



29 January 2025

OC25117

Hon Chris Bishop

Action required by:

Minister of Transport

Wednesday, 4 February 2026

CC Hon James Meager

Associate Minister of Transport

SERVICE MODERNISATION AND DIGITAL DRIVER LICENCES – POLICY AND DRAFTING INSTRUCTIONS FOR LAND TRANSPORT RULE CHANGES

Purpose

This paper seeks your agreement to the detailed policy direction for service-modernisation reforms. This direction will underpin draft amendments to secondary legislation, subject to the enactment of the Regulatory Systems (Transport) Amendment Bill (RSTA). Officials will include draft rules in the material for public consultation.

Key points

- As authorised by Cabinet [CAB-25-MIN-0476 refers], this briefing seeks your agreement to the proposed policy direction for the service modernisation and digital driver licence workstream of your Rules Reform Programme. These decisions will inform instructions to the Parliamentary Counsel Office (PCO) to prepare amendments to secondary legislation for public consultation.
- Subject to the enactment of RSTA, changes to secondary legislation are required to support secure Digital Driver Licences (DDLs) and modernised driver-licensing processes (application requirements, identity verification, temporary-licence settings and theory testing) so that the New Zealand Transport Agency (NZTA) can deliver streamlined digital services.
- Amendments are also needed to enable electronic alternatives to physical vehicle-related licences and labels (e-labels), allowing compliance to be confirmed electronically.
- The proposed changes align with good legislative design principles. This includes avoiding unnecessary prescriptiveness, for example, by enabling the Director of Land Transport or NZTA to set operational requirements within clear statutory parameters and safeguards.
- A four-week public consultation period is planned for late March 2026, with timing dependent on RSTA receiving royal assent. We intend to include draft secondary legislation in the consultation documents, to allow for meaningful feedback on the proposed changes.

Recommendations

We recommend that you:

1. **agree** that secondary legislation be drafted and included in material for public consultation, giving effect to the policy intent in recommendations 2 to 6 below. Yes / No

Digital Driver Licences

2. **agree** that the intent is that digital driver licences:
 - i. will comply with standards that ensure security, protect privacy and maintain the integrity of personal information and other data; Yes / No
 - ii. will be valid as proof of authority to drive only while the Driver Licence Register records a current, lawful licence status; Yes / No
 - iii. will require amendments to form and content requirements; and Yes / No
 - iv. may require clarification of what is and is not treated as having been produced to an enforcement officer. Yes / No
3. **note** that officials will continue discussions with Police, the Department of Internal Affairs, the Ministry of Justice, and the Office of the Privacy Commissioner to confirm whether updates to offence provisions are required for digital driver licence misuse. Yes / No

Customer-service improvements to licensing processes

4. **agree** that the intent is that secondary legislation facilitate electronic issuing of infringements and other regulatory notices, including by requiring a person to provide their electronic address and mobile phone number (if they have them) and keep these up to date, consistent with the RSTA Bill; Yes / No
5. **agree** that the intent is to update regulatory settings for driver licence applications in a way that will:
 - i. set core identity and eligibility requirements for initial licence applications and allow the Director of Land Transport/NZTA to determine any further requirements for initial licence applications, and to set requirements for renewal, replacement and reinstatement licences as appropriate; Yes / No
 - ii. specify information that must be provided for a temporary licence (consistent with the information required for a driver licence), and enable the Director of Land Transport/NZTA to set out further information that must be provided and determine and update the temporary licence form, presentation and delivery, allowing digital formats; Yes / No
 - iii. modernise identity-verification requirements to support both in-person and online applications, for example, by enabling overseas DDLs and secure digital identity options in addition to RealMe as appropriate; Yes / No

- iv. allow the Director of Land Transport to request further information from applicants when assessing overseas licence conversions, if necessary to further verify identity or entitlement; and Yes / No
- v. remove in-person requirements and enable the Director of Land Transport to set the format and delivery of driver licence theory testing. Yes / No

Electronic alternatives to physical licences and labels (E-labels)

- 6. **agree** that the intent is to enable electronic alternatives to physical licences and labels (e-labels) by: Yes / No
 - i. updating existing display requirements, so that compliance can be confirmed electronically as an alternative to physical display, and to align offence settings with this shift; and Yes / No
 - ii. enabling provisions to allow the Director to specify the form, content and requirements of electronic alternatives, as appropriate. Yes / No

s 9(2)(a)



s 9(2)(a)



29 / 01 / 2026

Chris Bishop

Hon Chris Bishop
Minister of Transport
7/2/26

Minister's office to complete:

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

Comments

Contacts

Name	Telephone	First contact
s 9(2)(a)		✓

SERVICE MODERNISATION AND DIGITAL DRIVER LICENCES – POLICY AND DRAFTING INSTRUCTIONS FOR LAND TRANSPORT RULE CHANGES

Enabling modern transport services

- 1 The transport service modernisation reforms aim to improve the efficiency, accessibility, and integrity of transport services by reducing reliance on paper-based processes and expanding the use of secure digital solutions. The programme is designed to deliver more convenient and timely services, improve operational efficiency and reduce associated costs.
- 2 When enacted, the Regulatory Systems (Transport) Amendment Bill (RSTA) will provide the overarching framework for service modernisation. Amendments to secondary legislation are required to give full effect to the reforms. Some RSTA provisions and associated Rule changes would apply on commencement, while others would not have a practical effect until NZTA implemented the supporting digital services.
- 3 In November 2025, Cabinet authorised you to make detailed policy decisions and to instruct the PCO to draft the necessary changes to give effect to Cabinet direction on service modernisation and DDLs¹ [CAB-25-MIN-0476 refers].
- 4 We seek your agreement to the policy decisions to inform drafting instructions to PCO to draft secondary legislation for public consultation.

Section 1: Legislative approach

- 5 RSTA will modernise the legislative framework so NZTA can deliver secure digital credentials and services, including DDLs. To keep pace with technology and risk, detailed operational and technical requirements would be set and updated by the Director of Land Transport or NZTA within clear statutory parameters. Secondary legislation will specify the boundaries of that flexibility under a delegation framework that has safeguards for accountability and transparency.

Section 2: Enabling Digital Driver Licences

Ensuring the security, integrity and real-time validity of Digital Driver Licences

- 6 Once RSTA is enacted, amendments are required to set the operational and technical requirements (including form and content requirements) for DDLs, including how they must be accessed, displayed and verified. These amendments will ensure DDLs operate as a secure, real-time credential and provide a clear legal basis to distinguish a genuine and current DDL.
- 7 The RSTA Bill updates suspension and stop order provisions so that physical-licence surrender requirements apply only to physical licences. Digital licences are instead managed by blocking access to the DDL or changing the licence status in the Driver Licence Register.

¹ For clarity, the RSTA Bill creates the legal term 'electronic driver licence'. In this briefing we use Digital Driver Licence (DDL) when referring to the service-modernisation product.

Decisions sought

- 8 We seek your agreement to the policy intent that secondary legislation will:
- require that a DDL meets standards that ensure security, privacy and the integrity of personal information and other data; and
 - confirm that suspensions, stop orders and revocations apply to DDLs through changes to a licence status in the Driver Licence Register, as the digital equivalent of surrender.

Producing a Digital Driver Licence

- 9 We need to clarify what it means to produce a DDL for verification by an enforcement officer, including the circumstances in which a DDL is to be treated as not produced, to ensure the obligation is enforceable.
- 10 No changes are proposed to the existing infringement offence for failing to produce a driver licence. Further advice will be provided if matters arise through drafting or consultation.

Decisions sought

- 11 We seek your agreement that consultation material should:
- define how a DDL is produced, including that it may be displayed on an electronic device and made available for inspection or verification, and set out the circumstances in which it is to be treated as not produced (for example, where it cannot be displayed or accessed, refreshed or reopened, viewed or verified by an enforcement officer, or has been electronically disabled), and confirm that cached, saved or other static images have no legal effect as an authority to drive, and
 - test whether clarification is needed that drivers are not required to physically hand over their device to an enforcement officer, while still ensuring that officers can view or verify the DDL.

