

REPAIRCERT NZ UPDATE

Supporting New Zealand's Repair Certification Industry



UPDATE No.3 | 22/03/2022

Thanks for Joining!

Firstly, we'd like to say a big 'thanks' to those Repair Certifiers who joined the TEAMS Meeting teleconference to discuss the Notice of Appointment last week. 30 Repair Certifiers were logged into the meeting, and some of the 30 participants had one or more other Repair Certifiers with them, so it's fair to say that the majority of Repair Certifiers were involved.

The feedback we've had is that the meeting was useful in general terms, even though perhaps the level of detail relating to the Notice of Appointment that some had hoped for wasn't provided. Different people have different approaches to explaining things, particularly around the level of detail involved – sometimes there's too much detail provided in situations like this!

We think the main concerns that Repair Certifiers have had were largely addressed though, and we'll summarise a few of those key issues elsewhere in this RepairCert NZ Update.

The main point here is that we're really appreciative that so many of you engaged, and we think that perhaps this type of communication could be used for other discussions between the Repair Certifiers and RepairCert NZ into the future. ■



New NoAs to be issued automatically, not performance-related

Repair Certifiers should rest easy about the re-appointment process – there's no need to worry about whether or not the re-appointment will take place in 2022. Obtaining a new NoA for an existing Repair Certifier is an automatic process, and is not at all performance-related. Waka Kotahi will deal with poor performance through their normal disciplinary processes. ■

Timing for Submitting Files to File Repository



One of the Notice of Appointment-related issues that has been causing some concern, but for which there is an easy answer, is the question of when Repair Certifiers are required to start uploading their certification files into Waka Kotahi's file repository.

There is a common view that Repair Certifiers must start doing this on the 1st of April because the Notice of Appointment (NoA) requires Repair Certifiers to upload their files, and the new NoA takes effect on the 1st of April. These two things don't happen together.

7.7 of the NoA says "From the time that the Director establishes a records repository of any form during the Appointment, the Director will require the Certifier to upload the Records to that repository within a reasonable period as specified by the Director". This paragraph means, in simplest terms, that the Repair Certifiers will be required to upload their certification files to a repository system at some time into the future, which will be after Waka Kotahi has established the repository system.

So, the requirement won't kick in until after Waka Kotahi has completed the development of the system, and after Repair Certifiers have been trained in how to upload files into the system.

There will be plenty of time to get things in place, and get the Repair Certifiers comfortable with the system, before they are required to use it. ■

Professional Indemnity Insurance 'Run-off' Cover



There has been some concern about the requirement for Repair Certifiers to hold 'Run-off' cover as part of their Professional Indemnity (PI) insurance policy. Run-off cover provides continuing cover for a specified period after the Repair Certifier ceases operation. Of course, no-one is going to want to continue paying for insurance after they've finished up being a Repair Certifier!

If any Repair Certifiers are concerned that their existing PI insurer can't provide Run-off cover, or the cover is unaffordable, they will be able to join the RepairCert NZ Group Scheme which is currently being put in place. This Group PI Scheme is being established by RepairCert NZ for the Repair Certifiers in just the same way that LVVTA has operated its Group PI Scheme for LVV Certifiers during the past 30 years.

There are two primary benefits of RepairCert NZ's Group PI Scheme:

- one is that the cost of the premium will be much cheaper than obtaining PI individually, because the Repair Certifiers all pay a share of the Group Scheme; and
- the cost for the future Run-off insurance component for each Repair Certifier will be built into the annual cost of the Group PI Scheme during their membership within the Group Scheme, so there will be no additional or ongoing cost borne by a Repair Certifier upon his retirement.

The Run-off cover will remain in place for the six years required by the Notice of Appointment, and it will be at no additional cost beyond that which the Repair Certifier pays while in the Group Scheme. ■

Holding Records for 6 Years

There has been some concern about the requirement within the Notice of Appointment which requires a Repair Certifier to hold his certification records for six years. There has been an assumption made by some Repair Certifiers that this means they are liable for the vehicle for that six-year period, but this is not the case.

