

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>
9(2)(a)	to protect the privacy of natural persons

PROACTIVELY RELEASED BY THE MINISTRY OF TRANSPORT



19 February 2026

OC251164

Hon Chris Bishop

Action required by:

Minister of Transport

Wednesday, 25 February 2026

Hon James Meager

Associate Minister of Transport

LAND TRANSPORT RULES REFORM PROGRAMME: KEY DECISIONS CABINET PAPER

Purpose

To seek your joint agreement for departmental and ministerial consultation on a draft Cabinet paper on the Land Transport Rules Reform Programme (the programme), subject to your feedback. This briefing and the draft Cabinet paper reflect decisions from three recent briefings:

- OC260000 Review of Warrant of Fitness and Certificate of Fitness A requirements: Final decisions (Associate Minister of Transport)
- OC260008 Approval to Consult on Phase 2 of Simplifying the Regulatory Framework for Heavy Vehicles (heavy vehicle productivity) (Minister of Transport)
- OC260011 Approval to Consult on Changes to Improve Lane Use. (Minister of Transport).

Key points

- In December 2025, Cabinet invited the Minister of Transport to report back to the Economic Policy Committee to seek policy decisions for several Land Transport Rules Reform Programme workstreams by 31 March 2026 [CAB-25-MIN-0476 refers].
- You have both taken decisions on preferred final changes or proposals for public consultations, which we have collated into a single draft Cabinet paper.
- The draft paper also covers ongoing and future rules reform work:
 - To streamline the decision-making process for the proposed changes for heavy vehicle and lane use regulations, we recommend the Minister of Transport seek Cabinet authorisation to make policy decisions and issue drafting instructions to the Parliamentary Counsel Office (PCO) post-public consultation.

- We also recommend the Minister of Transport provide an update on the progress towards implementing digital driver licences and signal his intentions for the future of the programme.
- We are considering what rule changes could be included in a second tranche of the programme. We will provide the Minister of Transport with an update on this work in April 2026 followed by a recommended set of workstreams in June 2026.
- We also recommend agreeing to the release of the most recent Cabinet paper that provided an update on the programme in December 2025.

Recommendations

We recommend you:

	Hon Chris Bishop	Hon James Meager
1 agree to seek Cabinet authorisation to make final policy decisions and issue drafting instructions to the Parliamentary Counsel Office for:		
• Lane Use (Minister of Transport responsible)	Yes / No	-
• Heavy Vehicle Productivity - Phase 2 (Minister of Transport responsible),	Yes / No	-
2 agree to start departmental consultation on the draft Cabinet paper on Wednesday, 25 February followed by ministerial consultation on Wednesday, 11 March 2026 subject to any feedback on the paper,	Yes / No	Yes / No
3 note officials will provide you with an update on possible future workstreams for the programme in April 2026 followed by a final recommendation in June 2026,	Yes / No	-
4 agree to proactively release this briefing as part of the proactive release of the Cabinet paper with any redactions made consistent with the Official Information Act 1989, and	Yes / No	Yes / No
5 agree for the Ministry to publish the documents with redactions as marked in Annex 6 on the Ministry’s website.	Yes / No	-

s9(2)(a)

Paul O’Connell
Deputy Chief Executive, Sector Strategy

19 /02/2026

Hon Chris Bishop
Minister of Transport

..... / /

Hon James Meager
Minister of Transport

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Minister's office to complete:

- Approved
- Declined
- Seen by Minister
- Not seen by Minister
- Overtaken by events

Comments

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Contacts

Name	Telephone	First contact
Keegan Taylor, Principal Advisor, Regulatory Reform	s 9(2)(a)	✓
Laura Bender, Acting Manager, Regulatory Reform	s 9(2)(a)	

LAND TRANSPORT RULES REFORM PROGRAMME: KEY DECISIONS CABINET PAPER

The Minister of Transport is expected to report back on the programme in March 2026

