

# **Vehicle Certification Fee Review Consultation Document**

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## 1. Introduction and overview

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This Consultation Document provides information about proposed changes to prescribed fees for:

1. The entry and oversight of vehicle inspectors and inspecting organisations
2. Certification of vehicles
3. Other vehicle-related certification services.

This review is driven primarily by the warrant of fitness (WoF) and certificate of fitness (CoF) system changes agreed by Cabinet in January 2013, as part of the Vehicle Licensing Reform (VLR) Project<sup>1</sup>. The system changes include:

- a) introducing an annual WoF inspection cycle for all vehicles first registered on, or after, 1 January 2000
- b) allowing a greater and more convenient range of CoF inspection options, with a view to reducing commercial vehicle downtime.

The fees proposed in this Consultation Document include changes to fees to reflect the new system and to recover implementation costs.

Secondarily, the review is needed to ensure that the Transport Agency can continue to provide vehicle certification services on a cost-effective and sustainable basis to those who use these services. Vehicle certification fees are set out in the *Land Transport (Certification and Other fees) Regulations 1999*. They have not been substantially reviewed since their inception in 1999. A review of these fees was postponed pending work on the VLR Project.

It is intended that any fee changes will take effect from 1 July 2014 and will remain in place for a period of three years (the 'fee cycle').

In summary<sup>2</sup>, the Transport Agency proposes the following:

1. A single fixed fee for inspecting organisation applications which reflects the full cost of processing these applications
2. A single fixed fee for vehicle inspector applications which reflects the full cost of processing these applications
3. The withdrawal of fixed fees for planned reviews of inspecting organisations and inspectors, and the introduction of a levy on certification labels to recover the costs of routine monitoring and review of the performance of inspecting organisations and inspectors
4. The introduction of a standard hourly rate to recover costs associated with:
  - a) non-routine reviews of inspecting organisations and vehicle inspectors
  - b) additional regulatory services provided to inspecting organisations (e.g. change of ownership, additional site approvals)
  - c) applications for exemptions from the provisions of vehicle-related land transport rules.
5. Amended certification label fees, which reflect:
  - a) current vehicle certification infrastructure costs
  - b) the costs of implementing business and IT system changes to give effect to the CoF and WoF system changes

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<sup>1</sup> <http://www.transport.govt.nz/ourwork/land/vehiclelicensingreformconsultation/>

<sup>2</sup> A summary of the fees proposal is also provided in tabular form in the Appendices to this Consultation Document.

- c) the cost of routine monitoring and review of the performance of inspecting organisations and inspectors (referred to above).

It is also proposed that fee provisions related to payment by vehicle owners to inspecting organisations for duplicate labels be revoked. This means that inspecting organisations would be able to set their own fees for duplicate labels.

The costs and fees associated with identification of vehicles as immigrants' vehicles or special interest vehicles, Category A left-hand drive permits and vehicle importation, and exemptions have also been reviewed, and it is proposed that these be adjusted (or included, in the case of exemptions) to reflect the current cost of providing these services.

You are invited to comment on these proposals. The deadline for submissions is **5pm Tuesday 11 February 2014**. Details about how to make a submission are provided in *Section 7: How to have your say* in this Consultation Document.

Following the consultation process, which will involve an analysis of submissions made on the proposals, the Transport Agency will finalise its recommendations for changes to fees, and submit these to the Minister of Transport for his consideration. The Minister will take the recommendations that he supports to Cabinet for a final decision and, subject to the agreement of Cabinet and the Governor General, new certification fees regulations will be introduced. It is intended that any changes to certification fees will take effect from 1 July 2014.

## 2. Principles and approach

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The vehicle certification fee review is guided by the following principles:

- All certification fees must have a clear statutory mandate in relevant primary legislation (e.g. *Land Transport Act 1998*) or relevant land transport rules, and must be set in accordance with applicable guidelines from Treasury and the Audit Office
- The recovery of certification costs from service users must take place in the context of ongoing effort to maintain and improve the efficiency of Transport Agency business processes
- Those who generate or benefit from Transport Agency regulatory activities should make a fair and reasonable contribution to the cost of these activities
- The targeting of fees at particular users needs to be balanced with the need to have a simple fee structure, which requires minimal administration
- Fee setting should be cognisant of actual and possible impacts on user behaviour (including undue barriers to entry and encouraging desired behaviours).