The timeframe during which a Repair Certifier must keep the certification records has nothing to do with the length of time for which a Repair Certifier is liable for his certification decisions on a vehicle. These are two completely unrelated matters.

Waka Kotahi's new Notice of Appointment requires Repair Certifiers to hold their records (when the file repository system is in place, this requirement will be a non-issue) for not less than six years, because six years is the period during which the Statute of Limitations applies (the timeframe available to a person to bring civil proceedings against a person or a company). Keeping records for that period makes good sense, and could actually help to protect a Certifier in the event of litigation. ■

Clean Car Standard (or the new 'Gas-Guzzler Tax')

While this isn't directly related to repair certification, we figure you're all interested in cars generally, and so you might be interested in some work that LVVTA has been doing in relation to the new 'Clean Car Standard' legislation. The Ministry of Transport has been consulting with LVVTA over the past year or so about how 'enthusiast vehicles' should be catered for within the development of the new Clean Car Standard, and we've been doing a lot of work in this area to try and influence a good outcome by creating some 'exempted vehicle groups' – meaning groups of enthusiast vehicles to which the charge doesn't apply.

Rather than repeat everything here, to follow are the two most recent Press Releases on the subject (15 February and 21 March), which you're most welcome to read. ■



Effects of Clean Car Standard on Vehicle Enthusiast Sector

From Tony Johnson, Chief Executive Officer, LVVTA

Introduction

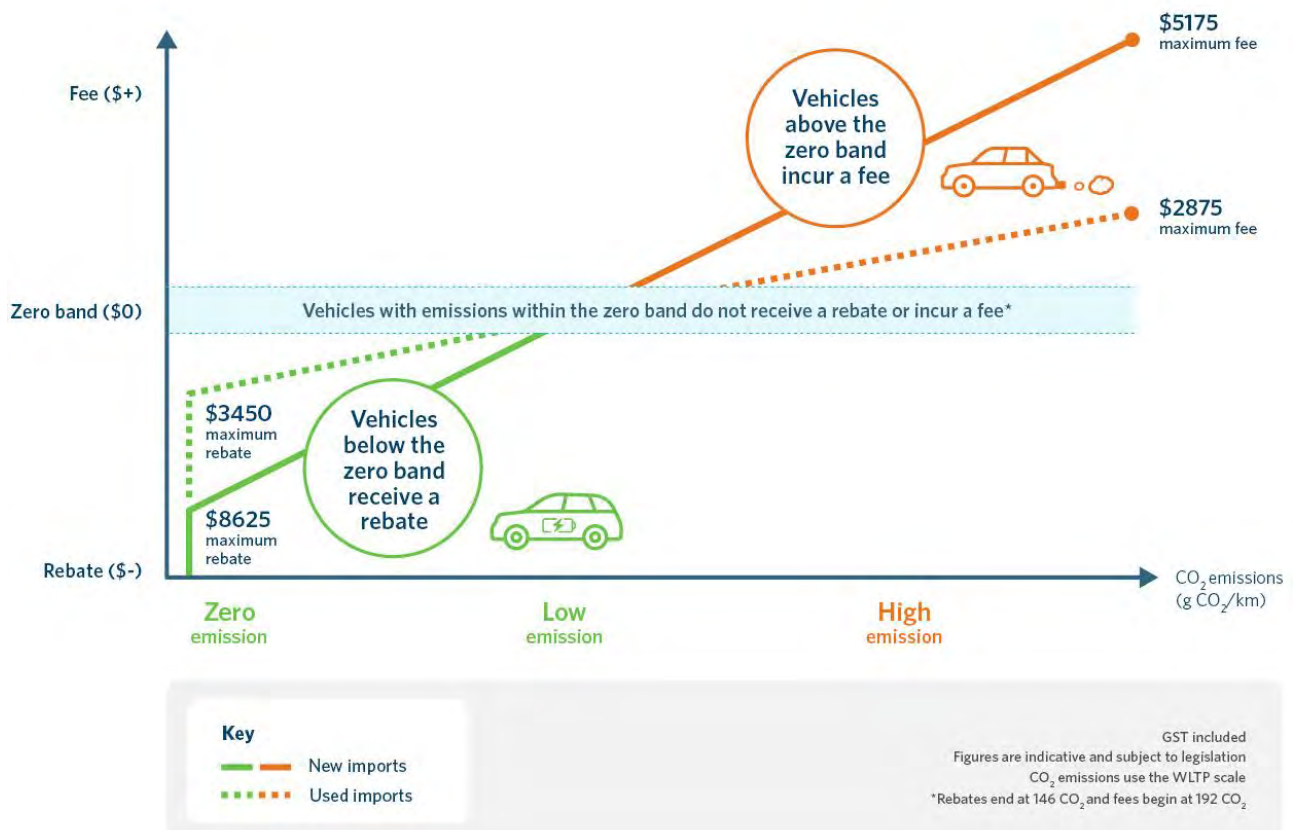
This information has been prepared to combat some misinformation circulating about how the new 'Clean Car Standard' and 'Clean Car Discount' will affect members of the classic and collectible vehicle enthusiast community.