- 1 The Minister of Transport provided an update on the programme to Cabinet in December 2025 and was invited to seek policy decisions for several workstreams by 31 March 2026 [CAB-25-MIN-0476 refers]. While responsibility for workstreams is split between the Minister of Transport and Associate Minister of Transport, we recommend a single Cabinet paper at the programme level.
- 2 This briefing provides you with a draft Cabinet paper to deliver on this report back. It reflects decisions Ministers have taken in three recent briefings:
 - 2.1 OC260000 Review of Warrant of Fitness and Certificate of Fitness A requirements: Final decisions (Associate Minister of Transport)
 - 2.2 OC260008 Approval to Consult on Phase 2 of Simplifying the Regulatory Framework for Heavy Vehicles (Minister of Transport)
 - 2.3 OC260011 Approval to Consult on Changes to Improve Lane Use (Minister of Transport).
- 3 We have attached draft Regulatory Impact Statements (RIS) for the proposals in the paper (Annexes 2, 3, 4, and 5), which will be circulated with the draft Cabinet paper.

The Cabinet paper seeks agreement to reducing WoF and CoF A inspection frequency...

- 4 We have included recent decisions by the Associate Minister of Transport (OC260000 refers) to reduce light vehicle inspection frequency by:
 - 4.1 shifting a vehicle's second inspection from three to four years after its first inspection
 - 4.2 introducing two-yearly inspections for the subsequent ten years (until the vehicle is fourteen years old), with annual inspections after that
 - 4.3 reducing inspection frequency for light rental service vehicles from six-monthly to yearly.
- 5 The draft paper also includes the Associate Minister of Transport's decision to require inspection of Advanced Driver Assistance Systems features where present.

...complemented by changes to improve local enforcement and increased penalties

- 6 The Associate Minister also agreed to seek Cabinet agreement to a package of change to mitigate the additional safety risk due to reduced inspection frequency. This includes:
 - 6.1 increasing the infringement fee and maximum court ordered fine for Tyre and Wheels Rule 2001 non-compliance (i.e., bald and damaged tyres) to \$350 and \$1,000 respectively

- 6.2 introducing a graduated infringement fee for not having a WoF based on time since expiration (\$200 for less than two months; \$350 for greater than two months)
- 6.3 supporting increased local enforcement by investigating changes to current settings for infringement revenue retention and fees for accessing NZTA systems by councils.

Director of Land Transport comments

- 7 The Director of Land Transport has requested that the following comments be included in this briefing and into the draft Cabinet paper, which we have done. Please indicate to us if you would like to have the comment reflected in another way.
- 8 As Director of Land Transport, I am largely supportive of the changes proposed to the rules, with the exception of the changes proposed to the frequency for WoF inspections. I have concerns with the extension of two-yearly inspections to vehicles up to fourteen years old (instead of up to ten).
- 9 There could be significant vehicle deterioration and wear on components during this longer period, and annual inspection of these older vehicles is very likely to detect non-compliance items which could cause adverse outcomes/death and serious injuries. As such, I support two yearly inspections for vehicles less than ten years old, in line with the consultation proposal. This would still provide significant net benefits compared to the current requirements.
- 10 Finally, I would note that changing the frequency of WoF inspections may have unintended consequences, in particular on the financial viability of Inspecting Organisations, which could impact the sustainability of the testing regime, which is a key part of regulating the land transport system in New Zealand and achieving safety outcomes.

We recommend seeking authorisation to make policy decisions for lane use and heavy vehicle productivity

- 11 The lane use and heavy vehicle productivity workstreams require drafting instructions to be issued to the PCO, which typically requires Cabinet approval. This is because the rule changes relate to the Land Transport (Driver Licensing) Rule 1999 and the Land Transport (Road User Rule) 2004 and will require consequential amendments to associated regulations. For all other rules NZTA will draft the amendments.
- 12 To ensure timelines for rule changes are met, we recommend the Minister of Transport seek Cabinet authorisation to take final policy decisions and issue drafting instructions as required for these workstreams. This streamlines the process by only seeking Cabinet approval of the final rule change, while still providing Cabinet with visibility of the proposals.
- 13 We considered the approach of seeking in-principle agreement to policy decisions as part of this Cabinet paper, but instead recommend seeking these decisions through a later Cabinet paper. This is because public consultation on those workstreams will be underway or only recently closed, and taking decisions prior to reviewing submissions could be seen as undermining the intention of public consultation.
- 14 To provide Cabinet with an update on these workstreams as well as visibility of the likely scope of changes, we have included short descriptions of the workstreams in the Cabinet

paper based on the Minister of Transport's recent decisions to commence public consultation (OC260008 and OC260011 refer).

