

Vehicle Certification Administration Fees Review

Questions and answers

Why have vehicle certification administration fees been reviewed?

A review of vehicle certification administration fees occurred as part of the changes to the Warrant of Fitness and Certificate of Fitness regimes.

The review, which included a public consultation period from December 2013 to February 2014, resulted in the fees being revised to reflect changes to warrant of fitness (WoF) and certificate of fitness (CoF) services, to help recover the one-off costs associated with making the service changes and to ensure that the ongoing delivery of certification services is cost effective and sustainable.

What are the key changes to the vehicle certification administration fees?

- The amount the Transport Agency charges inspecting organisations for WoF labels has increased to \$1.78 (includes GST) each and the amount for CoF labels has increased to \$7.48 (includes GST) each. Other vehicle certification (label) fees have been reduced.
- The existing range of application fees for different types of inspecting organisation has been withdrawn and replaced with a single generic application fee of \$1437.50.
- The existing range of application fees for different types of vehicle inspector has been withdrawn and replaced with a single generic application fee of \$494.50.
- The scope of when an hourly rate is charged has been broadened to include other vehicle-certification related services, and the hourly rate has been revised to \$184.
- The fees relating to the routine auditing of inspecting organisations and vehicle inspectors have been withdrawn, and the cost of routine performance review activities included in the vehicle certification (label) fees. An hourly rate charge has been introduced for non-routine reviews.
- The fees relating to other certification services and the fees paid by vehicle importers have been revised.

When were vehicle certification administration fees last changed?

Vehicle certification administration fees were last changed 12 years ago.

When do the revised vehicle certification fees come into effect?

The revised vehicle certification administration fees come into effect on 1 November 2014.

When will the Transport Agency next review vehicle certification administration fees?

The next fee review is scheduled for completion in 2017.

Will the revised fees result in the Transport Agency making a profit?

The Government does not allow Crown agencies such as the Transport Agency to include a profit margin in their fees and charges, so these revised fees have been calculated only to recover the costs of providing the services.

Who can I contact if I have questions about the revised fees?

Information regarding the revised fees is available on the Transport Agency website at www.nzta.govt.nz/vehicle-certification-fees, by emailing info@nzta.govt.nz or by ringing our contact centre on 0800 699 000.

Vehicle certification fees

What are vehicle certification fees?

A vehicle certification fee is applied to each certificate or label issued following a vehicle inspection e.g. a warrant of fitness (WoF) or certificate of fitness (CoF).

For WoF and CoF inspections the Transport Agency charges inspecting organisations fees for the labels they issue when the vehicles pass inspections.

What do vehicle certification fees pay for?

Vehicle certification fees fund the management of the vehicle certification system, including the national vehicle certification database and the Transport Agency contact centre.

From 1 November 2014 vehicle certification fees will also fund the routine monitoring and review of inspecting organisations and vehicle inspectors.

What portion of each fee relates to the monitoring and review of inspecting organisations and vehicle inspectors?

\$0.58 (includes GST) has been added to each vehicle certification (label) fee to cover the cost of the routine monitoring and review of inspecting organisations and vehicle inspectors.

What are the detailed changes to vehicle certification (label) fees?

Certification label type*	Old fee (incl GST)	Revised fees (incl GST)	Change
Warrant of fitness (WoF)	\$0.83	\$1.78	\$0.95
Certificate of fitness (CoF)	\$2.45	\$7.48	\$5.03
Entry certification (new)	\$2.55	\$1.55	-\$1.00
Entry certification (used)	\$1.94	\$1.94	\$0
Heavy vehicle specialist	\$6.54	\$5.18	-\$1.36
Repair	\$14.82	\$4.43	-\$10.39
Low-volume vehicle	\$39.61	\$15.93	-\$23.68
Issuing a replacement certification (e.g. WoF or CoF) label	Between \$7.66 and \$16.35	Fee has been removed	N/A

* Descriptions of the services associated with each fee are provided in Appendix One.

Why have the warrant of fitness and certificate of fitness certification fees been increased?

Warrant of fitness and certificate of fitness certification fees have been increased to allow the Transport Agency to:

- cover the costs of administering the certification system, which have increased since the fees were set 12 years ago
- recover the one-off costs of making the recent changes to the WoF and CoF systems
- revoke the fixed fees charged for the routine monitoring and reviewing of inspecting organisations and vehicle inspectors, and replace them with a \$0.58 charge added to each certification.

The fees for four of the types of certification have been reduced – how was this achieved?

Efficiencies in these services allowed us to set the fees at levels that represent the cost to the Transport Agency of providing these certification services.

Will the cost of a warrant of fitness or certificate of fitness inspection increase as a result of the revised fees?

