

Proactive Release

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Listed below are the most commonly used grounds from the OIA.

N/A - Document released in full. No information has been withheld for this proactive release

<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

Cabinet Economic Policy Committee

Land Transport Rules Reform Programme**Proposal**

- 1 This paper seeks agreement to:
 - a programme of work to reform land transport rules
 - give authority to approve consultation for each rule to the Minister of Transport and Associate Minister of Transport, respectively.

Relation to government priorities

- 2 This delivers on commitments in the Government Policy Statement on Land Transport 2024 and the Road Safety Objectives document to:
 - review the vehicle regulatory system to improve safety, reduce regulatory burden, and ensure our domestic rules are fit for purpose
 - investigate our warrant of fitness system to more effectively and efficiently target risk
 - investigate new safety requirements for vehicles entering the fleet.

Executive Summary

- 3 The Ministry of Transport and New Zealand Transport Agency (NZTA) are undertaking a review of land transport rules (rules) to reduce compliance costs and regulatory burden.
- 4 There are seven workstreams being progressed as a rolling series of consultation and rule changes over the next 18 months:
 1. Reducing the frequency of vintage/veteran and privately-owned heavy motorhome Warrant of Fitness (WOF) and Certificate of Fitness (COF) inspections (public consultation complete)
 2. Considering additional safety requirements for vehicle imports (delegated to the Associate Minister of Transport)

3. Reviewing WOF/COF frequency and inspection requirements for light vehicles (delegated to the Associate Minister of Transport)
 4. Simplifying heavy vehicle driver licencing, weight thresholds, and freight permitting
 5. Enabling a digital driver licence, digital documents, and e-servicing
 6. Improving lane use and use of traffic control devices, and minor system improvements
 7. Overhauling the vehicle regulatory system.
- 5 Consultation has already occurred on Workstream 1 (vintage/veteran and privately-owned heavy motorhome WOFs/COFs).
- 6 To enable the remaining rule reforms to progress efficiently, rather than returning to Cabinet for approval before each round of public consultation, I seek delegation from Cabinet for the consultation materials as they are drafted over the next 18 months to be approved by:
- 6.1 The Minister of Transport, for Workstreams 4-7, and
 - 6.2 The Associate Minister of Transport, for Workstreams 2 and 3.
- 7 The consultation materials would need to be broadly consistent with the policy direction set out in this paper. If, following consultation, we intend to make changes that are significant or controversial, we will bring those proposals to Cabinet for agreement.

Background

- 8 The Government Policy Statement on land transport (GPS) includes a commitment to review the vehicle regulatory system to enable better management of the safety performance of the vehicle fleet, reduce regulatory burden, and ensure our domestic rules are fit for purpose.
- 9 In the current land transport regulatory system, updating rules and other system settings is time consuming and complex. This leads to a system that is slow to adapt to changing technology, a substantial administrative burden to keep rules up to date or operate under out-of-date rules, and frustration and uncertainty among stakeholders.
- 10 To address this, I have developed a work programme with the following objectives:
- **Improve consumer choice in the vehicle market:** for example, by reducing unnecessary vehicle import requirements
 - **Reduce regulatory compliance costs:** for example, by removing unnecessary WOF and COF inspections and increasing inspection effectiveness/efficiency

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- **Digitise and modernise government services:** for example, by enabling digital alternatives to stickers for WOF/COF inspections and a digital driver licence
- **Increase freight productivity:** for example, by enabling larger trucks on certain routes without needing to seek permits
- **Improve the safety and quality of our vehicle fleet over time:** for example, by considering mandating certain safety features in new vehicle imports.

- 11 The work programme has been informed by engagement by the Ministry of Transport and NZTA with a range of vehicle sector stakeholders to better understand the transport sector's concerns and priorities for reform. Stakeholder feedback on the programme so far has been broadly supportive, while encouraging speed where possible.
- 12 **Annex One** maps my objectives and workstreams to existing problems and opportunities.

I seek agreement to progress the proposals to possible public consultation

- 13 The Minister of Transport may amend rules, generally following public consultation. I seek delegation of authority to:
- The Minister of Transport to approve consultation material on Workstreams 4-7, and
 - The Associate Minister of Transport to approve consultation material on Workstreams 2 and 3, which I have delegated to him.
- 14 This is on the basis that:
- Most of the topics have general support or are uncontentious (with exceptions noted in the section below on Workstream 3 – paragraph 24)
 - This paper outlines the general policy direction of this work for Cabinet's consideration
 - Regulatory impact analysis will be carried out for each workstream (where applicable).
- 15 If, following consultation, we intend to make changes that are significant or controversial, we will bring those proposals to Cabinet for further discussion.
- 16 Consultation has already occurred on reducing the frequency of vintage/veteran and privately-owned heavy motorhome WOF and COF inspections (Workstream 1), with 98% of submitters supporting the changes for vintage/veteran vehicles and 89% supporting the proposals for privately-owned heavy motorhomes. I expect further advice on the rule change in June 2025.