Updating offence provisions for DDLs

- 12 The introduction of DDLs is expected to require only minor consequential updates to the Land Transport (Offences and Penalties) Regulations 1999 to ensure the offence framework applies to digital formats.
- 13 Further cross-agency work will confirm whether possible DDL misuse is adequately covered across the wider legislative framework, including the Crimes Act 1961 and the Privacy Act 2020. This will consider the Department of Internal Affairs' (DIA) system-stewardship role under the Digital Identity Services Trust Framework Act 2023, which sets accreditation and assurance requirements for digital-identity services. s 9(2)(f)(iv)
s 9(2)(f)(iv)
s 9(2)(f)(iv) Further advice will be provided if needed before the rules are finalised.

Section 3: Customer service improvements to driver licensing processes

- 14 Legislative requirements governing driver licence applications, renewals, and replacements are overly prescriptive. They require customers to repeatedly provide information that NZTA already holds and require many transactions to be completed in person. This blocks service efficiencies and the shift to modern digital licensing pathways.
- 15 Proposed amendments will retain core statutory safeguards while enabling the Director of Land Transport or NZTA to set the operational requirements that can be updated as technology evolves.

Enabling e-servicing: Obligations to provide and update electronic contact details

- 16 The RSTA Bill expands the circumstances in which transport-related notices can be delivered electronically. Consequential amendments to secondary legislation are required to align contact-detail provisions (electronic addresses and mobile phone numbers, if available) to support electronic service.

Decision sought

- 17 We seek your agreement that the intent is to update secondary legislation to enable NZTA, when needed, to request and maintain a person's electronic address and/or mobile number to support the electronic service of transport-related notices, with postal service retained for those without an electronic address, and to use those details for other communications if the person has consented (for example, receiving notifications on an online hub).

Modernising regulatory settings for driver licence applications (forms and information requirements)

- 18 Current legislative requirements prescribe a fixed set of personal details for all driver licence application types (initial, renewal, replacement and reinstatement) even when NZTA already holds this information or it is not relevant to the transaction (for example, gender and place of birth). This prescriptiveness limits NZTA's ability to streamline processes, adopt modern digital identity-verification tools, and tailor requirements for different application types. It also results in unnecessary duplication for customers.
- 19 Proposed updates are intended to maintain legislative certainty for first-time applicants, while providing the flexibility to modernise subsequent licensing applications. They would enable NZTA to update processes more quickly, reduce duplication, and adopt secure digital identity-verification tools within clear statutory parameters.

Decisions sought

- 20 We seek your agreement to the policy intent that driver-licence applications be updated to:
- retain core identity and eligibility requirements for an initial licence application, ensuring an appropriate statutory foundation for entitlement, and
 - enable the Director of Land Transport or NZTA to determine further information requirements for initial applications as appropriate, and to set and update the requirements for renewal, replacement and reinstatement applications (including

information to be provided, form and presentation) within clear statutory parameters to reduce duplication and support modern digital processes.

Temporary licences

- 21 When a person successfully completes a driving test they are issued with a temporary licence so they can legally drive while their physical licence card is produced and sent to them. Current settings restrict temporary licences to paper-based formats and require manual completion by an agent or a NZTA staff member, creating inconvenience for customers.
- 22 Although the RSTA enables direct electronic verification of a licence status, NZTA intends to retain temporary licences as an operational tool to support customers who may need immediate evidence of driver licence entitlement, including when third-party verification channels are not available.

Decision sought

- 23 We seek your agreement to the policy intent that the requirements for temporary driver licences be updated to:
- specify the information that must be provided for a temporary licence (consistent with the information required for a driver licence); and
 - enable the Director of Land Transport or NZTA, as appropriate and within statutory parameters, to set out further information that must be provided, and to determine and update the temporary licence's form, presentation and delivery, including digital formats. This would not change licensing decisions, but would enable NZTA to issue temporary licences in contemporary formats as technology evolves.

Identity-verification requirements

- 24 Current identity-verification requirements are outdated and overly prescriptive, including limiting verification to a fixed list of physical documents and restricting online verification to RealMe. This prevents NZTA from adopting widely used secure digital identity tools or recognising overseas DDL.

Decisions sought

- 25 We seek your agreement to the policy intent that identity-verification requirements be modernised, with secondary legislation setting the operational requirements, to:
- enable modern verification methods for online and in-person applications, so applications can use digital identity documents, modern verification methods, and an up-to-date range of identity credentials, including overseas DDLs where appropriate,
 - differentiate requirements for initial licence applications (where identity is first established) from renewals, replacements and reinstatements, and
 - allow verification settings to be updated over time within clear statutory parameters to reflect improvements in technology and identity-assurance practice.

Overseas licence conversions

- 26 Current settings do not allow NZTA to request extra information when assessing overseas-licence conversions, even where there are concerns about document authenticity or a person's driving entitlement. As a result, NZTA cannot ask for additional information to help confirm the person can legitimately convert their licence, without rejecting their application, or stating the information provided is false, which is a last resort.

Decision sought

- 27 We seek your agreement to the policy intent that requirements for overseas-licence conversions be updated to enable the Director of Land Transport to request further information, as necessary, to verify identity or entitlement. This will allow additional checks to be made, while maintaining efficient processing for the straightforward applications.

Theory testing

- 28 Current Rules require theory tests to be completed in person, preventing NZTA from adopting secure online testing.

Decision sought

- 29 We seek your agreement to the policy intent to remove the in-person requirement to enable online theory-test delivery when technology allows, and enable the Director of Land Transport flexibility to determine online methods, channels and technical solutions. This is consistent with the Director's existing responsibility for approving the theory test and required standards to pass.

Section 4: Enable electronic alternatives to physical licences and labels (E-labels)

- 30 The RSTA Bill will enable electronic alternatives to the requirements to carry and display physical licences and labels. This will apply to motor vehicle licences (MVL), warrants and certificates of fitness (WoF/CoF), certificates of loading (CoL), transport service licence (TSL) cards, and alternative fuel inspection (AFI) certificates.
- 31 In future, compliance with relevant land transport obligations will be confirmed electronically. Compliance may be verified against official registers or by inspection or verification of an approved electronic alternative that replaces the physical display. Physical display requirements will be kept only if needed during the transition to electronic systems.

Decisions sought

- 32 We seek your agreement to the policy intent that electronic alternatives to physical licences and labels be enabled by:
- updating display requirements so compliance can be confirmed electronically as electronic methods become available and aligning offence settings with this shift,
 - modernising provisions on return or surrender of physical documents to reflect a move to digital alternatives, while retaining physical processes if required, and

- allowing the Director, to specify the form, content and requirements of electronic alternatives to the physical licences and labels named above, including specifying when an electronic alternative is available for use.

Stakeholder perspectives

- 33 Police have emphasised the need for WoF/CoF verification that is quick and practical. They may need time to transition from the current practice, including a reliable offline mode for areas of limited connectivity. NZTA will continue working closely with Police to co-design roadside-verification processes, address enforcement risks, and ensure agreed operational protocols are in place before final decisions on electronic alternatives.
- 34 DIA supports enabling flexibility for technical standards, so that the DDL can align with the Digital Identity Services Trust Framework and interoperate with NZ Verify and the Government Wallet.
- 35 The Office of the Privacy Commissioner has emphasised the importance of minimal data handling and ensuring selective disclosure. They noted that some sectors such as hospitality and vehicle-rental operators may require guidance on appropriate verification practices.

Agree
this
this is v.
important.
keep me
posted.

yes.