The Transport Agency does not set the prices of warrant of fitness (WoF) and certificate of fitness (CoF) inspections. Inspecting organisations set the prices of their WoF and CoF inspections and will decide whether the fee increases will be passed on to their customers.

The certification fee increases of \$0.95 and \$5.03 for WoF and CoF respectively are small compared with the total cost of a WoF (around \$50) or CoF (around \$150) inspection.

What are the one-off costs associated with making the changes to the WoF and CoF systems that need to be recovered?

To implement the changes, business and IT systems at the Transport Agency needed to be modified and improved.

What will be the fee for issuing a replacement certification label (e.g. warrant of fitness and certificate of fitness label)?

Inspecting organisations will be allowed to determine the price of providing replacement certification labels.

Performance review fees

Why were Planned Review fees charged?

Fees relating to audits undertaken as part of planned performance reviews are charged by the Transport Agency to cover the cost of regular reviews of inspecting organisations and vehicle inspectors, to ensure the quality and consistency of vehicle inspections.

What are the changes to performance review fees?

From 1 November 2014 inspecting organisations will no longer be charged a fee for routine reviews; instead, the cost of monitoring and review activities will be included in vehicle certification (label) fees.

Non-routine reviews will be charged at a rate of \$184 per hour.

What were the previous audit fees?

Previously audit fees were paid by each inspecting organisation and cost between \$594.42 and \$912.85 (incl GST) depending on the type of review.

One-off application fees

What are the changes to inspecting organisation application fees?

Four different application fees paid by inspecting organisations have been replaced with one generic fee of \$1437.50.

What are the changes to vehicle inspector application fees?

Seven different application fees for vehicle inspectors have been replaced with one generic fee of \$494.50.

What are the changes in detail?

ONE-OFF APPLICATION FEE FOR NEW INSPECTING ORGANISATIONS

Inspecting organisation type	Old fee (incl GST)	New inspecting organisation application fee (incl GST)
Warrant of fitness	\$509.07	\$1437.50 (This fee includes one site assessment. Additional sites will incur an additional charge)
Certificate of fitness	\$834.13	
Entry (used)	\$523.89	
Low-volume vehicle	\$527.98	

ONE-OFF APPLICATION FEE FOR NEW VEHICLE INSPECTORS

Vehicle inspector type*	Old fee (incl GST)	New vehicle inspector application fee (incl GST)
Warrant of fitness certifier	\$68.69	\$494.50
Certificate of fitness certifier	\$68.69	
Entry (used) certifier	\$68.69	
Low-volume vehicle certifier	\$318.93	

Heavy vehicle certifier	\$318.93	
Repair certifier	\$592.89	
Entry (new) certifier	\$68.69	Revoked

Why have the application fees for vehicle inspectors and inspecting organisations been increased?

The previous fees were only covering a portion of the Transport Agency's cost for processing applications; on average 36 percent for inspecting organisations and 14 percent for vehicle inspectors.

The revised fees ensure that the Transport Agency is recovering the full cost of processing applications, and that those that are benefiting are paying for the service.

Is there an additional cost for the Transport Agency conducting a fit and proper person check on vehicle inspector and inspecting organisation applicants?

No - the revised fees include the cost of a fit and proper check for vehicle inspectors and inspecting organisations.

Hourly rate charging for vehicle certification services

What are the changes to hourly rate charging?

The hourly rate charged by the Transport Agency has been adjusted from \$145.67 to \$184 to reflect the current average cost of an hour's work for a Transport Agency employee.

The scope of when an hourly rate is charged has been broadened to cover a wider set of vehicle certification-related services

When will hourly rates be charged?

The Transport Agency will charge an hourly rate:

- when certification services that are provided for an inspecting organisation, a vehicle inspector or an applicant do not warrant charging the full application fee. For example, an hourly rate will be charged for:
 - adding a new inspection site
 - relocating an existing inspection site
 - adding a new certification type to an existing authorisation
- when conducting non-routine monitoring and reviewing of inspecting organisations
- for applications for exemptions from vehicle-related compliance rules.

Why is the Transport Agency charging an hourly rate?

The application of an hourly rate enables the Transport Agency to recover more accurately the cost of providing vehicle certification services from those that are using the services.

For example, where an inspecting organisation would have previously been charged the whole application fee for an inspection site to be relocated, the inspecting organisation will now be charged the hourly rate. This will be substantially cheaper than the revised \$1437.50 application fee.

Another example is that, until now, the Transport Agency has not charged for exemptions from vehicle-related compliance rules. These were mostly processed at no cost to the applicants and therefore the costs were recovered from other areas. The revised fees resolve this issue.

Is the Transport Agency able to provide an indication of the fees for common services that will be subject to an hourly rate charge?