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- 17 The sections below outline the high-level policy direction for each of the remaining workstreams. A more detailed table of the scope and timeframes for each workstream is included in **Annex Two**.

Workstream 2: Considering additional safety requirements for vehicle imports

- 18 New Zealand's vehicle fleet is older on average than many other developed countries, and it can take longer for new features to become common. We are a significant importer of used vehicles, which is relatively rare for a developed country – used vehicles were about forty per cent of our imports in 2023-24. Once here, vehicles stay on the road to the average age of 20 years.
- 19 In recent years, our major vehicle source markets have mandated a range of safety features – for example, autonomous emergency braking. Our regulations have lagged behind, creating a risk that we could become a target market for vehicles without these features.
- 20 The Associate Minister of Transport is considering mandating a range of safety features for vehicles entering our fleet. The goal is to improve the quality and safety of our fleet over time, while minimising any effect on vehicle prices by implementing the changes at a time when most vehicles are likely to already have the features.
- 21 Industry stakeholders have expressed general support for mandating safety features, while highlighting the need for further consultation to ensure implementation timeframes are workable and address information gaps.

Workstream 3: Reviewing WOF/COF frequency and inspection requirements for light vehicles

- 22 New Zealand's vehicle inspection system is not as effectively targeted to risk as it could be. We check some things too often and other high-risk issues insufficiently or not at all. New Zealand has one of the most frequent inspection programmes in the world, and it is not clear if this is delivering sufficient safety benefits to justify the costs imposed. Reviewing inspection frequency while improving testing could make the system more fit-for-purpose and lower some compliance costs.
- 23 Building on the strong support for reducing WOF/COF frequency for vintage/veteran vehicles and privately-owned heavy motorhomes, it is timely to review the WOF/COF settings for all light vehicles. This includes personal cars and motorbikes as well as light commercial vehicles like taxis and rental cars.
- 24 Any proposal to reduce WOF/COF frequency is likely to be contentious with the vehicle inspection industry, and other stakeholders concerned about safety, as was experienced during consultation on the current requirements (set in 2014). NZTA monitoring following the previous changes showed a small increase in deaths and serious injuries where vehicle faults were recorded as a contributing factor, though it is difficult to confidently attribute this to the regulatory changes.

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- 25 This previous experience highlights that the key will be striking a balance between reducing cost and inconvenience for vehicle owners, and road safety outcomes. It may be possible to somewhat mitigate the risk of negative effects on safety by improving the effectiveness of inspections and better targeting them to risk.

Workstream 4: Simplifying heavy vehicle driver licencing, weight thresholds, and freight permitting

- 26 I aim to remove unnecessary heavy vehicle driver licence classes, reduce wait times and make it easier for commercial drivers to progress through licensing classes, as well as simplify and remove some technical requirements.
- 27 This workstream looks to enable Class 1 licence holders to drive heavier vehicles (and tow fully laden light trailers) without requiring a Class 2 licence. This reflects that the risk of slightly heavier vehicles and towing combinations has been offset by advances in vehicle technology like antilock braking systems, electronic stability control and trailer sway control. Changes to these settings could also better enable low/zero-emission heavy vehicles.
- 28 We have a prescriptive and overly burdensome approach to regulating heavy and special vehicles. This particularly relates to the permitting of heavy trucks, which may be able to be removed entirely. There are numerous rules that deliver little benefit and impose an unnecessary cost on the sector. This includes the requirement to affix 'H plates' to what are now commonly-used heavy vehicles.
- 29 My work programme also includes a review of the Vehicle Dimension and Mass Rule, which sets dimension and mass limits to enable vehicles, in particular, heavy truck and trailer combinations, to be operated safely on New Zealand's roads. However, the complexity of assessing the road maintenance issues associated with greater vehicle weights and alternative configurations means that significant research is required to understand the costs and benefits of any changes and inform policy decisions. For this reason, I do not anticipate public consultation within the 18-month timeframe that is the focus of this paper.