Risks and impact

- 36 s 9(2)(f)(iv)
s 9(2)(f)(iv) NZTA will work with the Privacy Commissioner and the Digital Trust Authority to align operational standards and public-facing guidance, to ensure appropriate privacy and security controls and to set clear expectations for the public and businesses.
- 37 Moving to more flexible, online services will improve accessibility for many customers, including those who find it difficult to travel to an agent or prefer online channels. There remains a risk of digital exclusion for people who cannot access or confidently use digital tools. Paper-based and in-person options will be retained for those who need them.

Next steps

- 38 A four-week public consultation period is planned. NZTA will run proactive communications across multiple channels, and officials will continue to work with key stakeholders in parallel.
- 39 The following timeline sets out the key decision points.

Timeframe	Decision
March 2026	Minister approves consultation material
March - April 2026	Public and key stakeholder consultation (4 weeks)
May - June 2026	Submissions analysis and draft amendments
June 2026	Cabinet approval of Regulations and Minister to sign Rules
July 2026	Gazette and publish amendments
August 2026	Commencement



Land Transport Rules Reform LEG proposals: service modernisation and digital driver licences

Date:	19 August 2026	Priority:	Urgent	Tracking number:	OC260652
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To	Action sought	Response by
Hon Chris Bishop Minister for Transport	Consider the matters in section 164(2) of the Land Transport Act 1998 before recommending that the Governor-General make the draft land transport rules. Agree to commence departmental and ministerial consultation on a draft Cabinet paper and draft amendments to land transport rules and regulations.	24 August 2026
Hon James Meager Associate Minister for Transport	Copy for your information	N/A

Contact for discussion (if required)

Name	Position	Telephone	1 st contact
s 9(2)(a)			☐
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Table of annexes

Annex 1: Draft Cabinet paper Land Transport Rules Reform – Service modernisation and digital driver licences

Annex 2: Section 164 analysis for:

- (a) Land Transport (Driver Licensing) Amendment Rule (No 2) 2026;
- (b) Land Transport Rule: Regulatory Systems Amendment 2026;
- (c) Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) ; and
- (d) Land Transport (Road User) Amendment Rule (No 2) 2026.

Annex 3: Consistency Accountability Statement and Summary of Underpinning analysis for:

- (a) Land Transport (Driver Licensing) Amendment Rule (No 2) 2026;
- (b) Land Transport Rule: Regulatory Systems Amendment 2026;
- (c) Land Transport Rule: Vehicle Standards Compliance Amendment (No 2);
- (d) Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026 (includes the minor consequential amendment to Land Transport (Road User) Amendment Rule (No 2) 2026);
- (e) Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026.

Annex 4: Privacy Impact Assessment Summary

Annex 5: Regulatory Analysis Summary

Annex 6: Key initial insights and themes from submissions

Purpose

1. This paper:
 - seeks your agreement to commence departmental and ministerial consultation on a draft Cabinet paper and draft Amendment Rules and Regulations to progress a series of changes in your Land Transport Rules Reform Programme (Rules Reform), and
 - provides you with advice on matters required for your consideration under section 164(2) of the Land Transport Act 1998 before you can recommend rule amendments.

Key points

2. Earlier this year, you took policy decisions on service modernisation reforms, including digital driver licences (OC25117 refers) and heavy vehicle productivity (OC260152 refers).
3. We are working with the Parliamentary Counsel Office (PCO) and the New Zealand Transport Agency (NZTA) to finalise proposed amendments to:
 - the Land Transport (Driver Licensing) Amendment Rule (No 2) 2026;
 - the Land Transport Rule: Regulatory Systems Amendment 2026;
 - the Land Transport Rule: Vehicle Standards Compliance Amendment (No 2);
 - the Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026;
 - the Land Transport (Offences and Penalties) Amendment Regulations 2026, and
 - Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026.
4. These amendments will enable service modernisation changes including digital driver licences, and modernise driver licensing processes, support electronic service of notices and regulatory communications, enable electronic alternatives to the physical display of vehicle licences and labels, and make associated consequential amendments. There is also a minor change to provide flexibility in the production of driver identification cards, by removing the prescribed dimensions and enabling the Director of Land Transport to approve the dimensions of the card.
5. They will also make heavy vehicle productivity changes, including removing the Accelerated Licensing Process and standardising speed limits for tractors to 40 km/h. There is also a minor change to the Regulatory Fees Regulations to resolve an unintended issue arising from the Graduated Driver Licensing Changes made earlier this year.
6. Public consultation on the service modernisation policy proposals took place from 16 July to 12 August 2026, resulting in 14,369 submissions. Submitters provided mixed feedback on the proposals. Some submitters were supportive of the changes and noted expected benefits, such as convenience, ease of use and simpler, more efficient processes. Other submitters noted potential problems, including privacy and security risks and accessibility issues, and were concerned about whether physical driver licences would be retained. Initial insights and themes from submissions are included in Annex 6.
7. To enable these instruments to be made in 2026, we seek your agreement to commence departmental and ministerial consultation from 25 to 31 August 2026 on a draft Cabinet paper seeking approval to submit the instruments to the Executive Council (refer Annex 1). Consultation will provide agencies and Ministers with an opportunity to review the proposed legal drafting and identify any implementation, operational or legal issues before the instruments are lodged with Cabinet.
8. s 9(2)(h)

s 9(2)(h)

9. We will provide your office with consultation versions of all Rules and Regulations to circulate with the Cabinet paper.
10. Before recommending that the Governor-General make the Amendment Rules, you must have regard to the matters set out in section 164(2) of the Land Transport Act 1998. Annex 2 sets out our advice on those matters.

Recommendations

11. We recommend you:

- a. **confirm** you have had regard to, and given such weight as you consider appropriate in each case to, the matters set out in section 164(2) of the Land Transport Act 1998, as required by section 152A(2) of the Act before making a recommendation to the Governor-General. Yes / No
- b. **confirm** you are satisfied that it is appropriate for the Director of Land Transport to specify, in Transport Instruments, acceptable forms of identity evidence for driver licensing transactions and the form and content of temporary driver licences, as required by section 168F(2)(a) of the Act before making a recommendation to the Governor General. Yes / No
- c. **agree** to start concurrent departmental and ministerial consultation on the draft Cabinet paper, Rules and Regulations from 25 to 31 August 2026. Yes / No
- d. **agree** to share the draft Cabinet paper, Rules and Regulations with the Office of the Privacy Commissioner, and the Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 with NZTA. Yes / No
- e. **agree** to proactively release this briefing alongside the final Cabinet paper, following Cabinet's consideration. Yes / No

s 9(2)(a)

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19 / 08 / 2026

Hon Chris Bishop
Minister for Transport

23 / 8 / 26

Land Transport Rules Reform LEG proposals: service modernisation and digital driver licences

PCO and NZTA are finalising drafting Rules and Regulations to enable service modernisation and digital driver licences

- The table below provides a high-level summary of the main changes and proposed commencement timing. The near-final draft instruments will be attached to the draft Cabinet paper for consultation.

Table 1: Key rule and regulation changes

Rule/Regulation	Key changes	Proposed commencement
Land Transport (Driver Licensing) Amendment Rule (No 2) 2026	Enables digital driver licences and modernises driver licensing requirements and processes, including identity verification, licence applications, theory testing and temporary licences, and strengthens overseas licence conversion requirements by enabling the Director of Land Transport to require additional information relating to an applicant's identity, overseas licence or permit, or licence classes and endorsements where needed to assess an application. Removes Accelerated Licensing Process and standardises speed limits for non-agricultural tractors to 40 km/h.	3 November 2026, except provisions relating to online theory testing and online driver licence application processes, which commence on 25 January 2027
Land Transport Rule: Regulatory Systems Amendment 2026	Supports electronic service of notices and other regulatory communications by requiring persons to provide an electronic address, where they have one.	1 July 2027
Land Transport Rule: Vehicle Standards Compliance Amendment (No 2)	Enables electronic alternatives to the physical display of warrant of fitness and certificate of fitness labels and updates associated compliance requirements.	1 July 2027
Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026	Enables electronic alternatives to the physical display of motor vehicle licences, providing vehicle licensing information through the Motor Vehicle Register rather than requiring a physical label. It also updates associated licensing processes.	1 March 2027
Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026	Resolves an unintended consequence of the Graduated Driver Licensing System changes made earlier this year. The amendment will retain a testing fee for requalifying a Class 2-6 full licence that has been expired for more than five years, while removing it for Class 1 (given the removal of the Class 1 full licence test).	22 October 2026 and 25 January 2027

	The Driver Licensing Rule amendment will remove the accelerated licensing process, meaning the associated application fees are no longer required.	
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- 2 Consistency Accountability Statements and Summaries of Underpinning Analysis for the draft amendment rules and regulations are attached to the paper in Annex 3. These are required following the enactment of the Regulatory Standards Act 2025.