We have published guidance and indicative fees for common services covered by hourly rate charges in the [Vehicle Certification Administration Fees Guide](#), available on our website at www.nzta.govt.nz/vehicle-cert-fees. These include add-ons to existing inspecting organisations e.g. site relocations and inspection services for additional classes of vehicle.

How were indicative fees for hourly rate charging calculated?

The indicative fees in the [Vehicle Certification Administration Fees Guide](#) have been calculated based on how long it usually takes the Transport Agency to provide the certification services.

How accurate are the indicative fees?

The Transport Agency expects the indicative fees to be accurate for the average inspecting organisation and vehicle inspector accessing the services.

It is important to note that these fees are indicative only. The Transport Agency will charge the actual cost of providing the services at \$184 per hour.

What factors will influence whether the final fee charged is aligned with the indicative fee?

A variety of factors will influence whether the final fee charged by the Transport Agency is aligned with the indicative fee, including:

- whether the related paperwork has been correctly completed
- the complexity of the inspecting organisation and the application e.g. adding eight new inspection sites is more complex than adding one site
- the size and scale of the inspection site, including the number of inspection lanes
- the inspecting organisations preparedness for the site assessment
- the site's alignment with our site requirements
- the quality of the site and the equipment being assessed, and whether they enable the vehicle inspector to complete a robust inspection.

Prior to a non-routine performance review visit, will the Transport Officer inform me that I will be subject to an hourly rate charge at the next visit?

If an inspection organisation receives a non-compliance result as part of a Performance Review, the Transport Officer may be required to come back for a non-routine review to confirm that the compliance issue has been rectified. In this case, the Transport Officer will inform the IO that the next visit will be subject to an hourly rate charge.

Fees relating to other vehicle certification services

Are there any other fee changes?

Changes have been made to fees for other certification services and to fees payable by vehicle importers.

Why are the fees changing?

The changes will ensure that applicants pay the full costs of the services they receive.

What are the new fees?

The table below outlines the fees for immigrants' vehicles, special interest vehicles and left-hand-drive vehicle permits.

Service*	Current fees (incl GST)	Revised fees (incl GST)
Identification as immigrant's vehicle	\$51.12	\$184.00
Special interest vehicle permit	\$153.33	\$184.00
Left-hand-drive vehicle permit	\$153.33	\$184.00
Fee payable by importer of used vehicle	\$20.45	\$6.33

* Descriptions of the services associated with each fee are provided in Appendix One.

Appendix One

Description of vehicle certification services for which fees are currently regulated

Inspecting organisation applications*

Fee description	Description
Certificate of fitness (CoF) site	Review and assessment of a site for conducting inspections of commercial and heavy vehicles
Entry (used) site	Review and assessment of a site for conducting light vehicle inspections of used cars entering New Zealand
Low-volume vehicle site	Review and assessment of a site for conducting inspections of specially modified light vehicles (e.g. wheelchair conversions, hot rods)
Warrant of fitness (WoF) site	Review and assessment of a site for conducting inspections of light, private vehicles

* **Note:** there are no entry (new), repair or heavy vehicle site application fees as there are no specific requirements for these sites. All vehicles of these types are required to be inspected at approved WoF or CoF sites, following repair inspections, heavy vehicle modification inspections or entry to New Zealand as new vehicles.

Fee description	Description
WoF certifier	Examination and approval of a person to be appointed as an inspector of light, private vehicles
CoF certifier	Examination and approval of a person to be appointed as an inspector of commercial and heavy vehicles
Entry (new) certifier	Approval of a person (e.g. a senior manager at Toyota) to supply information on new imported light vehicles. This does not involve a vehicle inspection
Entry (used) certifier	Examination and approval of a person to be appointed as an inspector of used cars entering New Zealand
Low-volume vehicle certifier	Examination and approval of a person to be appointed as an inspector of specially modified light vehicles (e.g. hot rods, taxi vans modified to take wheelchairs)

Heavy vehicle certifier	Examination and approval of a person to be appointed as an inspector of modified heavy vehicles
Repair certifier	Examination and approval of a person to be appointed as an inspector of vehicles that have been structurally damaged and then repaired

Fee description	Description
Identification as immigrant's vehicle	Processing an application to allow an immigrant to New Zealand to import and use their vehicle on New Zealand roads without meeting some vehicle compliance standards
Permit for a special interest vehicle	Processing an application from the owner of a special interest vehicle (e.g. a high-specification sports car) to allow the use of this vehicle on New Zealand roads without meeting some vehicle compliance standards
Left-hand-drive vehicle permit	Processing an application to allow the owner of a left-hand-drive light vehicle to use the vehicle on New Zealand roads
Fee payable by vehicle importer	Collecting and managing information about imported used cars (e.g. brand, model, whether a vehicle has damage)