

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>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by <ul style="list-style-type: none"> (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

In Confidence

Office of the Minister of Transport
Chair, Cabinet Legislation Committee

Land Transport (Driver Licensing) Amendment Rule 2026 and Land Transport (Regulatory Fees) Amendment Regulations 2026

Proposal

- 1 This paper seeks authorisation for submission to the Executive Council of the Land Transport (Driver Licensing) Amendment Rule 2026 (the Amendment Rule) and the Land Transport (Regulatory Fees) Amendment Regulations 2026 (the Amendment Regulations).

Executive Summary

- 2 Cabinet agreed to changes to the graduated driver licensing system (GDLS) to make it cheaper and easier to get a licence, while supporting drivers to have the skills to drive safely. Changes include removing the full licence test and introducing other measures to support road safety.
- 3 Cabinet also agreed to new fees to reflect the changes to the GDLS and authorised me to make further changes broadly aligned with the policy intent. The Amendment Rule and Amendment Regulations reflect these decisions. Most changes will come into force on 25 January 2027, with some aspects coming into force earlier to support implementation and transition to the new system.

Policy

- 4 In September 2025, Cabinet agreed to changes to the GDLS. Cabinet authorised me, in consultation with the Prime Minister and Hon Erica Stanford, to decide the minimum time a driver will be required to hold a restricted licence, and related requirements [CAB-25-MIN-0299].
- 5 The Amendment Rule will:
 - 5.1 remove the full licence test (full test), and require the hazard perception test (currently part of the full test) to form part of the restricted licence test,
 - 5.2 provide that any offence that attracts demerit points committed on a restricted licence will result in a six-month extension to the restricted licence stage,
 - 5.3 extend the learner period from six to 12 months for under 25-year-olds with the option to reduce it back to six months upon completion of a specified number of driving hours (capped at 60) or approved driving course,
 - 5.4 set a 12-month restricted licence period for under 25s and a six-month restricted period for over 25s,
 - 5.5 remove the eyesight test from the restricted and full stage (also applies to Class 6 (motorcycle) licences), and

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- 5.6 provide better oversight of approved driver training courses for all classes of licences and endorsements, by allowing New Zealand Transport Agency (NZTA) to consider whether providers are fit and proper to provide courses, increasing the scope to revoke or impose conditions on providers' approved status and requiring them to apply as course providers under the new Rule and then subsequently reapply every five years.
- 6 Cabinet also agreed to extend the zero-alcohol limit to all drivers on a learner and restricted licence. This change requires an amendment to the Land Transport Act 1998 (the Act) and will be progressed through the next appropriate bill.
- 7 Cabinet agreed to new testing fees to be implemented through the Amendment Regulations, to reflect the removal of the full test and eyesight tests at restricted and full licence applications. These are set out below:

	\$ (including GST)	
	Restricted licence	Full licence
Class 1 (car)	160.50	25.90
Class 6 (motorcycle)	51.20	43.80

Cabinet authorised me to make decisions on changes broadly aligned with the policy intent

- 8 Through the drafting process, officials identified other changes necessary to give effect to the overall policy agreed by Cabinet. I have agreed to the following changes in the Amendment Rule.

Removing other instances of the full test

- 9 Cabinet agreed to remove the full test for New Zealanders progressing through the GDLS. There are other instances in the Rule that require a full test, such as reinstating a full licence that has been expired for more than five years or getting a driving instructor endorsement. The Amendment Rule requires an applicant to sit the restricted test in these instances.
- 10 This change requires consequential amendments to the standalone testing fee for driving instructor and vehicle recovery endorsements from a full test (\$59.90 including GST) to a restricted test (\$86.59 including GST), which are included in the Amendment Regulations.