Overview of the new Clean Car Standard and Clean Car Discount

Most vehicle enthusiasts will be aware that the Government is introducing the 'Clean Car Standard'. The Clean Car Standard places obligations on importers to reduce CO₂ emissions from 2023. Under this policy, importers can offset high and low emission vehicles. For example, an importer might import five V6 petrol cars and five Nissan Leaf electric cars, and on average achieve their target and thereby pay no charge to the Government. Over time the emission-reduction target will strengthen.

Hand-in-hand with the Clean Car Standard, the Government is also introducing the Clean Car Discount (also known as the feebate scheme), which provides consumers with rebates, fees, or neither, depending on the level of CO₂ emissions on a vehicle.

The diagram below illustrates how this works. Note that the dotted lines represent used imports, which is where the main area of interest lies amongst the classic and collectible vehicle enthusiast community.



Circulation of misinformation

Some statements have been recently circulated via social media about the effects, for the classic and collectible vehicle enthusiast community, of the new 'Clean Car Discount' (also known as the 'feebate scheme') that the Government is introducing this year.

One statement published recently makes the following claims:

- there is a change which takes effect in November; and
- an imported car not certified by a certain date may not be able to be registered; and
- the new charge to register a classic car may be between \$8,000 and \$12,000; and
- if your classic car isn't registered before November, "...you're *****".

These statements being circulated (paraphrased above) are incorrect, and I have provided some information below to summarise the actual situation.

Previous LVVTA Press Releases contain detailed information

LVVTA issued a press release on 3 March 2021, called '*Effects of the '2025 Clean Car Standard' on Enthusiast Vehicles*', setting out some early information about the new 'Clean Car Standard' being developed by the Government, and how it might affect the enthusiast car community. The content of this press release is on the LVVTA website, and can be found by clicking [here](#).

LVVTA then issued a second press release on 29 April 2021, called '*Enthusiast Vehicle Sector Submission to the 2025 Clean Car Standard*', which contained more detailed information about the new 'Clean Car Standard', and explained the content of a submission made to the Ministry of Transport by LVVTA, together with the Federation of Motoring Clubs, the NZ Hot Rod Association, and the Vintage Car Club of NZ. The content of this press release is on the LVVTA website, and can be found by clicking [here](#).

The information contained in those two press releases has not changed, and should be read by anyone who wishes to learn more about the effects of the new Clean Car Standard on enthusiast vehicles.

Brief outline of the facts

Rather than repeating the information contained in those press releases here, to follow are the basic facts that most vehicle enthusiasts will be interested in.

