

10. Used Vehicle Parts

10.1 SCOPE OF COMMODITY

The scope of this commodity encompasses all used vehicle parts such as engines, bumpers, light fittings, hubcaps, chassis and so on. Used, but not new, vehicle parts are considered to be a biosecurity risk good by MAF, but there are no import health standards for the import of this product. The biosecurity risk stems from the fact that used parts may have come in contact with animal and plant contaminants either during use in the country of origin or during transit. More detail on the commodities in this product category is provided in Appendix B.

The compliance activities required for vehicle parts are not prescribed. They vary according to the assessment of a MAF officer, having regard to the country of origin and the practices there.

According to Statistics New Zealand data, annual new and used vehicle parts imported into New Zealand are worth \$401.5 million¹⁹ and weigh 248,000 tonnes. According to MAF, 1090 consignments of used vehicle parts (or roughly 1265 containers) arrived in New Zealand by the sea cargo pathway in the 12 months to June 2005.²⁰

The usual mode of transportation for commercial consignments of these commodities is by sea-containers, which are unloaded at importers' facilities. The exception to this is for air-freighted vehicle parts, which achieve biosecurity clearance at the border. According to Statistics New Zealand data, 10 percent of all vehicle parts arrive by air. Based on discussions with parts importers, air freighted vehicle parts tend to arrive as courier parcels rather than in air containers and are, in the vast majority of cases, new parts which present no biosecurity risk. Accordingly, we have excluded all air freighted parts from the analysis.

10.1.1 Summary of Data

The table below summarises the industry-wide data on used vehicle parts.

Table 16 Import Data for Used Vehicle Parts

Import Data	
Value of risk goods per annum (\$NZ, CIF)	\$401.5 million new and used vehicle parts.
Volume of risk goods per annum (tonnes)	248,000 tonnes of new and used vehicle parts.

Source: Statistics New Zealand year to June 2004.

10.2 BIOSECURITY REQUIREMENTS PRE-ENTRY

10.2.1 Cleaning

There are no biosecurity-related cleaning requirements for vehicle parts before entry to New Zealand. Parts arrive clean or dirty depending on the supplier and the import arrangement.

10.2.2 Risk Packaging

According to industry, sawdust is used frequently to soak up oil or grease in the container. Therefore parts importers must comply with the import health standard for wooden or risk packaging. A quarantine declaration form is required to indicate whether soil, sawdust and wood packaging is present in the consignment. The estimated costs associated with risk packaging have been included in section 16 *Containers and "Risk" Packaging*.

Import permits can be obtained by importers of used vehicle parts so that clearance can be achieved at the transitional facility. In the case of the importer we spoke with, importing was handled by a customs agent who had obtained the permits and arranged documentation. We have not included the cost here as the cost of customs agents has been estimated in Chapter 18, Other Compliance Costs.

¹⁹ Source: Statistics New Zealand import data, CIF, YE June 2004.

²⁰ We do not have data on the number of consignments in the year to June 2004 or the import value of these shipments.

10.3 BIOSECURITY REQUIREMENTS AT BORDER

10.3.1 Documentation Check

Each container holding parts must be accompanied by appropriate documentation, identifying the product, consignee, consignor and the country of origin.

Provided the documentation accompanying the shipment is complete, MAF will clear the container to be transported to the transitional facility.

10.4 BIOSECURITY REQUIREMENTS POST-ENTRY, PRE-CLEARANCE (OFF-PORT TRANSITIONAL FACILITIES)

10.4.1 Transitional Facilities

An accredited transitional facility is used to devan the containers of parts. According to MAF, there are 545 transitional facilities approved to receive used vehicle parts and 115 facilities approved to decontaminate the parts.

At a minimum, this requires the space of one container plus additional surrounding space for laying out the parts; a total of approximately 30 square metres. MAF have indicated, however, that the biosecurity-related space for devanning can be as large as 100sqm at some facilities. We have assumed that each facility uses this space for MAF purposes for 4.6 days a year (2 days to unpack each container received), at a cost of between \$85 and \$90 sqm per annum.

We estimate the cost associated with transitional facilities to be in the range of \$18,000 - \$62,000.

10.4.2 Treatments

According to the importer we spoke to, fumigation of each container of used vehicle parts is mandatory (or at least, is required so frequently as to make it equivalent to mandatory). Costs of fumigation were estimated as approximately \$120 for a 20 foot container and \$170 for a 40 foot container, with a total cost of \$173,000 per annum.

Importers have concerns over time delays associated with fumigation. There is often a one day delay for fumigators to become available, containers are quarantined for 24 hours isolation post-fumigation, when added to transport times and obtaining customs clearance at port, can mean up to a three day delay for importers.

10.4.3 Inspections

All vehicle parts are inspected by an approved person at the unloading facility. This process usually takes two people two days, because each part is checked for pests and other types of contamination. Some of this time is due to biosecurity requirements but importers noted that the whole time is not attributable to biosecurity because parts are fragile and would be moved slowly anyway. We have included an estimate for the whole 2 days for unloading as a compliance cost attributable to biosecurity, consistent with our methodological approach that if MAF requirements are a contributing factor in the delay, we will include the total delay.

The total cost of unloading and inspections has been estimated as \$458,000.

10.4.4 Delays

The total process of unloading, fumigation and inspection usually takes 7 days. Use of a container for longer than 10 days can incur detention fees (depending on the container owner) so a 7 day unloading and treatment process puts importers at risk of incurring detention charges.

10.5 SUMMARY OF COMPLIANCE COSTS

The table below summarises the estimated compliance costs in relation to used vehicle parts, as defined and limited for the purposes of the analysis.

Table 17 Estimated Compliance Costs for Used Vehicle Parts

Compliance Activity	Estimated Annual Costs \$NZ
Transitional facilities	\$0.02 - \$0.07 million
Inspections	\$0.46 million
Treatments	\$0.17 million
Total	\$0.65 - \$0.69 million

Source: PwC, using data from MAF, industry (sources confidential)