Changes to enable online full licence applications

- 11 Changes are required to enable people to apply online for their full licence. Currently, an applicant must have a new photo taken for their full licence. The Amendment Rule allows NZTA to reuse the photo from an applicant's restricted licence if it is less than two years old (as licences are valid for up to 10 years, this limit will ensure a photo can be no older than 12 years). If it is older, an applicant must visit a licensing agent for a new photo.
- 12 Currently, anyone applying for a licence online must follow the requirements in the Electronic Identity Verification Act 2012, which only allows the use of RealMe to verify identity. The Amendment Rule enables the Director of Land Transport (the Director) to set out the requirements for online identity verification through a transport instrument, after consultation with the Privacy Commissioner.

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Further details about logging hours in the learner period

- 13 The Amendment Rule also enables the Director to use a transport instrument to set out details of the practice hours drivers must complete to reduce their learner period to six months. As well as setting the minimum number of hours (up to 60), details could include driving conditions (for example, night-time hours) and how drivers record and validate their hours.

Aligning criteria of courses

- 14 The current Rule uses the same criteria for courses that can reduce the time spent on a restricted licence and driving improvement courses ordered by the courts (the defensive driving course is commonly used for both). As there is no longer the option to reduce the restricted licence stage by completing a course, I agreed to align the criteria for the driving improvement course with the new learner course criteria. This will avoid having to maintain a separate course for the sole purpose of court orders.

Updating the wording for showing completion of an approved course

- 15 The Amendment Rule removes the requirement to provide a certificate showing completion of an approved course to support future digitisation of NZTA services.

Expanding on agreed changes to improve NZTA oversight of course providers

- 16 Cabinet agreed to improve oversight of approved driver training courses for all classes of licences and endorsements, including by introducing a fit and proper person test and requiring providers to reapply every five years.
- 17 The Amendment Rule also:
- 17.1 introduces an adverse decision process that gives the course provider a notice period and opportunity to respond to certain decisions by the Director. This is in line with the transport service licensing regime in the Act, which also uses the fit and proper person test,
 - 17.2 enables the Director to suspend a provider when the Director considers the course provider or the person in control no longer meets the fit and proper person test, and
 - 17.3 enables the Director to impose conditions on providers at any time (subject to the adverse decision process).

Implementing the clean driving requirement in the restricted stage

- 18 With the removal of the full test, drivers will be required to keep a clean driving record on their restricted licence to be eligible to progress to their full licence. If a driver receives demerit points, they must spend another six months on their restricted licence.
- 19 Demerit points are recorded against the driver when the infringement fee is paid or the matter is referred to the court unpaid. After receiving an infringement notice, people have 28 days to pay or challenge the infringement. After that, the Police will issue a reminder notice with another 28 days to respond, before the matter is referred to the courts.

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20 This creates a potential loophole where drivers could get their full licence if they have been issued an infringement notice which carries demerit points, but the demerits have not yet been recorded against their licence (pending demerits).

21 To avoid this loophole, the Amendment Rule prevents applicants who have pending demerit points from progressing to their full licence. Applicants will need to reapply when they become eligible.

s 9(2)(h)

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s 9(2)(h)

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Additional minor and technical amendments

33 The Amendment Rule and Amendment Regulations contain other minor and technical changes necessary to support regulatory compliance and consistency within the legislation.

Timing and 28-day rule

34 Subject to Cabinet Legislation Committee approval, I intend that the Amendment Rule and Amendment Regulations will come into force on 25 January 2027. All drivers will move onto the new system on this date.

35 Transitional aspects of the Amendment Rule to support implementation will come into force early:

35.1 A transitional provision relating to demerit points in the restricted stage will come into force on 7 May 2026 so that demerit points incurred from that date will count towards a driver's clean driving record when applying for their full licence from 25 January 2027. This prevents a driver from being able to get their full licence when the new system comes into effect if they have recently got demerit points.

35.2 Clauses relating to course providers and course approvals will come into force on 30 September 2026 so that new learner licence courses can be approved and ready by 25 January 2027. Existing course providers will have until 25 January 2028 to reapply under the new criteria. There are around 450 course providers (mostly in the heavy vehicle licence sector), and this gives NZTA time to stagger the processing of applications.