Workstream 5: Enabling a digital driver licence, digital documents, and e-servicing

- 30 Too much of our transport regulatory system relies on physical mail, stickers, licences, and other paperwork. This is unnecessary, inconvenient for the public, and a significant cost to businesses. I have heard from some companies that they receive up to 150 letters a day from government, with each one needing to be physically signed, witnessed, and sent back. Over the year to March 2025, NZTA sent out 14 million letters, reminders and labels, at a cost of \$16.8 million (including printing costs).
- 31 The Associate Minister of Transport is already progressing primary legislative change to enable a digital driver licence, greater use of digital documents, and better e-servicing (CAB-25-MIN-0086 refers). In tandem, I will progress changes to rules and regulations to enable greater modernisation of these government services.

- 32 These changes are likely to receive widespread support from the public and sector stakeholders.

Workstream 6: Improving lane use and use of traffic control devices, and minor system improvements

- 33 The previous government consulted on various changes to path and lane use. We are supportive of progressing and potentially consulting on a small number of these proposals, including:

- Enabling e-scooters to be ridden in bike lanes (currently they can only legally be ridden on footpaths and roads)
- Enabling children to ride bicycles on footpaths, which can have positive safety outcomes
- Requiring drivers to give way to buses exiting bus stops.

- 34 There is also a range of minor options being explored by the Ministry of Transport and NZTA to improve the way our transport system operates. This includes improvements to regulating traffic control devices (e.g. road signs and markings).

Workstream 7: Overhauling the vehicle regulatory system

- 35 There is a longer-term piece of work to overhaul the regulatory system, with a particular focus on entry requirements. New Zealand is a taker of vehicles and vehicle technology with limited influence over the vehicle manufacturing market. We generally seek to align our regulation with other jurisdictions. However, our rules and requirements have not kept up with changes in the international automotive industry, and are overly prescriptive and slow to update.
- 36 We will look to reduce complexity by considering how to harmonise our regulations with other jurisdictions, for example by adopting the same requirements and processes (e.g. type approval). This could have a large impact over time by reducing compliance costs and making it easier to import new vehicle types. This could improve consumer choice and heavy vehicle productivity.
- 37 This is a longer-term programme than the other workstreams listed here, but I plan an initial round of public consultation in May 2026.

Implementation

- 38 This paper proposes staged consultation on a range of possible regulatory changes. The implementation timeframes for the possible changes will be determined following public consultation. Some of the changes may require substantial implementation programmes, system changes, and associated funding decisions, which I would discuss with Cabinet when seeking agreement to final proposals.

Cost-of-living Implications

- 39 Any cost-of-living implications of the various possible changes will be assessed as the policies are developed, and considered as part of final decisions on progressing any changes to rules.

Financial Implications

- 40 Any financial implications of the various possible changes will be assessed as the policies are developed, and considered as part of final decisions on progressing any changes to rules.

Legislative Implications

- 41 Each of the proposals will require amendments to land transport rules (secondary legislation). There may also be amendments to land transport regulations if new offences and penalties are required. The legislative implications of the workstream on overhauling the vehicle regulatory system will depend on the scope and approach for that work, which are still being developed.
- 42 While the main focus is on rules changes, it is possible that the work programme will eventually also lead to changes to primary legislation that would bind the Crown.

Impact Analysis

Regulatory Impact Statement

- 43 There are no immediate regulatory proposals in this paper, and therefore Cabinet's impact analysis requirements do not apply to this paper. If amendments to land transport rules require Cabinet approval in future, regulatory impact statements will be prepared.

Climate Implications of Policy Assessment

- 44 Any climate change implications of the various possible changes will be assessed as the policies are developed, and considered as part of final decisions on progressing any changes to rules.

Population Implications

- 45 Any population implications of the various possible changes will be assessed as the policies are developed, and considered as part of final decisions on progressing any changes to rules.

Human Rights

- 46 Any human rights implications of the various possible changes will be assessed as the policies are developed, and considered as part of final decisions on progressing any changes to rules.

Use of external Resources

- 47 No external resources were used in policy development of the proposals.

Consultation

- 48 The Ministry of Transport and NZTA sought input from a range of stakeholder groups, and received general support for the work programme from the following:
- National Road Carriers Association (NRC)
 - Heavy Haulage Association
 - Imported Motor Vehicle Association (VIA)
 - Ia Ara Transporting New Zealand (TNZ).
- 49 TNZ and the Heavy Haulage Association also provided detailed feedback about the scope and timing of specific work programme items. Multiple industry stakeholders also emphasised a desire for changes to be considered and implemented quickly where possible.
- 50 Officials have also consulted the New Zealand Police, the Ministry of Justice, the Department of Internal Affairs, the Ministry for Regulation, and the Treasury. The Department of the Prime Minister and Cabinet was also informed.