Public consultation on service modernisation and digital driver licence proposals has concluded

- 3 Public consultation on the service modernisation policy proposals resulted in 14,369 submissions. The consultation is discussed in the draft Cabinet paper and supporting annexes, including an initial summary of submissions that will be updated before ministerial and departmental consultation.
- 4 Overall, submitters had mixed views on the proposed changes, raising concerns about matters such as privacy, data and device security, accessibility and whether physical driver licences would remain available. Views were also mixed on alternative temporary licence formats and enabling online learner theory testing. Some of these views appeared to reflect submitters' broader concerns about digitisation, data security and perceived Government overreach.
- 5 Submitters identified convenience and ease of use, and faster and more efficient services as expected benefits of the proposals. Organisations and businesses were generally more supportive of the service modernisation proposals than individual submitters, including enabling a digital driver licence, the use of RealMe for online driver licence applications and the implementation of electronic alternatives to the physical display of vehicle licences and labels.
- 6 Officials note the service modernisation reforms are intended to expand customer choice and modernise service delivery, while retaining the physical options for customers who prefer them. A draft Privacy Impact Assessment (PIA) for the digital driver licence proposal indicates that the privacy impacts are likely to be manageable and proportionate – see Annex 4 for a summary of the PIA.

You must consider matters under section 164(2) of the Land Transport Act 1998

- 7 There are legislative requirements that you must fulfil before the Amendment Rules can be signed. Section 152A of the Land Transport Act 1998 (the Act) provides that the Governor-General may only make, revoke, or amend land transport rules and regulations on the recommendation of you as the Minister of Transport. Before making a recommendation to the Governor-General, section 152A(2) of the Act requires you to have regard to (and give such weight as you consider appropriate in each case to) the various matters outlined in section 164(2) of the Act.
- 8 We have outlined the relevant matters for your consideration for each of the proposed Amendment Rules in Annex 2. We consider the proposed amendments are predominantly administrative and service modernisation measures that do not alter substantive driver, vehicle, or operator safety requirements. As a result, the land transport safety impacts are low, while the changes are expected to improve service accessibility, efficiency and regulatory administration.

You must also be satisfied that section 168F(2) of the Land Transport Act 1998 is met

- 9 The draft Land Transport (Driver Licensing) Amendment Rule (No 2) 2026 enables some specified matters to be set by transport instrument to be made by the Director of Land Transport. Transport instruments are secondary legislation and may be made by the Agency, the Director of Land Transport, or the Secretary, depending on the matter. Under section 168F(2) of the Act, before recommending the amendment rule be made by the Governor-General, you must be satisfied that the subject matter is appropriate to be in a transport instrument rather than in the rule itself.
- 10 The matters proposed for transport instruments under the Driver Licensing Rule are acceptable forms of identity evidence for in-person driver licensing applications, and the form and content of temporary driver licences, to be specified by the Director.
- 11 Officials consider these matters are appropriate for Director-made transport instruments because they are administrative and operational in nature, outline prescriptive requirements, and may require periodic updating. For these matters, the Director is the appropriate decision maker because they relate to the Director's driver licensing functions and expertise.

There are other matters you must consider before recommending a rule change

- 12 We consider the draft Amendment Rules and Regulations are compliant with each of the following:
 - 12.1 the principles of the Treaty of Waitangi,
 - 12.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993,
 - 12.3 the principles and guidelines set out in the Privacy Act 2020,
 - 12.4 relevant international standards and obligations, and
 - 12.5 the Legislation Design and Advisory Committee Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Privacy impacts of digital driver licences are being assessed

- 13 NZTA is preparing a Privacy Impact Assessment (PIA). The draft PIA indicates that the privacy impacts of introducing a Digital Driver Licence are likely to be manageable and proportionate through providing safeguards including voluntary participation, limited information sharing, secure credential management, and strong security protections.
- 14 The draft assessment identifies biometric processing during enrolment as the most significant privacy consideration. It concludes that this is necessary for a high-trust credential, provided appropriate safeguards are in place for the collection, use, access, retention, and deletion of enrolment information.
- 15 NZTA is completing implementation and assurance activities before go-live, including independent assurance of service providers and technology, retention and deletion settings, customer-facing privacy information, and controls for enrolment, licence management, and verification. A summary of the Privacy Impact Assessment is provided in Annex 4.

Timing and the 28-day rule

- 16 Subject to Cabinet's consideration, the Amendment Rules and Regulations will be made as an Order in Council by the Governor-General at the Executive Council following Cabinet on 21 September 2026. The Amendment Rules and Regulations will be notified in the Gazette on 24 September. This will be at least 28 days before the first provisions come into force on 22 October 2026 for the Land Transport (Driver Licensing) Amendment Rule (No 2) 2026.
- 17 The Amendment Rules and Regulations will be available on the NZTA website and the New Zealand Legislation website.

Next steps

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

Stage	Indicative dates (2026)
Departmental and Ministerial consultation	25 to 31 August
Cabinet paper lodged	10 September
Legislation Cabinet Committee	17 September
Cabinet, Executive Council	21 September
Gazettal	24 September
First changes come into force	22 October 2026

- 19 You may wish to consider whether to make public announcements following Cabinet and approval by the Governor-General. We will provide supporting material as needed.

Implementation

- 20 NZTA will lead implementation to deliver the digital driver licence and service modernisation changes. For the digital driver licence, it is expected that the costs will be recovered over time through fees. Fees are still being considered as part of the detailed design work. For service modernisation changes, any regulatory fees and charges are subject to cost recovery and will be considered as part of the broader fees and funding review. As making labels optional is expected to reduce the cost of delivering vehicle licensing services, these savings may be reflected in future fee settings.



Annex 1: Draft Cabinet paper Land Transport Rules Reform Programme – Service modernisation including digital driver licences



Updated Land Transport Rules Reform LEG package for lodgement: service modernisation and digital driver licences

Date:	4 September 2026	Priority:	Urgent	Tracking number:	OC260723
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To	Action sought	Response by
Hon Chris Bishop Minister of Transport	Agree to lodge the Cabinet paper Land Transport Rules Reform – Service modernisation and digital driver licences.	9 September 2026
Hon James Meager Associate Minister for Transport	Copy for your information	N/A

Contact for discussion (if required)

Name	Position	Telephone	1 st contact
s 9(2)(a)			☐
			☒

Table of annexes

Annex 1: Cabinet paper Land Transport Rules Reform – Service modernisation and digital driver licences

Purpose

1. This paper seeks your approval to lodge the attached Cabinet paper by 10.00am Thursday 10 September 2026 for Cabinet Legislation Committee (LEG) consideration on Thursday 17 September 2026.

