

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)

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.

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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?

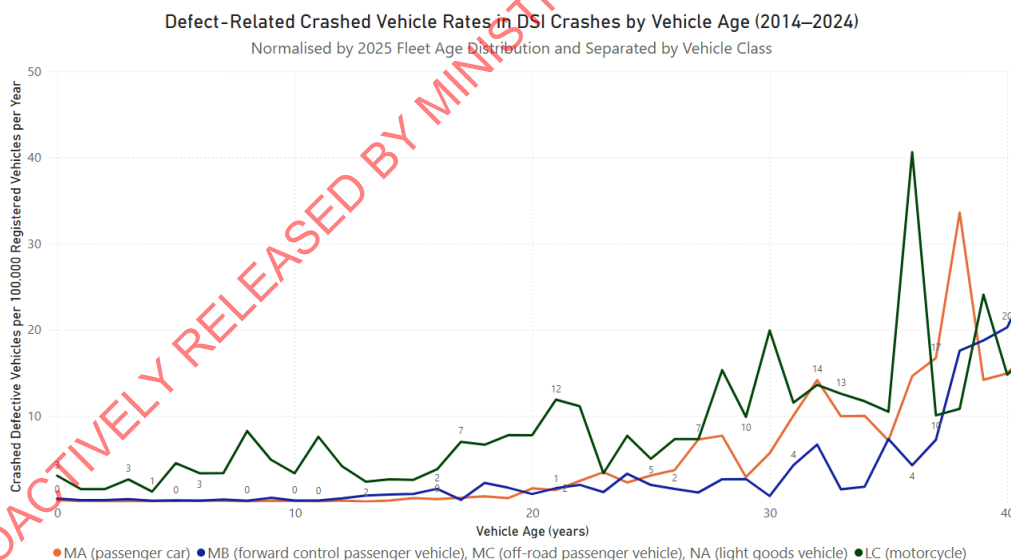
32. Our analysis pinpointed three main problem areas that could be addressed by a package of changes:

- 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.

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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.