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36 A waiver of the 28-day rule is not sought.

Compliance

37 The Amendment Rule and Amendment Regulations comply with:

- 37.1 the principles of the Treaty of Waitangi;
- 37.2 the principles and guidelines set out in the Privacy Act 2020;
- 37.3 relevant international standards and obligations;
- 37.4 subject to the comments below, the rights and freedoms contained in NZBORA and the Human Rights Act 1993, and the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Legislation Guidelines – consistency with NZBORA

s 9(2)(h)

[Redacted text]

Legislative Requirements

- 40 Before recommending the Amendment Rule is made by Order in Council under section 152A of the Act, I am required to have regard to the matters specified under section 164(2) which cover a range of matters, such as safety, security, infrastructure, economic development, public health and environmental sustainability impacts. I confirm I have had regard to those matters.
- 41 Before recommending that the Amendment Rule provide for a matter to be dealt with in a transport instrument, I am required under section 168F(2)(a) of the Act to be satisfied that the subject matter is appropriate to be in a transport instrument rather than in the rule itself. I confirm I am satisfied it is appropriate for online identity verification requirements and supervised driving hours and conditions to be dealt with by transport instrument.

Regulations Review Committee

42 There are no grounds for the Regulations Review Committee to draw the Amendment Regulations to the attention of the House of Representatives as a Standing Order requirement.

s 9(2)(h)

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s 9(2)
(h) [Redacted]

[Redacted]

[Redacted]

Certification by Parliamentary Counsel

44 Parliamentary Counsel Office (PCO) has certified the Amendment Regulations as being in order for submission to the Executive Council.

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Impact Analysis

46 A Regulatory Impact Assessment (RIA) was prepared in accordance with the necessary requirements and was submitted at the time that Cabinet approval was sought for the policy decisions [CAB-25-MIN-0299]. Some decisions were made after the RIA was prepared and the impacts of these were considered through the section 164(2) advice.

Publicity

- 47 On 3 February 2026, I announced the changes that will be implemented through the Amendment Rule and Regulations.

Proactive release

- 48 I intend to proactively release this paper and the associated minute, with any necessary redactions, within 30 business days of final Cabinet decisions.

Consultation

- 49 NZTA, New Zealand Police, Department of Internal Affairs, Ministry of Social Development, Accident Compensation Corporation, New Zealand Defence Force, Ministry of Primary Industries, Crown Law, the Treasury, and Ministry of Justice were consulted on this paper. The Department of the Prime Minister and Cabinet was informed.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that on 8 September 2025 Cabinet agreed to remove the full licence test and introduce new safety measures to make it cheaper and easier to get a driver licence while supporting drivers to have the skills to drive safely [CAB-25-MIN-0299];
- 2 **note** that Cabinet authorised the Minister of Transport, in consultation with the Prime Minister and Hon Erica Stanford, to decide the minimum time a driver will be required to hold a restricted licence, and related requirements;
- 3 **note** the Minister of Transport's decision to set a 12-month restricted licence period for under 25s and a six-month restricted period for over 25s;
- 4 **note** the Minister of Transport's decision to make further changes in line with the policy intent as authorised by Cabinet [CAB-25-MIN-0299];
- 5 **note** that the Land Transport (Driver Licensing) Amendment Rule 2026 and the Land Transport (Regulatory Fees) Amendment Regulations 2026 will give effect to the decisions referred to in recommendations 1, 3 and 4 above;
- 6 **note** that extending the zero-alcohol limit to all drivers on a learner and restricted licence will be progressed through the next appropriate bill;
- 7 **note** that section 164 of the Land Transport Act 1998 requires the Minister of Transport, before recommending the making of an Order in Council under section 152A, to have regard to the matters specified which cover safety, security, infrastructure, economic development, public health and environmental sustainability impacts;
- 8 **note** that section 168F of the Land Transport Act 1998 requires the Minister of Transport, before recommending that a rule provide for a matter to be dealt with in a transport instrument, to be satisfied that the subject matter is appropriate to be in a transport instrument rather than in the rule itself.