Key points

2. The Cabinet paper seeking to enable service modernisation changes, including digital driver licences, is ready for lodgement with the Cabinet Office. Ministerial and departmental consultation on the Cabinet paper and draft legislation took place from 25 to 31 August 2026.
3. Minor amendments have been made to the Cabinet paper (Annex 1) for accuracy, to ensure the policy intent is met and to reflect feedback. The Cabinet paper includes in its appendices a final Regulatory Analysis Summary that has received quality assurance, and a final summary of submissions prepared by New Zealand Transport Agency.
4. We recommend lodging the Cabinet paper on 10 September 2026, for the first changes to come into force on 22 October 2026.
5. We will provide you with talking points and questions and answers (Q&As) to support your attendance at LEG Committee on Thursday 17 September 2026.

Recommendations

6. We recommend you:
 - a. **agree** to lodge the *Land Transport Rules Reform – Service Modernisation and Digital Driver Licences* (Cabinet paper and associated documents) by 10.00am Thursday 10 September 2026, for Cabinet Legislation Committee consideration on Thursday 17 September 2026. Yes / No
 - b. **note** that talking points and Q&As will be provided to support your attendance at the Cabinet Legislation Committee. Yes / No
 - c. **agree** to proactively release this briefing alongside the February 2026 OC25117 briefing *Service modernisation and digital driver licences – policy and drafting instructions for land transport rule changes*, and the final Cabinet paper, following Cabinet's consideration. Yes / No

s 9(2)(a)

s 9(2)(a)

03 / 09 / 2026

Hon Chris Bishop
Minister for Transport

7 / 9 / 26

Comments

Updated package for lodgement: service modernisation and digital driver licences

The service modernisation package is ready to lodge for consideration at LEG committee on Thursday 17 September 2026

1. We recently provided you with the draft Cabinet paper for Ministerial and departmental consultation (OC260652 refers). Ministerial and departmental consultation on the Cabinet paper concluded on 31 August 2026. The following agencies were consulted: Ministry of Justice, New Zealand Police, New Zealand Transport Agency (NZTA), Office of the Privacy Commissioner and the Government Digital Delivery Agency.
2. The revised Cabinet paper (Annex 1) must be **lodged with the Cabinet Office by 10.00am on Thursday 10 September 2026** to be considered by LEG on 17 September 2026.
3. The Regulatory Analysis Summary on digital driver licence amendments has been updated and received quality assurance (Appendix 9 to the Cabinet paper). The Consistency Accountability Statement and summary of underpinning analysis have also been updated (Appendix 7 to the Cabinet paper) to cover the minor changes progressed in the package to support the Graduated Driver Licence System.
4. NZTA has now prepared a final summary of submissions which is attached to the Cabinet paper (Appendix 10) for your information. The summary provides additional detail but reflects the same themes covered in the *Key initial insights and themes from submissions* document provided in our earlier briefing.

Officials considered feedback received from New Zealand Police and Office of the Privacy Commissioner

5. We received feedback from all agencies consulted, including comprehensive feedback from New Zealand Police and the Office of the Privacy Commissioner.
6. Minor amendments have been made to the Cabinet paper for accuracy, to ensure the policy intent is met and to reflect feedback from consultation.
7. New Zealand Police also raised the potential operational limitations and unintended non-compliance resulting from removing the requirement to display compliance labels from windscreens. This issue was previously raised during the Regulatory Systems (Transport) Amendment Act 2026 (RSTA) process and earlier engagement on the package. NZTA and New Zealand Police will continue to work together to mitigate these issues through operational planning before implementation.
8. The Office of the Privacy Commissioner supports consultation requirements on the form of the electronic driver licence but raised concerns about mandatory collection of email addresses and related privacy and security risks. Officials consider the requirement appropriate, as it aligns with previous RSTA amendments and supports electronic service of notices. NZTA will manage information in compliance with the Privacy Act 2020.

Next steps

9. Subject to Cabinet's consideration, the amendment rules and regulations will be made as an Order in Council by the Governor-General at the Executive Council following Cabinet on 21 September 2026. The Amendment Rules and Regulations will be notified in the Gazette on 24 September 2026. This will be at least 28 days before the first provisions come into force on 22 October 2026 for the Land Transport (Driver Licensing) Amendment Rule (No 2) 2026.
10. The Amendment Rules and Regulations will be available on the NZTA website and the New Zealand

Legislation website.

11. We understand that your office is considering the potential opportunity for a press release. Officials can provide your office with communications material to support any announcement as required.

[In Confidence]

Office of the Minister of Transport

Chair, Cabinet Legislation Committee

Land Transport Rules Reform – Service Modernisation and Digital Driver Licences

Proposal

- 1 I seek Cabinet’s authorisation for submission of the following rules and regulations (the Amendment Rules and Regulations) to the Executive Council:
 - 1.1 Land Transport (Driver Licensing) Amendment Rule (No 2) 2026 (Appendix 1);
 - 1.2 Land Transport Rule: Regulatory Systems Amendment 2026 (Appendix 2);
 - 1.3 Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) 2026 (Appendix 3);
 - 1.4 Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026 (Appendix 4);
 - 1.5 Land Transport (Road User) Amendment Rule (No 2) 2026 (Appendix 5); and
 - 1.6 Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 (Appendix 6).

Relation to government priorities

- 2 The rule changes are a part of the Land Transport Rules Reform Programme (Rules Reform). This supports the Government Policy Statement on Land Transport 2024 – 2027 by modernising land transport services, reducing unnecessary compliance costs, and enabling digital driver licences.

Policy

- 3 On 1 April 2026, Cabinet delegated authority to me to make policy decisions on heavy vehicle productivity within the parameters agreed by Cabinet [ECO-26-MIN-0047].
- 4 On 1 June 2025, Cabinet delegated authority to me to make policy decisions on enabling the use of digital driver licences, digital documents and e-servicing within the parameters agreed by Cabinet [ECO-25-MIN-0083].

IN CONFIDENCE

Service modernisation changes have been consulted on and finalised

- 5 New Zealand Transport Agency (NZTA) undertook public consultation from 16 July to 12 August 2026 on proposals to enable digital driver licences, modernise driver licensing processes to support online service delivery and enable electronic alternatives to physical vehicle licences and labels.
- 6 In August 2026, I considered consultation feedback and took final policy decisions. The Parliamentary Counsel Office (PCO) and NZTA have prepared Amendment Rules and Regulations that give effect to these decisions.

I seek Cabinet's authorisation to submit Amendment Rules and Regulations to the Executive Council on service modernisation and digital driver licences

- 7 The Amendment Rules and Regulations give effect to, and are consequential on, amendments made by the Regulatory Systems (Transport) Amendment Act 2026.
- 8 I now seek final authorisation of the draft Amendment Rules and Regulations for these changes:
 - 8.1 Enabling the use of digital driver licences and establishing the requirements for their approval, and verification for enforcement purposes.
 - 8.2 Modernising driver licensing requirements and processes to support digital service delivery, including more flexible driver licensing, identity verification, theory testing and temporary licence arrangements.
 - 8.3 Enabling electronic alternatives to physical vehicle licences and labels where compliance can be verified electronically.
- 9 I also seek authorisation to include other minor and technical changes in the Amendment Rules and Regulations, including targeted changes that clarify existing requirements, remove barriers to digital service delivery, and enable NZTA to reduce administrative costs. These minor and technical changes are reflected in the draft Amendment Rules and Regulations attached as appendices.

I also seek Cabinet's authorisation to submit further heavy vehicle productivity amendments

- 10 The Government consulted on heavy vehicle productivity amendments from October 2025 to March 2026. It also considered some changes from a 2019 consultation on amendments to the Driver Licensing Rule.
- 11 On 3 April 2026, Cabinet delegated authority to me to make policy decisions on Rules Reform, following public consultation and within the parameters agreed by Cabinet [ECO-26-MIN-0047 and CAB-26-MIN-0110 refers]. There are two remaining changes being progressed now. These changes are to:
 - 11.1 remove the Accelerated Licensing Process; and
 - 11.2 standardise speed limits for tractors and special-type vehicles to 40 km/h.