In accordance with Treasury and Audit Office guidelines, the Transport Agency has undertaken an activity-based costing analysis as part of the fee review. The review has also been informed by the *Government Statement on Regulation*.<sup>3</sup>

The fees proposed in this Consultation Document have been established with the aim of meeting the cost of CoF and WoF system changes and other certification service costs identified in this costing analysis. These costs include direct costs associated with delivering services to users, as well as the IT systems, business processes and other forms of infrastructure needed to support these services throughout the entire three year fee cycle.

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<sup>3</sup> <http://www.treasury.govt.nz/economy/regulation/statement>

### 3. Current fees and costs

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#### Entry and oversight of vehicle inspectors and inspecting organisations

##### *Overview*

Revenue collected through fees associated with the entry and oversight of vehicle inspectors and inspecting organisations currently falls considerably short of meeting the full costs of providing these services. Predictably, given the time that has elapsed since the fees were last set, fees for entry and oversight are no longer well-aligned with applicable costs and no longer result in a fair contribution from those who benefit from these services. Further, the fees related to applications for inspecting organisation relocations and transfers of ownership also need to be reconsidered, as the contributing activities, and therefore costs, differ from those incurred by an application for a new inspecting organisation.

##### *Application fees for vehicle inspectors and inspecting organisations<sup>4</sup>*

Currently, an application for approval of a new inspecting organisation incurs a one-off fee ranging from \$442.67 to \$725.33<sup>5</sup>. Inspecting organisations may also be sold or relocated to other sites from time to time. This generates additional regulatory activity (e.g. fit and proper person check of a new owner), which usually attracts the same fee as an application for approval of a new organisation. Fees paid for inspecting organisation applications currently cover about a third of the full cost to the Transport Agency of providing this service.

An application for approval as a vehicle inspector must be accompanied by a fee which can range from \$59.73 to \$515.56. Vehicle inspectors (and inspecting organisations) who wish to expand the scope of the vehicle certification work they have been approved to do, must currently pay another full fee, although the regulations make provision to reduce or waive this fee if different applications are received from the same applicant at the same time. Currently, about 15% of the cost of processing vehicle inspector applications is recovered through fees paid by applicants.

A separate 'fit and proper person' fee of \$25.07 is also payable by vehicle inspector and inspecting organisation applicants. This fee is integral to approvals for inspecting organisations and vehicle inspectors, yet is separately regulated.

##### *Oversight of vehicle inspectors and inspecting organisations*

Approved vehicle inspectors and inspecting organisations are required to undergo regular planned reviews, as part of the Transport Agency's Performance Review System, which has been designed to ensure the integrity of the vehicle inspection system. Planned reviews usually occur once every two years and incur a direct charge ranging from \$516.89 to \$793.78. This charge is normally recovered from inspecting organisations. The Transport Agency recovers about a third of the total costs of planned reviews through direct charges. The fee regulations also make provision for the recovery of costs associated with 'spot reviews'. These can be charged at an hourly rate of \$126.70.

Fees associated with planned reviews reflect a review model that was current at the time that fees were set in 1999. Over time, review methods have become more varied and sophisticated. For example, planned reviews are now being supplemented by random reinspections of vehicles.

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<sup>4</sup> The terms 'certifying organisation' and 'certifier' are used in the current fees regulations. Current Land Transport Rules now refer to 'inspecting organisations' and 'vehicle inspectors'.

<sup>5</sup> All figures referred to in the Consultation Document are exclusive of GST.

However, funding for review activity is derived mainly from planned reviews and this places undue constraints on resources available for more innovative and more cost-effective approaches.

The hourly rate prescribed in the current fees regulations, which applies only to spot reviews, no longer reflects Transport Agency costs. Other transport modes (civil aviation, maritime) have the scope for a broader application for their hourly rates. This can be advantageous to users because they are charged only for the time spent on the services they use.