We recommend providing an update on service modernisation and digital driver licences

- 15 The Minister of Transport recently made decisions on the service modernisation workstream and issued drafting instructions to PCO (OC25117 refers). Given these decisions were made under delegation provided by Cabinet in December 2025, we recommend providing an update on the service modernisation workstream and the introduction of digital driver licences through this Cabinet paper.
- 16 NZTA has provided an implementation update which we have included in the Cabinet paper. As part of this update, NZTA has suggested more regular reporting to you on the implementation of digital driver licences. We have concerns about implementation because the indicative timing for implementation has shifted from mid-2026 to late 2026 since the previous update in December 2025. As such support more regular reporting to you.
- 17 To meet requirements set out in CO (23) 4: Proactive Release of Cabinet Material, we seek your agreement to release the relevant documents for the December 2025 Cabinet paper. Our proposed redactions are set out in Annex 6. We do not foresee any risks with the planned proactive release, as the material included in these documents is focused on process rather than policy settings.

We are collating a long-list of changes that could form a second tranche of workstreams

- 18 By the end of June 2026, most programme workstreams are expected to have ended, with amended rules and regulations signed. We think the programme approach has delivered benefits by providing a vehicle for important changes to progress at the same time as clearing a backlog of rule changes that have been requested by stakeholders. The programme has also provided a clear view of the forward work programme that industry have noted helps them to effectively contribute their perspective to proposed changes.
- 19 We recommend building on the momentum of the programme by considering a next tranche of reforms to Land Transport Rules. We are collating a long-list of potential changes to consider, including issues that have been raised by industry and the public. We will assess these issues based on how serious and widespread their effects are, and expect to provide the Minister of Transport with an update on this work in April followed by a recommended work programme in June. Subject to the Minister of Transport's agreement, Cabinet approval of the work programme could be sought in July 2026.

Next steps

- 20 Subject to your feedback and agreement, we will progress the attached Cabinet paper based on the following timeframes:

Stage	Indicative dates
Departmental consultation	25 February 2026 to 9 March 2026
Ministerial consultation	11 March 2026 to 17 March 2026
Cabinet paper lodged	19 March 2026
Economic Policy Committee	25 March 2026
Cabinet	30 March 2026

- 21 Once policy decisions are made, we will provide Ministers with Cabinet papers to make the rule changes via an Order in Council process as and when the updated rules and regulation are ready. The table below indicates the rule changes expected for each month:

Month	Rule or regulation change
April 2026	Land Transport Rule: Vehicle Standards Compliance Rule 2002
May 2026	Land Transport (Offences and Penalties) Regulations 1999 ¹
June 2026	Land Transport (Driver Licencing) Rule 1999 ¹ Land Transport (Road user) Rule 2004 ¹ Land Transport (Offences and Penalties) Regulations 1999 ¹ Land Transport Rule: Traffic Control Devices 2004 Land Transport Rule: Heavy Vehicles 2004 Land Transport Rule: Vehicle Dimension and Mass 2016

¹ Drafted by PCO

**ANNEX 1 DRAFT LAND TRANSPORT RULES REFORM PROGRAMME: KEY
POLICY DECISIONS CABINET PAPER**

**ANNEX 2 REVIEW OF WARRANT OF FITNESS AND CERTIFICATE OF FITNESS A
REQUIREMENTS FOR LIGHT VEHICLES REGULATORY IMPACT STATEMENT**

**ANNEX 3 INCREASED PENALTIES FOR WARRANT OF FITNESS NON-
COMPLIANCE REGULATORY IMPACT STATEMENT**

**ANNEX 4 INTERIM HEAVY VEHICLE PRODUCTIVITY PHASE 2 REGULATORY
IMPACT STATEMENT**

ANNEX 5 INTERIM LANE USE REGULATORY IMPACT STATEMENT

ANNEX 6 PROACTIVE RELEASE BUNDLE FOR DECEMBER 2025 CABINET PAPER

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