IN CONFIDENCE

The Regulatory Fee Regulations include a minor change to resolve an issue arising from a recent amendment

- 12 In September 2025, Cabinet agreed to changes to driver licensing fees as part of the Graduated Driver Licensing System changes (CAB-25-MIN-0299 refers).
- 13 The changes inadvertently removed the testing fee to requalify a Class 2-6 full licence that has been expired for more than five years. The Regulatory Fee Regulations include an amendment to retain this testing fee, while removing it for a Class 1 full licence requalification (given the removal of the Class 1 full licence test).

Timing and 28-day rule

- 14 The rules and regulations all comply with the 28-day rule and come into force as follows:
 - 14.1 Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 comes into force on 22 October 2026 and 25 January 2027;
 - 14.2 Driver licensing rules changes have been drafted to come into force on 3 November 2026 and 25 January 2027;
 - 14.3 The Land Transport Rule: Regulatory Systems Amendment 2026, Land Transport (Road User) Amendment Rule (No 2) 2026 and Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) 2026 come into force on 1 July 2027; and
 - 14.4 Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026 comes into force on 1 March 2027.

Compliance

- 15 The Amendment Rules and Regulations comply with each of the following:
 - 15.1 the Principles of the Treaty of Waitangi;
 - 15.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - 15.3 the principles and guidelines set out in the Privacy Act 2020;
 - 15.4 relevant international standards and obligations; and
 - 15.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- 16 In relation to the Privacy Act 2020, NZTA is preparing a Privacy Impact Assessment (PIA) for the digital driver licence proposals. The draft PIA indicates that the privacy impacts are likely to be manageable and proportionate, subject to the finalisation of the proposed design, privacy safeguards, and implementation controls.

IN CONFIDENCE

- 17 The draft PIA identifies biometric identity verification during enrolment and the use of third-party service providers as the key privacy considerations. These issues will continue to be considered as part of the finalisation of the PIA, including completion of identified assurance and implementation activities before go-live. A summary of the draft PIA is provided in Appendix 8.
- 18 The Amendment Rules and Regulations do not relate to any Treaty of Waitangi provisions and advice has not been sought from the Treaty Provisions Officials Group.
- 19 Section 152A(2) of the Land Transport Act 1998 (the Act) requires the Minister of Transport to have regard to the criteria specified in section 164(2) of the Act before recommending that the Governor-General make a rule under section 152A(1).
- 20 The Ministry for Cities, Environment, Regions and Transport (the Ministry) has provided advice to me covering the criteria in section 164(2) of the Act. I can confirm that I have had regard, and have given such weight as I considered appropriate, to those criteria in recommending the Governor-General make the Amendment Rules.
- 21 Section 168F(2)(a) of the Act requires the Minister of Transport, when recommending a rule to be made that provides 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. The Ministry has provided advice to me on this matter, and I am satisfied that the subject matter is appropriate.

Regulations Review Committee

- 22 I have been advised that it is unlikely that there are grounds for the Regulations Review Committee to draw the Amendment Rules and Regulations to the attention of the House of Representatives under the Standing Orders.

Certification by Parliamentary Counsel and Chief Legal Adviser

- 23 The Amendment Rules and Regulations were drafted by PCO and NZTA and these have been reviewed by the Ministry.
- 24 The Amendment Rules and Regulations have been certified as being in order for submission to the Executive Council by PCO and the Ministry's Chief Legal Adviser (Transport).

Impact Analysis

- 25 The Ministry for Regulation granted a partial exemption from preparing a Regulatory Analysis Summary (RAS) for the service modernisation proposals, as they are primarily consequential amendments required to implement changes enabled by the Regulatory Systems (Transport) Amendment Act 2026 and are expected to have no, or only minor, impacts. The exemption did not apply to the digital driver licence proposals because of their privacy implications.
- 26 A RAS was prepared for the digital driver licence proposals. A Ministry panel reviewed the RAS and concluded that it partially meets the quality assurance criteria. A copy of the RAS is provided in Appendix 9.

- 27 A regulatory impact analysis for the two heavy vehicle productivity changes was prepared in 2019; however, it was not subject to quality assurance assessment against the relevant criteria.

Consistency with principles of responsible regulation

- 28 Consistency Accountability Statements (CAS) and Summaries of Underpinning Analysis have been prepared for the Amendment Rules and Regulations. No inconsistencies with the principle of responsible regulation were identified. These are attached as Appendix 7.

Publicity

- 29 NZTA will publicise the changes related to the Amendment Rules and Regulations. This will include guidance where necessary.

Proactive release

- 30 This paper will be proactively released within 30 business days of final decisions being taken by Cabinet, subject to any appropriate redactions under the Official Information Act 1982.

Consultation

Service modernisation including digital driver licences

- 31 Public consultation on the service modernisation proposals was undertaken from 16 July to 12 August 2026. A total of 14,370 submissions were received. A summary of submissions is attached at Appendix 10.
- 32 Submitters provided mixed feedback on the proposals. Some submitters were supportive of the changes and noted expected benefits, such as convenience, ease of use and simpler, more efficient processes.
- 33 Other submitters noted potential problems, including privacy and security risks and accessibility issues, and were concerned about whether physical driver licences would be retained. Some of the views expressed appeared to reflect submitters' broader concerns about digitisation, data security and perceived Government overreach. Organisations and businesses, including industry groups, were generally more supportive of the proposals than individual submitters.
- 34 Officials note that the digital driver licence would be optional and would supplement, rather than replace, the physical driver licence. A Privacy Impact Assessment is being completed for the digital driver licence proposal, and the draft assessment indicates that the privacy impacts are likely to be manageable and proportionate. Physical licences and labels will also continue to be available for those that prefer them.
- 35 In addition to public consultation, the Ministry undertook targeted consultation with the Ministry for Regulation, the Ministry of Justice, Office of the Privacy Commissioner, NZTA, New Zealand Police, and the Government Digital Delivery Agency on proposals relating to digital driver licences, electronic alternatives to

vehicle licences and labels, and offences and penalties. Feedback from these agencies informed the final policy proposals.

Heavy vehicle productivity

- 36 Officials undertook targeted consultation with industry representatives and New Zealand Police on the proposed changes to confirm that stakeholder views had not materially changed since consultation undertaken in 2019. There was general support for the proposed changes.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that on 1 April 2026 Cabinet delegated authority to me to make policy decisions on heavy vehicle productivity [ECO-26-MIN-0047] and on 1 June 2025 Cabinet delegated authority to me to make the policy decisions on enabling the use of digital driver licences, digital documents and e-servicing within the parameters agreed by Cabinet [ECO-25-MIN-0083];
- 2 **note** that the Amendment Rules and Regulations below give effect to policy decisions I made under the authority delegated by Cabinet, as referred to in recommendation 1:
 - 2.1 Land Transport (Driver Licensing) Amendment Rule (No 2) 2026 (Appendix 1);
 - 2.2 Land Transport Rule: Regulatory Systems Amendment 2026 (Appendix 2);
 - 2.3 Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) 2026 (Appendix 3);
 - 2.4 Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026 (Appendix 4);
 - 2.5 Land Transport (Road User) Amendment Rule (No 2) 2026 (Appendix 5); and
 - 2.6 Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 (Appendix 6);
- 3 **note** the Regulatory Fees Regulations include an amendment to resolve an issue arising from a recent amendment, and retain a testing fee for requalifying a Class 2-6 full licence that has been expired for more than five years;
- 4 **note** that section 152A(2) of the Land Transport Act 1998 requires the responsible Minister to have regard to the criteria specified in section 164(2) of that Act before recommending the making of a rule, by Order in Council, under section 152A(1) of the Act;
- 5 **note** that section 168F(2)(a) of the Land Transport Act 1998 requires the Minister of Transport, when recommending that a rule be made that provides 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;

IN C O N F I D E N C E

- 6 **note** the advice of the Minister of Transport that the requirements in recommendations 4 and 5 have been met in relation to the Amendment Rules in recommendation 2;
- 7 **agree** that the Amendment Rules and Regulations referred to in recommendation 2 will come into force as follows:
- 7.1 Land Transport (Driver Licensing) Amendment Rule (No 2) 2026 will come into force on 3 November 2026, and specified provisions come into force on 25 January 2027;
- 7.2 Land Transport Rule: Regulatory Systems Amendment 2026 comes into force on 1 July 2027;
- 7.3 Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) comes into force on 1 July 2027;
- 7.4 Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026 comes into force on 1 March 2027;
- 7.5 Land Transport (Road User) Amendment Rule (No 2) 2026 comes into force on 1 July 2027;
- 7.6 Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 comes into force on 22 October 2026 and 25 January 2027; and
- 8 **authorise** the submission of the Amendment Rules and Regulations referred to in recommendation 2 to the Executive Council.