### **Vehicle certification (label) fees**

Vehicle certification or label fees are included in the purchase price of certification stickers which are commonly affixed to the windscreens of certified vehicles by vehicle inspectors. The greatest volumes of labels are for WoFs (\$0.72 per label) and CoFs (\$2.13 per label). Revenue from these labels generally pays for the infrastructure (e.g. IT systems, operational policy development, business development, and administrative activity) supporting vehicle certification services.

### **Other vehicle certification-related services**

#### *Fees paid by vehicle owners to inspecting organisations*

The *Land Transport (Certification and Other Fees) Regulations 1999* also regulate certain fees paid by vehicle owners to inspecting organisations. Fees are prescribed for providing duplicate vehicle inspection labels (currently \$6.66 per label) and duplicate certificate of loading labels (currently \$14.22 per label). The current regulations limit the ability of inspecting organisations to set and revise fees according to their own underlying costs and in response to general price movements.

#### *Fees paid by vehicle importers*

Importers of used motor vehicles that are to be registered in New Zealand are required to pay the Transport Agency a fee of \$17.78 to support the collection of information about the vehicle for the purposes of vehicle standards compliance. The Transport Agency has established that the cost of this service will be lower than the current regulated fee for the duration of the next fee cycle.

#### *Category A left-hand drive permits, special interest vehicle permits, the identification of an immigrant's vehicle for the purposes of the Land Transport Rule: Frontal Impact 2001*

Owners of special interest vehicles can apply for permits that exempt them from certain requirements of the *Land Transport Rule: Frontal Impact 2001*, which relate to compliance with approved vehicle standards for frontal impact protection systems and vehicle exhaust emissions. Applications can also be made to have a vehicle identified as an immigrant's vehicle, which has the same effect. The application fee for a special interest vehicle permit is \$133.33. The application fee for identification of a vehicle as an immigrant's vehicle is currently \$44.44. Costing analyses indicate that the fees for these services no longer reflect the underlying cost of service delivery.

The Transport Agency also processes applications for exemptions from vehicle-related land transport rules under Section 166 of the *Land Transport Act 1998*. These applications are processed at no tangible cost to those who generate and benefit from this service. Currently, these costs must be met from other revenue streams.

## 4. Proposed fees

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### Entry and oversight of vehicle inspectors and inspecting organisations

#### *Application fees for vehicle inspectors and inspecting organisations*

Application fees for inspecting organisations and vehicle inspectors currently fall far short of covering the regulatory costs they generate. As applicants are the direct beneficiaries of these services, it is proposed that the fees be set at a rate that recovers the full cost of provision. To achieve this, a single, one-off fee of \$1250 is proposed for processing an application for an inspecting organisation. For vehicle inspector applications a single one-off fee of \$430 is proposed. It is intended that the fee for a fit and proper person check be withdrawn and incorporated within the proposed inspecting organisation and vehicle inspector fees. The proposed fees for inspecting organisations and vehicle inspectors incorporate the cost of a fit and proper person check.

These fees will not affect existing vehicle inspectors who wish to remain within their existing scope of practice. Existing inspecting organisations will also remain unaffected unless they intend paying the application costs for new inspectors entering their employment, or expanding the range of certification services they provide, or relocating to a new site. A change to the ownership of an inspecting organisation would also incur a cost.

In order to prevent overcharging for current vehicle inspectors who wish to expand their scope of practice, it is proposed that new waiver provisions be included in the fees regulations. These provisions would allow for a partial waiver of vehicle inspector application fees where, for example, an inspector already approved for WoF inspections wished to seek approval from the Transport Agency to conduct CoF inspections.

It is proposed that a standard hourly rate of \$160 be charged for additional regulatory services related to existing inspecting organisations. The services charged at a standard hourly rate would include applications for:

- a) adding another vehicle inspecting site to an existing inspecting organisation
- b) additional regulatory services (such as alternative fuel inspection or expanding inspection services to include COF A vehicles<sup>6</sup>)
- c) a change of ownership of a site or inspecting organisation
- d) inspecting site relocation.

The hourly rate would be inclusive of other costs associated with the activity (e.g. transport costs<sup>7</sup>), but would not cover the time taken for travelling. Travelling time would be charged at the standard hourly rate proposed above.