- Firstly, and least importantly, the date that the new Clean Car Standard takes effect is 1 April 2022. The date of November being mentioned has no relevance to the new Clean Car Standard.
- Secondly, and most importantly (as stated in the 3 March 2021 press release), the Ministry of Transport is well aware that the enthusiast vehicle community exists, it has consulted with LVVTA extensively about the enthusiast vehicle sector, and it has no intention whatsoever of adversely impacting our hobby. In fact, quite the contrary.
- There is nothing in the Clean Car Standard (or any other standard being introduced in the foreseeable future) that would prevent someone from importing and registering an enthusiast vehicle in New Zealand.
- From 1 April 2022, every high-emitting vehicle (other than vehicles which fall into an 'excluded vehicle group') being registered in New Zealand for the first time (known as 'entry certification') will be subject to a charge, which will offset the rebates that are being provided to purchasers of low-emitting vehicles. The charge is applicable only once (when the vehicle first enters New Zealand and is registered). The charge does not apply to vehicles already registered in New Zealand.

-
- There is a maximum payable fee for the highest-emitting vehicles, which is:
 - \$5,175 (inc GST) for a new vehicle; and
 - \$2,875 (inc GST) for a used vehicle.
 - A 'used vehicle' will be defined as a vehicle which has previously been registered anywhere in the world.
 - There will be a number of 'excluded vehicle' groups (which will be exempt from paying any charge). The exact details of these groups are still being finalised by the Ministry of Transport, but will almost certainly include:
 - vehicles which are at least 40 years old, which means – currently – 1982 or earlier (note however that the 40-year cut-off is what the Ministry of Transport initially proposed, but LVVTA and some other national vehicle associations have suggested that the Ministry give consideration to making the cut-off 30 years old, in order to recognise 'modern classics'); and
 - scratch-built low volume vehicles; and
 - some vehicles modified to enable people with disabilities to self-drive and be transported in; and
 - legitimate motorsport vehicles (that meet the criteria for the issue of an LVV Authority Card).

In summary:

In simplest terms, the key point for most people within the enthusiast vehicle community is that the charges incorporated within the new Clean Car Standard only apply to vehicles which are newer than either 30 years old or 40 years old, and even for those newer used vehicles which will attract a charge, the maximum payable fee will only be \$2,875. So, any 1982 or earlier vehicle will be exempt from any charge, and it's possible (depending on the Ministry's final outcome) that any 1992 or earlier vehicle could be exempt from any charge.

The final details of the policy, including the details around the excluded vehicle groups we've been discussing with the Ministry of Transport, are anticipated to be provided to us by the Government in the next few weeks.

A last point to keep in mind; this 'gas guzzler tax' was always going to come, and is already in place in many other parts of the world. It's just part of the big environmental 'operation clean-up', and there's no escape from it.

The good news, however, is that the Ministry of Transport – who LVVTA has a very close 33-year-long working relationship with – has been very measured and reasonable with respect to our much-loved enthusiast vehicles. Based on the many conversations we've had with the Ministry during the development of these new standards, we believe there is nothing for the New Zealand classic and collectible vehicle enthusiast community to be fearful of.

We will issue another update once the final outcome of the exempted vehicle groups becomes known.

Your sincerely



Tony Johnson
Chief Executive Officer
Low Volume Vehicle Technical Association



‘Excluded Vehicle Groups’ from Clean Car Standard

From Tony Johnson, Chief Executive Officer, LVVTA

Introduction

The Government has now passed into legislation the new ‘Clean Car Standard’ and ‘Clean Car Discount’, and with that, we’ve now been able to establish exactly which vehicle groups have been excluded from the legislation. This Press Release provides details on these excluded vehicle groups.

Consultation with enthusiast groups

The Ministry of Transport has, during the development of the ‘Clean Car Standard’ and ‘Clean Car Discount’, always recognised that there will be some groups of vehicles which should not have a fee imposed on them. In an effort to get this right, the Ministry has been consulting with LVVTA and other enthusiast vehicle groups during 2021 and early this year, including the Federation of Motoring Clubs, the Vintage Car Club of NZ, the New Zealand Hot Rod Association, and MotorSport New Zealand. This consultation process has ensured that a fair and sensible set of excluded vehicle groups has resulted.

Excluded vehicle groups

Incorporated within the new legislation is the ‘excluded vehicle’ groups (which will be exempt from paying any charge). These groups are as follows:

- Vehicles which are at least 40 years old

Any vehicle which is 40 years old or older as of April 1 2022 (when the new legislation takes effect) is excluded from the requirements of the Clean Car Standard. This means, currently, all vehicles which were manufactured on or before 1982 do not attract a charge.