Authorised for lodgement

Hon Chris Bishop

Minister of Transport

Appendix 1: Land Transport (Driver Licensing) Amendment Rule (No 2) 2026

Appendix 2: Land Transport Rule: Regulatory Systems Amendment 2026

Appendix 3: Land Transport Rule: Vehicle Standards Compliance Amendment (No 2)

Appendix 4: Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026

Appendix 5: Land Transport (Road User) Amendment Rule (No 2) 2026

Appendix 6: Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026

Appendix 7: Consistency Accountability Statements and Summaries of Underpinning Analyses

Appendix 8: Privacy Impact Assessment Summary

Appendix 9: Regulatory Analysis Summary

Appendix 10: Summary of submissions

Digital Driver Licence Privacy Impact Assessment

Ministerial consultation summary

12 August 2026

Version 1.0

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More information

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Context

This paper summarises the Privacy Impact Assessment for the proposed Digital Driver Licence

It provides a high-level overview of the privacy implications, safeguards, residual risks, and recommended go-live dependencies.

There are important limitations of this summary

The PIA is currently a draft assessment. Its findings, risk ratings, recommendations, and go-live dependencies remain subject to further review, confirmation of outstanding design and assurance matters, and independent review before they are relied on as final.

The summary is intended to support Ministerial and departmental consultation, not to provide final privacy sign-off or final acceptance of residual risk by NZTA. It should therefore be read as an interim privacy assessment for consultation purposes.

Overview of the proposal

The Digital Driver Licence will provide a secure, standards-based digital version of the New Zealand driver licence

The Digital Driver Licence is New Zealand's implementation of a mobile driver licence, developed in collaboration with Austroads to support a consistent digital credential model across New Zealand and Australia. It is being designed as a trusted digital credential, rather than simply a digital copy of the physical licence. Licence holders will be able to store the credential in an approved digital wallet on their mobile device and present it to verifiers, such as Police, financial institutions, licensed venues and other organisations that need to confirm identity or licence information. The design supports original equipment manufacturers (OEMs) and approved third-party wallets and is intended to enable consistent verification across jurisdictions over time.

The Digital Driver Licence will operate within the Austroads Digital Trust Service ecosystem, rather than as a bespoke standalone solution

The Digital Trust Service (DTS) provides a privacy-preserving framework for issuing, presenting and verifying transport-issued digital credentials, including mobile driver licences. Personal information remains with the jurisdiction that already lawfully holds it, rather than being stored in a central Austroads database or routinely accessed by Austroads.

The DTS supports data minimisation and selective disclosure, allowing licence holders to share only the specific information needed for a transaction

The DTS ecosystem provides the trust framework, issuer controls, credential standards, and verification architecture that support data minimisation across transport-issued digital credentials. Within that ecosystem, the DDL and wallet-based presentation model are designed to allow licence holders to disclose only the specific attributes required for a verification purpose. For example, a licence holder may be able to confirm they meet an age threshold without disclosing full identity details.

User control and transparency are central to the DTS privacy model

Notices and privacy statements are expected at relevant points in the user journey, including digital wallet enrolment and Verified Credential Broker (VC Broker) interactions. A VC Broker is the service that helps connect NZTA, digital wallets and trusted verification services so that a digital credential can be issued or checked securely. In simple terms, it acts as a controlled gateway in the credential ecosystem. It does not replace NZTA as the source of driver licence information but helps manage the technical exchange needed to issue and verify the DDL.

Access to personal information by wallet providers or other third parties is intended to occur only with the individual's consent.

Security and cryptographic protections are also core to the design

The DTS relies on encryption, secure device storage, secure verification protocols, and relevant international standards, including ISO/IEC 18013-5, 18013-7, and 23220, to reduce the risk of unauthorised access, centralised tracking, or inappropriate disclosure.

The DTS governance model recognises that privacy responsibilities sit across jurisdictions

Each jurisdiction remains responsible for complying with the privacy law that applies to its credentials, while the DTS Privacy Controls and associated policies provide a common baseline for consistent privacy outcomes.

NZTA is expected to seek accreditation of the Digital Driver Licence under the New Zealand Digital Identity Services Trust Framework

Accreditation would provide a formal way for NZTA, as issuer of the New Zealand driver licence, to demonstrate alignment with nationally recognised digital identity, privacy, security and trust requirements.

Biometric processing

Biometric enrolment will be used to confirm that the person enrolling for the DDL is the legitimate licence holder

The enrolment process involves capturing a facial image, completing a liveness check, and comparing the image on a one-to-one basis against the driver licence photograph already held by NZTA.

This is the most privacy-sensitive aspect of the proposal because biometric information is sensitive, difficult to replace if compromised, and may affect people differently if matching systems produce false matches, false non-matches or inconclusive results.

Biometric enrolment is considered necessary and proportionate for a high-trust digital credential in a fully digital enrolment pathway

Other identity verification options, including in-person enrolment, RealMe, third-party authentication services, username-and-password models with multi-factor authentication, and other biometric markers were considered. These options were not assessed as providing the same level of assurance at scale for a high-trust digital credential.

In-person enrolment would reduce the accessibility and efficiency of a digital-first service, account-based models remain vulnerable to impersonation, social engineering or compromised credentials, and other biometric markers such as voice or fingerprints could not be readily matched against existing NZTA records.

On that basis, facial matching with liveness detection was assessed as the only method capable of providing equivalent identity assurance at scale within a fully digital environment.

Biometric information is expected to be used only for enrolment and is not intended to be retained as an ongoing biometric record or used to create a central biometric database

Where manual review is needed for failed, inconclusive or suspected fraud cases, access is expected to be strictly limited, role-based, logged, time-bound and restricted to the minimum information necessary. Retention will be short and clearly defined, with secure deletion once information is no longer needed.

No specific Māori cultural impacts have been identified

NZTA has consulted its Pou Arataki on the potential cultural impacts of biometric processing for Māori. The current advice is that, because biometric data is not stored by NZTA and enrolment for a digital driver licence is voluntary, no specific cultural impacts have been identified in this instance.

Key privacy-protective design features

Building on that enrolment model, the DDL includes several privacy-protective design features.

Existing driver licence information already held by NZTA will continue to be used as the authoritative source

There will be no separate, long-term register of DDL holders, nor will the purposes for which driver licence information is used be materially expanded. The main new collection occurs only where needed to support secure enrolment, identity assurance, device binding, credential issuance and lifecycle management.

The DDL is stored in the licence holder's digital wallet and presented directly by the holder to a verifier

This avoids a centralised model where NZTA would be contacted each time the credential is used. As a result, NZTA does not receive routine check-back information and cannot see when, where or how often a person presents their DDL. This materially reduces credential issuer-side tracking risk and supports individual control over use of the credential.

The design supports selective disclosure

Rather than requiring a person to disclose all information shown on a driver licence for every transaction, the DDL can allow only the specific information needed to be shared. For example, a licence holder may be able to confirm they meet an age threshold without disclosing their full identity details. This reduces unnecessary disclosure and supports data minimisation.