#### *Oversight of vehicle inspectors and inspecting organisations*

Consideration was given to adjusting planned review fees to better reflect the cost of these services and, alternatively, to charging for review services at a standard hourly rate. While this would possibly provide for a more equitable contribution from those to whom these services apply, it provides little flexibility in terms of supporting new modes of regulatory oversight.

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<sup>6</sup> An inspecting organisation which already provides warrant of fitness inspection services may wish to expand into inspecting light commercial vehicles (COF A).

<sup>7</sup> Vehicle, fuel and accommodation costs.

The preferred option is to recover the annual costs of routine reviews by adding a calculated margin to relevant vehicle certification labels, and recovering non-routine review activity through the proposed standard hourly rate. A margin applied to these labels has the following advantages:

- a) provides greater opportunities for the Transport Agency to modernise its approach to review and oversight of vehicle inspectors and inspecting organisations (e.g. by focusing on areas likely to be of higher risk)
- b) reduces the impact of payment on inspecting organisations as it involves relatively small payments spread across multiple transactions (i.e. the purchase of certification labels)
- c) aligns cost with risk, as higher volume organisations make a greater contribution to the routine review process
- d) minimises the cost of collection because it reduces invoicing and removes debt recovery and debt write-offs (any savings will ultimately be passed on to users).

This would add \$0.50 to the price of each certification label. Any additional review work prompted by serious or repeated issues with an inspecting organisation, or an inspector, would be charged at the standard hourly rate (i.e. \$160 per hour).

#### **Certification (label) fees**

It is proposed that label fees continue to recover vehicle certification infrastructure costs, but with two key additions:

- a) the margin referred to above to recover the costs of the routine monitoring and performance review of inspecting organisations and inspectors
- b) margins for recovering costs associated with CoF and WoF system changes.

The current and proposed label fees are set out in the following table:

Vehicle certification label fees	Current	Proposed
Certificate of fitness	\$ 2.13	\$ 6.50
Entry(new)	\$ 2.22	\$ 1.35
Entry(used)	\$ 1.69	\$ 1.69
Low volume vehicle	\$ 34.44	\$ 13.85
Heavy vehicle specialist	\$ 5.69	\$ 4.50
Repair	\$ 12.89	\$ 3.85
Warrant of fitness	\$ 0.72	\$ 1.55

Of the seven fees presented in the table, two fees (for CoF and WoF) will increase. The remaining five fees will either decrease or remain the same.

These fees are paid by inspecting organisations when purchasing certification labels, and are usually recovered from vehicle owners or operators as part of the fee they pay for vehicle inspection. Whether these increases are passed on to vehicle owners depends on pricing decisions made by inspecting organisations.

WoF inspections are currently required either annually or every six months, depending on the age of the vehicle, at a total cost of about \$50 inspection (including the label fee). Changes that are being phased in from 1 January 2014 will require annual inspections for all vehicles older than 3 years, registered on, or after 1 January 2000. While the label fee will increase by \$0.83 cents, there will be a

\$50 reduction in direct WoF inspection costs per year for owners of those vehicles moving to an annual inspection cycle.

The increase of \$4.37 in the price of a CoF label fee should be seen in the context of the total cost of a CoF inspection (about \$150 every six months). Savings to commercial and heavy vehicle owners are more likely to be seen in the form of reduced downtime, through a more convenient range of CoF inspection options (e.g. allowing inspection and repair to be carried out by the same provider), than in the direct cost of a CoF inspection.

#### **Other vehicle certification-related services**

##### *Fees for duplicate labels (paid by vehicle owners to inspecting organisations)*

It is proposed that regulation 7 of the *Land Transport (Certification and Other Fees) Regulations 1999* be revoked. This clause makes provision for fees to be paid by vehicle owners to inspecting organisations for duplicate vehicle inspection labels and duplicate certificate of loading labels. If this proposal is approved, fees for duplicate labels would be set by inspecting organisations instead of being set by regulation. Duplicate labels can be purchased from any inspecting organisation. It is therefore likely that market mechanisms will be sufficient to minimise the price.