Note that LVVTA and some other national vehicle associations lobbied the Ministry to give consideration to making the cut-off 30 years old, in order to recognise ‘modern classics’, but this was unsuccessful. We do believe however, that this blanket recognition of 40-year-old vehicles is, if not ideal, quite reasonable.

- Scratch-built low volume vehicles

All scratch-built low volume vehicles will be excluded, and this includes those vehicles constructed in New Zealand and overseas. A scratch-built vehicle is, in simplest terms, a vehicle which is manufactured, assembled, or scratch-built in quantities of 500 or less in any one year, and where the construction of the vehicle may directly or indirectly affect compliance of the vehicle with any of the vehicle standards prescribed by New Zealand law.

Essentially, scratch-built vehicles are all typical replica vehicles, and also vehicles which are modified so extensively that they could not be considered to still be the production vehicle from which they originated.

Detailed information about exactly what defines a scratch-built low volume vehicle is contained in LVVTA Information Sheet # 02-2018 ‘Modified Production’ & ‘Scratch-built’ Low Volume Vehicle Definitions’.

- Motorsport vehicles

Motorsport vehicles (within this context) are those legitimate road-going motorsport vehicles which are used for competition purposes, and are excluded from paying charges.

The most common application for this would be rally cars, where the vehicle is required to be road registered in order to be driven on public roads between special stages. There will also be some club-sport cars which are used on-road and for weekend racing. In all cases, these vehicles will need to be owned by competition license-holders, used in competition activities, meet stringent safety requirements, and be issued with an LVV Authority Card.

- Disability vehicles

People who need to use vehicles, either to enable the safe transportation of a disabled person or to enable a disabled person to self-drive, are often restricted as to the type of vehicle they can use. Many vehicles which meet the individual needs of the user may not be available in a low-emitting variant, and so these vehicles are also excluded from paying a charge.

A disability vehicle, in this context, means a light vehicle that is used for the transportation of a person with a disability and is either:

- (a) modified to enable a person in a wheelchair to safely enter and exit the vehicle and enable the person and the wheelchair to be safely restrained while the vehicle is moving; or
- (b) provide a person in a wheelchair or of limited mobility with assistance to enter and exit the vehicle through the use of a swivel or swing-out seat.

- Special Interest Vehicles

Special Interest Vehicles are also excluded from paying any charges.

A Special Interest Vehicle (SIV) is a vehicle that is less than 20 years old, which doesn't meet the NZ Transport Agency's Frontal Impact standards or Vehicle Exhaust Emissions standards, and which has been issued with a Special Interest Vehicle permit by the NZ Transport Agency.

Note that this exclusion does not apply to typical modern left-hand drive vehicles such as Chevrolet Camaros and Corvettes, Ford Mustangs, and Dodge Challengers (which may be eligible for a Left-hand Drive Permit) unless these vehicles also meet the criteria to be defined as an SIV because they don't meet Frontal Impact or Exhaust Emissions standards.

It's important to note that all of the explanations above are very generalised, and someone considering building or importing a vehicle should do their homework to determine for sure whether the vehicle falls into an excluded vehicle group or not.

In summary:

In essence, this is a 'gas guzzler tax'. Such a tax already exists in many other parts of the world, and was always going to arrive here sooner or later. Fortunately, we've come through this potentially threatening legislative process very well, and most enthusiasts can continue to enjoy their vehicle hobby without any new impediments.

If you learn that the vehicle you want to import or register is outside of the excluded vehicle groups, remember two key things before becoming despondent:

- the legislation isn't saying you can't register the vehicle, it's just saying you have to pay a charge; and
- if you have to pay the charge, the maximum payable charge for a second-hand vehicle is \$2,875 (+GST).

It's absolutely not the end of the old car hobby!

Your sincerely

A handwritten signature in blue ink, appearing to read 'A. Johnson', with a horizontal line extending from the end of the signature.

Tony Johnson
Chief Executive Officer
Low Volume Vehicle Technical Association