Participation in the DDL is optional, and the physical driver licence will remain available

This preserves choice for people who do not want to use a digital credential, cannot access the required technology, or prefer to continue using a physical licence. Optional participation is an important safeguard against exclusion and helps ensure the DDL operates as an additional service channel rather than a mandatory replacement.

The DDL includes technical safeguards intended to protect against fraud, unauthorised access and misuse

These include cryptographic signing, encrypted communications, device binding, secure wallet storage, wallet or device authentication, and revocation mechanisms. Together, these controls help ensure that the credential is issued to the correct person, stored securely, protected from tampering, and capable of being revoked, replaced or reissued where needed.

Biometric processing is limited to confirming that the person enrolling is the legitimate licence holder

It is not intended to create an ongoing biometric record, support surveillance, or enable routine biometric verification after the DDL has been issued.

Individuals will be informed about the collection and use of their personal information through a combination of NZTA educational and guidance materials

These may be delivered via NZTA communication channels, as well as notices and prompts within the enrolment and verification user experience. These prompts are intended to explain what information is being collected and what information will be shared during verification. Privacy statements and customer-facing guidance will be finalised and updated as detailed design and assurance activities progress.

Key privacy impacts

The DDL design reduces several risks associated with physical licences, including loss, theft, forgery and unnecessary over-disclosure, but it also introduces new digital risks

These risks are mainly associated with digital enrolment, third-party ecosystem participation, device loss, credential lifecycle management and verifier behaviour.

The key privacy-protective features — optional participation, use of existing source records, wallet-based storage, selective disclosure, decentralised verification, limited biometric use, cryptographic protections

and no routine NZTA visibility of credential use — provide a strong basis for managing these risks, subject to the go-live assurance actions identified in the draft PIA.

The DDL changes how existing driver licence information is issued and presented, rather than materially expanding the information NZTA holds or the purposes for which it is used

The main new collection occurs during enrolment and issuance, including identity verification, biometric matching, liveness detection, device binding, and interaction with wallet, VC Broker and trust framework services.

Biometric enrolment is the most privacy-sensitive element but is assessed as necessary and proportionate for a high-trust digital credential if it remains limited to enrolment and is supported by clear controls for thresholds, retention, manual review, customer support and disposal.

The DDL includes strong privacy-protective features

These features strengthen user control and reduce credential issuer-side tracking risk, while supporting the overall privacy-by-design approach described above.

Residual privacy risk areas

The table below summarises the main residual privacy risk areas identified in the draft PIA and the matters that will need to be addressed, confirmed, or formally accepted before go-live.

Residual risk area	Summary
Transparency, user understanding, and trust	Clear customer information is needed about enrolment checks, biometric processing, third-party roles, offshore processing, retention, NZTA visibility, and support pathways.
Third-party and offshore processing	The DDL relies on wallet providers, the VC Broker, and DTS components, including expected processing in Australia. Provider-specific privacy and security assurance remains a key go-live dependency.
Manual review of biometric enrolment information	Manual review must be exception-based, minimised, audited, time-bound, and limited to the information needed to resolve failed, inconclusive, or suspected fraud enrolments.
Device loss, compromise, or misuse	Device binding, wallet authentication, cryptographic protections, and revocation reduce risk, but clear guidance and support procedures are needed for lost, compromised, changed, or inaccessible devices.
Verifier over-collection or misuse	Selective disclosure reduces unnecessary sharing, and NZTA can influence this through the DDL's technical design and trusted ecosystem settings. However, over-collection or misuse by verifiers remains a residual risk, particularly outside formal participation arrangements.
Credential lifecycle accuracy	Lifecycle rules must ensure licence status, entitlement, expiry, suspension, revocation, device loss, and credential compromise are accurately reflected in the digital credential.

Conclusion

Overall, the DDL proposal has a strong privacy-by-design foundation

It uses existing driver licence records, preserves the physical licence as an alternative, supports wallet-based storage and selective disclosure, and avoids routine NZTA visibility of verification events.

The main privacy impacts are implementation, assurance and governance matters

These arise from digital enrolment, biometric identity verification, third-party ecosystem services, offshore processing, credential lifecycle management and verifier behaviour

Subject to completion of the identified go-live assurance actions, these risks are considered manageable and proportionate to the purpose of providing a secure, optional and high-trust digital driver licence

The draft PIA does not identify any privacy risk that would prevent the proposal from progressing, provided the remaining design, assurance and governance matters are resolved or formally accepted before launch.



Cabinet Legislation Committee

Minute of Decision

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Land Transport Rules Reform: Service Modernisation and Digital Driver Licences

Portfolio **Transport**

On 17 September 2026, the Cabinet Legislation Committee:

- 1 **noted** that:
 - 1.1 in June 2025, the Cabinet Economic Policy Committee (ECO) authorised the Minister of Transport (the Minister) to make the policy decisions on enabling the use of digital driver licences, digital documents, and e-servicing within the parameters agreed by Cabinet [ECO-25-MIN-0083];
 - 1.2 in April 2026, ECO authorised the Minister to make policy decisions on heavy vehicle productivity [ECO-26-MIN-0047];
- 2 **noted** that the Amendment Rules and Regulations below give effect to policy decisions the Minister made under the authority referred to in paragraph 1:
 - 2.1 Land Transport (Driver Licensing) Amendment Rule (No 2) 2026 [PCO 28995/16.0];
 - 2.2 Land Transport Rule: Regulatory Systems Amendment 2026 (Appendix 2 under LEG-26-SUB-0200);
 - 2.3 Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) 2026 (Appendix 3 under LEG-26-SUB-0200);
 - 2.4 Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026 [PCO 29260/12.0];
 - 2.5 Land Transport (Road User) Amendment Rule (No 2) 2026 [PCO 29285/6.0];
 - 2.6 Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 [PCO 29296/4.0];
- 3 **noted** that the Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 include an amendment to resolve an issue arising from a recent amendment, and retain a testing fee for requalifying a Class 2-6 full licence that has been expired for more than five years;

- 4 **noted** that section 152A(2) of the Land Transport Act 1998 requires the responsible Minister to have regard to the criteria specified in section 164(2) of that Act before recommending the making of a rule, by Order in Council, under section 152A(1) of the Act;
- 5 **noted** that section 168F(2)(a) of the Land Transport Act 1998 requires the Minister, when recommending that a rule be made that provides 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;
- 6 **noted** the advice of the Minister that the requirements in paragraphs 4 and 5 have been met;
- 7 **noted** that the Amendment Rules and Regulations referred to in paragraph 2 will come into force as follows:
- 7.1 Land Transport (Driver Licensing) Amendment Rule (No 2) 2026 will come into force on 3 November 2026, and specified provisions come into force on 25 January 2027;
- 7.2 Land Transport Rule: Regulatory Systems Amendment 2026 comes into force on 1 July 2027;
- 7.3 Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) comes into force on 1 July 2027;
- 7.4 Land Transport (Motor Vehicle Registration and Licensing) Amendment Regulations 2026 come into force on 1 March 2027;
- 7.5 Land Transport (Road User) Amendment Rule (No 2) 2026 comes into force on 1 July 2027;
- 7.6 Land Transport (Regulatory Fees) Amendment Regulations (No 2) 2026 come into force on 22 October 2026 and 25 January 2027;
- 8 **authorised** the submission of the Amendment Rules and Regulations in paragraph 2 to the Executive Council.

Sam Moffett
Committee Secretary

Present:

Hon Louise Upston (Chair)
Hon Paul Goldsmith
Hon Todd McClay
Hon Simon Watts
Hon Penny Simmonds
Hon Brooke van Velden
Hon Nicole McKee
Hon Casey Costello
Hon Nicola Grigg
Hon Scott Simpson
Hon Cameron Brewer
Hon Mike Butterick
Todd Stephenson MP

Officials present from:

Officials Committee for LEG