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- 9 **note** the advice of the Minister of Transport that the requirements in recommendations 7 and 8 have been met.
- 10 **authorise** the submission to the Executive Council of the:
- 10.1 Land Transport (Driver Licensing) Amendment Rule 2026; and
 - 10.2 Land Transport (Regulatory Fees) Amendment Regulations 2026;
- 11 **note** that the Land Transport (Driver Licensing) Amendment Rule 2026 and the Land Transport (Regulatory Fees) Amendment Regulations 2026 will come into force on 25 January 2027, with course provider aspects of the Amendment Rule coming into force on 30 September 2026, and transitional aspects of the Amendment Rule coming into force on 7 May 2026.

Authorised for lodgement

Hon Chris Bishop

Minister for Transport

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Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Land Transport (Driver Licensing) Amendment Rule 2026 and Land Transport (Regulatory Fees) Amendment Regulations 2026

Portfolio Transport

On 2 April 2026, the Cabinet Legislation Committee:

- 1 **noted** that in September 2025, Cabinet agreed to remove the full licence test and introduce new safety measures to make it cheaper and easier to get a driver licence while supporting drivers to have the skills to drive safely [CAB-25-MIN-0299];
- 2 **noted** that Cabinet authorised the Minister of Transport, in consultation with the Prime Minister and Hon Erica Stanford, to decide the minimum time a driver will be required to hold a restricted licence, and related requirements;
- 3 **noted** the Minister of Transport's decision to set a 12-month restricted licence period for under 25s and a six-month restricted period for over 25s;
- 4 **noted** the Minister of Transport's decision to make further changes in line with the policy intent, as authorised by Cabinet [CAB-25-MIN-0299];
- 5 **noted** that the Land Transport (Driver Licensing) Amendment Rule 2026 and the Land Transport (Regulatory Fees) Amendment Regulations 2026 will give effect to the decisions above;
- 6 **noted** that extending the zero-alcohol limit to all drivers on a learner and restricted licence will be progressed through the next appropriate bill;
- 7 **noted** that section 164 of the Land Transport Act 1998 requires the Minister of Transport, before recommending the making of an Order in Council under section 152A, to have regard to the matters specified which cover safety, security, infrastructure, economic development, public health and environmental sustainability impacts;
- 8 **noted** that section 168F of the Land Transport Act 1998 requires the Minister of Transport, before recommending that a rule provide for a matter to be dealt with in a transport instrument, to be satisfied that the subject matter is appropriate to be in a transport instrument rather than in the rule itself;
- 9 **noted** the advice of the Minister of Transport that the requirements in paragraphs 7 and 8 have been met;

- 10 **authorised** the submission to the Executive Council of the:
- 10.1 Land Transport (Driver Licensing) Amendment Rule 2026 [PCO 28406/16.0];
- 10.2 Land Transport (Regulatory Fees) Amendment Regulations 2026 [PCO 28405/5.0];
- 11 **noted** that the Land Transport (Driver Licensing) Amendment Rule 2026 and the Land Transport (Regulatory Fees) Amendment Regulations 2026 will come into force on 25 January 2027, with course provider aspects of the Amendment Rule coming into force on 30 September 2026, and transitional aspects of the Amendment Rule coming into force on 7 May 2026.

Vivien Meek
Committee Secretary

Present:

Hon David Seymour
Hon Chris Bishop (Chair)
Hon Louise Upston
Hon Judith Collins KC
Hon Tama Potaka
Hon Matt Doocey
Hon Simon Watts
Hon Chris Penk
Hon Nicole McKee
Hon Casey Costello
Hon James Meager
Stuart Smith MP
Jamie Arbuckle MP

Officials present from:

Officials Committee for LEG

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