##### *Fees paid by vehicle importers*

Costing analyses have indicated that the cost of this service will be substantially lower than the current regulated fee for the duration of the next fee cycle. It is therefore proposed that this fee be reduced from \$17.78, per imported used vehicle, to \$5.50.

##### *Category A left-hand drive permits, special interest vehicle permits and immigrants' vehicles*

The Transport Agency's costing analysis has shown that the current average time taken to process an application to identify a vehicle as an immigrant's vehicle, for the purposes of the *Land Transport Rule: Frontal Impact 2001* is about one hour. A similar time is taken to process an application for a special interest vehicle permit or a left-hand drive permit. It is proposed that these fees be aligned directly with the full cost of providing these services through a fixed fee based on the proposed standard hourly rate (i.e. \$160).

##### *Exemptions from vehicle-related land transport rules*

It is also proposed that the cost of exemptions from vehicle-related land transport rules be recovered from applicants through the proposed standard hourly rate of \$160. This fee would not be fixed due to the varied nature of exemption applications. Many exemptions take no longer than an hour, but some require extensive work, involving input from technical specialists. Charges to applicants would reflect the time taken to complete this work. Where exemptions were required because of temporary anomalies in vehicle compliance standards, waiver provisions would be available.

## **5. Treatment of GST**

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The current fees prescribed by *Land Transport (Certification and Other Fees) Regulations 1999* are inclusive of GST. It is intended that the proposed new fees be exclusive of GST. This is to avoid confusion in the event that there is a change to GST. This approach also reflects the fact that most certification transactions are made by GST registered businesses.

## 6. Business process efficiency

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The Transport Agency is acutely aware of the need to minimise the costs of the activities it undertakes. After containing costs for 12 years, the proposed certification fees will result in increased estimated revenue of only 6% from that generated under the current fees regime in 2013/14. The remaining increases are due to ongoing and time-bound<sup>8</sup> costs associated with CoF and WoF system changes (i.e. business and IT system modifications).

The Transport Agency has also commenced a review of business processes for certification and other services. This review commenced part way through 2013 and will conclude early in 2014. The scope of the review includes an identification and implementation of process improvement opportunities for inspecting organisation and vehicle inspector applications, inspecting organisation performance reviews, and exemptions from vehicle-related land transport rules requirements. The Transport Agency intends that the recommendations of this review will be progressively implemented throughout the new fee cycle.

In order for consumers to benefit from this, it is proposed that fees be set to recover services costs as they are estimated to be at 2013/14, without price movements incorporated into the new fee cycle. By the end of third year of the new fee cycle (i.e. 30 June 2017), it is expected that unit prices will reduce successively to about 5%, in real terms, from their 2014 value.

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<sup>8</sup> The CoF and WoF vehicle certification fees have been set to fully recover time-bound costs over a 5 year period commencing 1 July 2014.

## 7. How to have your say

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The deadline for commenting on the vehicle certification fee review proposals is **5pm on Tuesday 11 February 2014**. Comments can be provided by:

1. E-mail to [feesconsultation@nzta.govt.nz](mailto:feesconsultation@nzta.govt.nz)
2. Online at [www.nzta.govt.nz/feesconsultation](http://www.nzta.govt.nz/feesconsultation)
3. Post to the Vehicle Certification Fees Coordinator, Private Bag 6995, Wellington, 6141
4. Delivery to the Vehicle Certification Fees Coordinator, Level 2, 50 Victoria Street, Wellington, 6011.

Please include the term “Submission on the Vehicle Certification Fee Review” clearly in the e-mail subject field or on the front of the envelope.

All received submissions will be acknowledged by the Transport Agency.

Your submission should include:

1. Your name and address for correspondence
2. The date of your submission
3. The specific aspects of the proposal that you support or oppose
4. The reasons for your support or opposition
5. The recommendations you wish to be considered
6. Your signature.

For queries about the certification fees review, please use the e-mail address above or call 0800 108 809.

