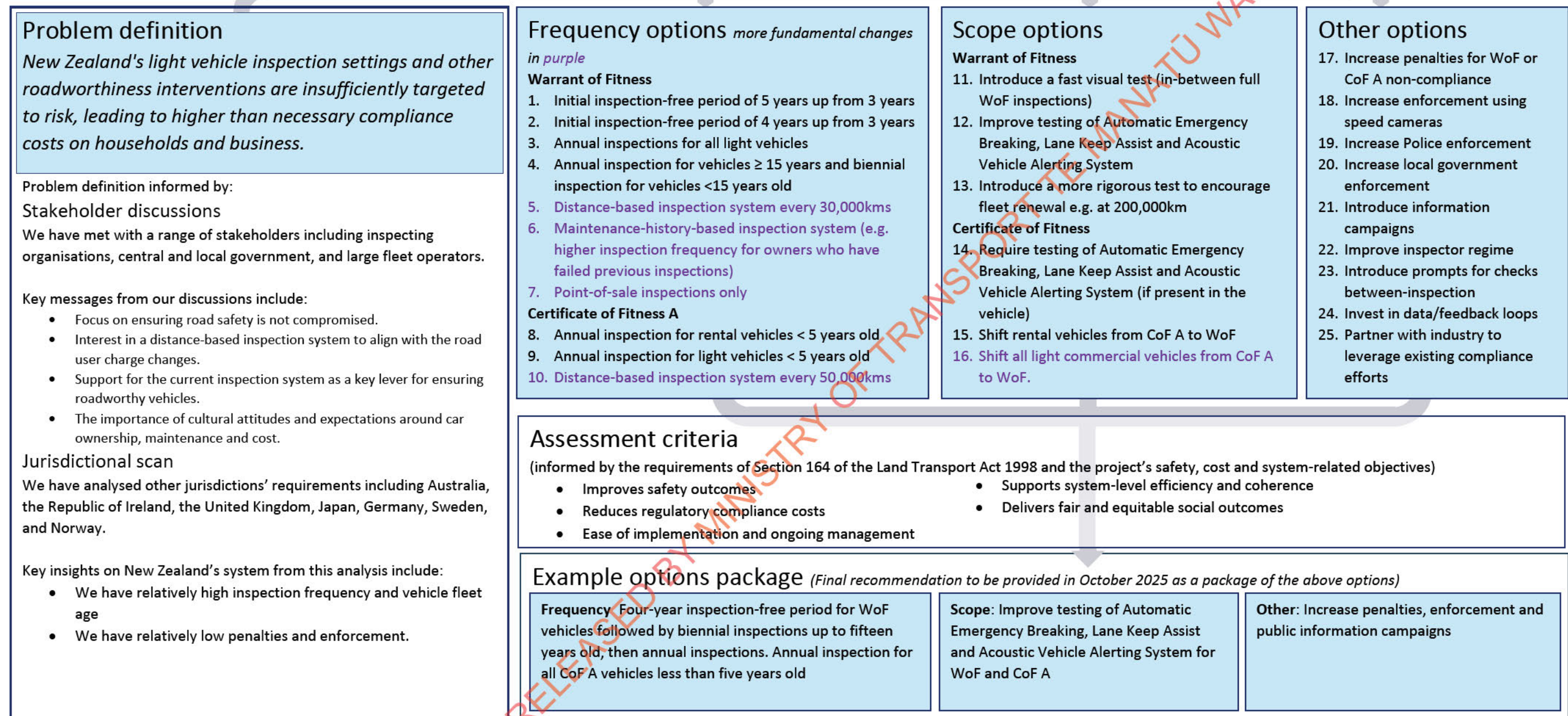
- 12 We recommend you agree that the next stage of the review focus on options that are likely to deliver substantive benefits in the short term. Nonetheless, the long list of options includes a broad range of regulatory and non-regulatory settings. Some of these options will take time to implement (e.g. improvements in digital infrastructure), but achieving the reviews objectives will likely require a package of options working in tandem.

Next steps

- 13 We will meet with you at the weekly agency meeting on Wednesday, 10 September 2025 to discuss this briefing. Your feedback will guide our assessment of the long list of options and inform the final advice we provide to you in October 2025 to commence public consultation.

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ANNEX 1: OVERVIEW OF THE REVIEW OF WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A FOR LIGHT VEHICLES



Timeline



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