Communications

- 51 I will announce the high-level programme of work in a press release in the coming weeks.

Proactive Release

- 52 I will proactively release this paper within the standard 30-day period following Cabinet Decisions.

Recommendations

The Minister of Transport recommends that the Committee:

- 1 **agree** to the direction for the land transport rules reform programme laid out in this paper.
- 2 **note** that consultation has already occurred on reducing the frequency of vintage/veteran and privately-owned heavy motorhome Warrant of Fitness and Certificate of Fitness inspections.
- 3 **authorise** the Minister of Transport to approve, provided they are broadly consistent with the policy direction set out in this paper and its annexes, materials for public consultation on:
 - 3.1 Simplifying heavy vehicle driver licencing, weight thresholds, and freight permitting;
 - 3.2 Enabling the use of digital driver licences, digital documents, and e-servicing (in line with changes agreed by Cabinet in CAB-25-MIN-0086);
 - 3.3 Improving lane use and use of traffic control devices, and minor system improvements (previously consulted on as per DEV-19-MIN-0097); and
 - 3.4 Overhauling the vehicle regulatory system.
- 4 **authorise** the Associate Minister of Transport to approve, provided they are broadly consistent with the policy direction set out in this paper and its annexes, materials for public consultation on:
 - 4.1 Considering additional safety requirements for vehicle imports; and
 - 4.2 Reviewing Warrant of Fitness and Certificate of Fitness frequency and inspection requirements for light vehicles.

Authorised for lodgement.

Hon Chris Bishop

Minister of Transport

Annex One – Land transport regulatory system problems, objectives and workstreams

Problems and opportunities:

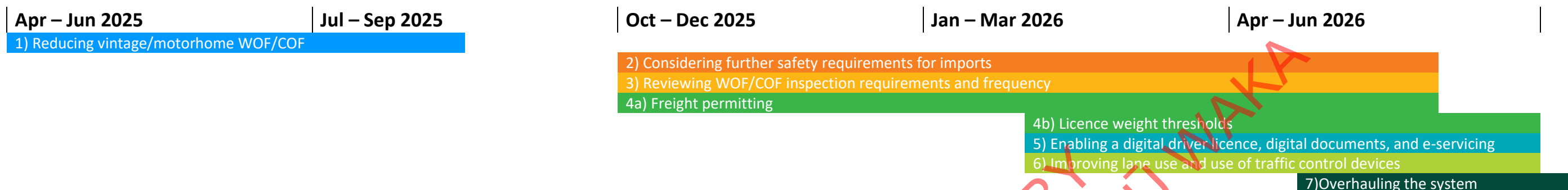
Objectives:

Workstreams:



Annex Two – Scope and timing for each workstream

The diagram below summarises each workstream and outlines the time between when consultation starts, and the rule is signed for each change.