### **Submissions are public information**

Submissions provided to the Transport Agency on this proposal will be subject to the provisions of the *Official Information Act 1982*. This Act requires information to be made available on request unless there is good reason, pursuant to the Act, to withhold the information. If you do not wish any material in your submission to be released, or if you are submitting as an individual and do not wish your identity to be disclosed, please specify the material that you wish to be withheld and the grounds (as set out in the Act) for withholding it. The decision whether to release information under the terms of the Act rests with the Chief Executive of the Transport Agency. Any decision to withhold information is subject to appeal to the Office of the Ombudsmen.

## Appendix 1: Schedule of proposed fee changes for entry and oversight of vehicle inspectors and inspecting organisations

<b>Cost recovery for vehicle inspector and inspecting organisation entry and oversight</b>					
<b>GST exclusive</b>					
<b>Current fees</b>		<b>Proposed fees</b>	<b>Description of proposed fees</b>	<b>Rationale</b>	<b>Likely impact</b>
<b>Application fees for inspecting organisations</b>		<b>\$ 1,250.00</b>			
COF Site	\$ 725.33	<b>Revoke</b>	Single generic vehicle inspection organisation fee set at the full cost of the application, including fit and proper person.	Users meet the full cost of the application. Simpler, more flexible fee structure.	No impact on existing organisations. Inspecting organisations entering the system from 1 July 2014 would pay more. Generic fee allows for variety of new service models. Could deter some new entrants to the market, but this is unlikely.
Entry (used) site	\$ 455.56	<b>Revoke</b>			
Low volume site	\$ 459.11	<b>Revoke</b>			
WOF site	\$ 442.67	<b>Revoke</b>			
<b>Fit and proper person fee</b>	\$ 25.07	<b>Revoke</b>	Revoke and recover through new inspecting organisation and vehicle inspector application fees.	This service is integral to vehicle inspector and inspecting organisation applications. Charging it separately to these applications creates unnecessary transaction costs. Simplifies fees structure.	Reduces transaction costs. Simplifies the application process from a payment processing perspective.
<b>Application fees for vehicle inspectors</b>		<b>\$ 430.00</b>			
COF certifier	\$ 59.73	<b>Revoke</b>	Single generic vehicle inspector fee set at the full cost of the application, including fit and proper person. The fee for entry (new) certifiers would not be included in the proposed fee, and therefore this service would not incur a charge.	Users meet for the full cost of the application. Simpler, flexible fee structure.	No impact on existing inspectors. Inspecting organisations entering the system from 1 July 2014 would pay the new rate. Generic fee allows for variety of new service models. Could deter some new entrants to the market, but this is unlikely.
entry (new) certifier	\$ 59.73	<b>Revoke</b>			
entry (used) certifier	\$ 59.73	<b>Revoke</b>			
Low volume vehicle certifier	\$ 277.33	<b>Revoke</b>			
Heavy vehicle certifier	\$ 277.33	<b>Revoke</b>			
Repair certifier	\$ 515.56	<b>Revoke</b>			
WoF certifier	\$ 59.73	<b>Revoke</b>			
<b>Planned review fees</b>					
COF site	\$ 790.67	<b>Revoke</b>	Revoke all planned review fees and recover through a \$0.50 margin on all certification fees.	Allows for more flexible, risk-based approach to performance reviews	Providers no longer charged on a direct fee for service basis
Entry(new) certifier - site	\$ 793.78	<b>Revoke</b>		Volume-based levy reflects the scale (and risk) associated with each inspecting organisation	The full costs of routine reviews can be recovered through relevant label fees with minimal impact on providers or the public.
Entry(used) site	\$ 654.67	<b>Revoke</b>		Broad-based levy approach reflects public benefit in having a robust vehicle inspection system	
Low volume vehicle certifier	\$ 541.78	<b>Revoke</b>		Reduces transaction costs associated with invoicing, late payments, bad debts, and payment processing.	
Heavy vehicle specialist certifier	\$ 541.78	<b>Revoke</b>			
Repair certifier	\$ 516.89	<b>Revoke</b>			
WOF site	\$ 516.89	<b>Revoke</b>			
<b>Hourly rate for spot reviews</b>	\$ 126.70	<b>\$ 160.00</b>	A standard hourly rate, with broader application adjusted to current full cost Broadened application to cover non-routine reviews, land transport rule exemptions, applications for expanded scope of practice for inspecting organisations (alternative fuels, new Certificate of Fitness service delivery options etc).	Allows costs to be recovered for non-routine review activity Recovers costs for land transport rule exemptions that are processed annually by the Transport Agency Allows costs to be recovered for a variety of additional Transport Agency work generated by inspecting organisations.	Ensures that those who generate additional review work pay for it. Discourages opportunistic applications for exemptions.
<b>Certification (label) fees</b>					
Certificate of fitness	\$ 2.13	<b>\$ 6.50</b>	Retain with expanded scope to recover:	Minimal transaction costs	Cost recovery is spread over 4-5 million inspection transactions per annum, which means that individual contributions are very small. Minimal impact on all those affected.
Entry(new)	\$ 2.22	<b>\$ 1.35</b>		The use of differentiated label fees reflects the underlying costs of various services.	
Entry(used)	\$ 1.69	<b>\$ 1.69</b>	Certification infrastructure costs (IT systems, call centre etc)		
Low volume vehicle	\$ 34.44	<b>\$ 13.85</b>	Relevant Vehicle Licencing Reform implementation and ongoing costs		
Heavy vehicle specialist	\$ 5.69	<b>\$ 4.50</b>	All routine review costs.		
Repair	\$ 12.89	<b>\$ 3.85</b>			
Warrant of fitness	\$ 0.72	<b>\$ 1.55</b>			