Workstream	Included in scope	Expected timeframe
1) Reducing WOF/COF frequency for vintage/veteran vehicles and private heavy motorhomes	<ul style="list-style-type: none"> Reduce the frequency of WOF inspections for vintage/veteran light vehicles from 6 months to 1 year Reduce the frequency of COF inspections for private heavy motorhomes from 6 months to 1 year 	Consultation is complete Rule signed in August 2025
2) Considering further safety requirements for vehicle imports	<ul style="list-style-type: none"> Consider mandating additional safety features in vehicle imports, including possible phased introduction 	Tentative timeframes (TBC): Consultation in October 2025; Rule signed in May 2026
3) Reviewing WOF/COF frequency and inspection requirements for light vehicles	<ul style="list-style-type: none"> Review the frequency of light vehicle WOF inspections Review the scope of light vehicle WOF inspections Review the frequency of light commercial vehicle (taxi and car rental agency) COF inspections Consider transitioning light commercial vehicle COF inspections to (lower-cost) WOF inspections, and other COF weight threshold issues 	Consultation in October 2025 Rule signed in May 2026
4) Simplifying heavy vehicle driver licencing, weight thresholds, and freight permitting	<ul style="list-style-type: none"> Reform permitting requirements for 50MAX trucks Review requirement to display H plates Review restrictions on overweight and over-dimension vehicle movements Review and consider adjusting weight thresholds for Class 1 and Class 2 licences Consider licence class adjustments where the Director of Land Transport has issued an exemption Improve the heavy vehicle driver licensing pathway for immigrants Simplify heavy vehicle driver licencing, including: <ul style="list-style-type: none"> Simplifying the progression from Class 2-5 licences Reviewing the Accelerated Licensing Process Reviewing the requirements for special-type vehicle endorsements Standardising speed thresholds for tractors and special-type vehicles Simplifying the rules for tractors that can be driven on a Class 1 licence Considering automatic renewal of general licences for some endorsement holders. 	(Some changes previously consulted on, per DEV-19-MIN-0009) Consultation in October 2025 (freight permitting) and Feb 2026 (weight thresholds) Rules signed in May 2026, June 2026 Possible consultation on heavy and special vehicle driver licencing TBC
5) Enabling a digital driver licence, digital documents, and e-servicing	<ul style="list-style-type: none"> Enable a digital driver licence in addition to a physical licence Enable digital alternatives to WOF/COF/Rego stickers Better enable NZTA to collect, store, and electronically transmit regulatory notices Enable online theory tests and digital temporary licences Simplify identification requirements for NZTA customers 	Consultation in February 2026 Rule signed in June 2026
6) Improving lane use and use of traffic control devices, and minor system improvements	<ul style="list-style-type: none"> Enable e-scooters to use cycle lanes and children to ride bikes on footpaths Minimum overtaking gap for passing cyclists, horse riders, etc. Require vehicles to give way to busses exiting bus stops Various updates to traffic control devices and minor/technical changes 	(Some changes previously consulted on, per DEV-19-MIN-0097) Consultation in February 2026 Rule signed in June 2026
7) Overhauling the vehicle regulatory system	<ul style="list-style-type: none"> Simplify and refocus import requirements, e.g. streamlined recognition of overseas standards Explore adoption of type approval Systematic review and overhaul of the vehicle regulatory system to make it more adaptable, e.g. to new technologies Note the initial consultation proposed for May 2026 would be on the initial phase of the work, to be followed by further policy development	Initial consultation in May 2026 Initial rule signing, further policy work and further consultation TBC in 2027-2028



Cabinet

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.

Report of the Cabinet Economic Policy Committee: Period Ended 6 June 2025

On 9 June 2025, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 6 June 2025:

Out of Scope

[Redacted]

[Redacted]

ECO-25-MIN-0083

Land Transport Rules Reform Programme
Portfolio: Transport

CONFIRMED

Out of Scope

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Out of Scope

Rachel Hayward
Secretary of the Cabinet

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MINISTRY OF TRANSPORT TE MANATŪ WAKA



Cabinet Economic Policy Committee

Minute of Decision

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Land Transport Rules Reform Programme

Portfolio Transport

On 4 June 2025, the Cabinet Economic Policy Committee:

- 1 **agreed** to the direction for the land transport rules reform programme, as outlined in the paper under ECO-25-SUB-0083;
- 2 **noted** that consultation has already occurred on reducing the frequency of vintage/veteran and privately-owned heavy motorhome Warrant of Fitness and Certificate of Fitness inspections;
- 3 **authorised** the Minister of Transport to approve, provided they are broadly consistent with the policy direction set out in the paper under ECO-25-SUB-0083 and its annexes, materials for public consultation on:
 - 3.1 simplifying heavy vehicle driver licencing, weight thresholds, and freight permitting;
 - 3.2 enabling the use of digital driver licences, digital documents, and e-servicing (in line with changes agreed by Cabinet in ECO-25-MIN-0034;
 - 3.3 improving lane use and use of traffic control devices, and minor system improvements (previously consulted on as per DEV-19-MIN-0097);
 - 3.4 overhauling the vehicle regulatory system;
- 4 **authorised** the Associate Minister of Transport to approve, provided they are broadly consistent with the policy direction set out in the paper under ECO-25-SUB-0083 and its annexes, materials for public consultation on:
 - 4.1 considering additional safety requirements for vehicle imports;
 - 4.2 reviewing Warrant of Fitness and Certificate of Fitness frequency and inspection requirements for light vehicles.

Tom Kelly
Committee Secretary

Present: (see over)

Present:

Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Brooke van Velden
Hon Shane Jones
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Dr Shane Reti
Hon Simon Watts
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon James Meager
Hon Scott Simpson
Hon Mark Patterson
Simon Court, MP

Officials present from:

Officials Committee for ECO
Prime Minister's Office
Office of the Minister for Workplace Relations and Safety
Office of the Minister of Science, Innovation and
Technology

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