## Appendix 2: Schedule of proposed fee changes for certification-related services

<b>Cost recovery for other vehicle certification-related activities</b>					
<b>GST exclusive</b>					
<b>Current fees</b>		<b>Proposed fees</b>	<b>Description of proposed fees</b>	<b>Rationale</b>	<b>Likely impact</b>
<b>Fee for issue of duplicate certificates</b>  Paid by vehicle owner to certifier for a duplicate vehicle inspection certificate	\$6.66 - \$14.22	<b>Revoke</b>	Would allow inspecting organisations to set their own prices.	Current provision may be unnecessary because of market competition.	Minimal as vehicle owners have choice of providers to purchase from.
<b>Fees payable for purposes related to the Land Transport Rule Frontal Impact 2001 and Land Transport Rule Vehicle Exhaust</b>					
Identification as an immigrant's vehicle	\$ 44.44	\$ <b>160.00</b>	Replace with a fixed fee which reflects usual time taken to conduct the work (i.e. one hour).	Service has a clearly identifiable user who captures the full benefits of the service, so should be charged at full cost	Moderate; the cost increase is moderate in absolute terms.
Special interest vehicle permit	\$ 133.33	\$ <b>160.00</b>	Replace with a fixed fee which reflects usual time taken to conduct the work (i.e. one hour).	Service has a clearly identifiable user who captures the full benefits of the service, so should be charged at full cost.	Little impact; the cost increase is minor in absolute terms.
<b>New fee</b>					
<b>Application for exemption from vehicle-related land transport rules</b>		<b>Standard hourly rate (\$160.00)</b>	Exemptions from vehicle-related land transport rules charged at a standard hourly rate for the period of the work performed.	Service has a clearly identifiable user who captures the full benefits of the service, so should be charged at full cost. These exemptions are highly variable in terms of time taken, which makes fixed fees impractical. Waiver provisions would be made available for instances where exemption applications are driven by anomalies in the vehicle compliance rules.	Moderate impact on users. Applications for vehicle standards compliance exemptions are currently free to applicants. Imposing a charge will deter any opportunistic applications, and recover costs from users.
<b>Left Hand Drive Vehicle Permit fee</b>	\$ 133.33	\$ <b>160.00</b>	Retain fixed fee, but set at current full cost.	Retention of a fixed fee is recommended, as this is generally a standard process No justification for any cross-subsidisation.	Applicants will pay the full costs of the service they receive. The proposed fees are higher than current (subsidised) rates.
<b>Fee payable by vehicle importer</b>	\$ 17.78	\$ <b>5.50</b>	Retain fixed fee, but set at current full cost.	Provides for recovery of costs associated with collection and management of information related to imported used cars.	Vehicle importers will pay less than is currently the case.