

Departmental Disclosure Statement

Regulatory Systems (Transport) Amendment Bill

The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material,
- some of the key quality assurance products and processes used to develop and test the content of the Bill, and
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Transport

The Ministry of Transport certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

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Part One: General Policy Statement

The Regulatory Systems (Transport) Amendment Bill (the **Bill**) is an omnibus Bill that amends land transport, maritime, and aviation legislation.

The objective of the Bill is to modernise the transport regulatory system to maintain and improve effectiveness and efficiency and reduce the chance of regulatory failure.

The Bill achieves this objective by—

- ensuring that regulators have the necessary tools to carry out their regulatory functions effectively; and
- improving regulatory system efficiency and removing unnecessary compliance costs, including by modernising legislation to enable convenient digital service alternatives to physical licences and labels; and
- addressing regulatory duplication, gaps, errors, and inconsistencies within transport legislation.

The Bill is intended to be a vehicle for smaller regulatory fixes to be made in a timely and cost-effective fashion to deliver benefits to the transport system. The amendments do not justify stand-alone Bills, but are more significant than amendments that are generally included in a Statutes Amendment Bill.

Land transport

Key amendments to land transport legislation include—

- Providing the New Zealand Transport Agency (**NZTA**) with broader powers to close parts of the State highway network due to safety concerns:
- modernising the enforcement regime for transport service licences:
- increasing the maximum level of fines and infringement fees, to ensure greater consistency, effectiveness, and proportionality across transport modes:
- strengthening the process through which NZTA can declare a vehicle not to be a 'motor vehicle' under the Land Transport Act 1998:
- creating new powers for the Director of Land Transport to respond to emergency and time-critical events.

Key amendments to the Railways Act 2005 include—

- creating new reactive investigation powers for NZTA to investigate rail accidents and incidents more effectively and efficiently:
- removing prescriptive time constraints for rail safety case application processes to increase efficiency.

The Bill also addresses regulatory duplication, gaps, errors, and inconsistencies within land transport legislation. For example, the Bill—

- corrects an error that prevents NZTA from declaring a newly built road to be a State highway:
- clarify that pedestrians may use approved areas and infrastructure within motorway corridors, for example, bus stops:
- clarify the consultation and notification requirements in rule-making powers in the Land Transport Act 1998;
- enables local authorities to set infringement fees for overstaying in a carpark below a maximum cap, or within a prescribed range, as legislation originally intended.

Digital modernisation

The Bill future-proofs legislation to enable the use of digital alternatives for transport services as new technologies become available. Key amendments include—

- enabling the future use of digital driver licences:
- enabling the electronic issuing of infringement and other regulatory notices. This includes requiring the provision of email addresses and mobile phone numbers alongside the current requirements for postal addresses:
- enabling electronic alternatives to requirements to carry and display physical licences and labels, including warrants of fitness, certificates of fitness and alternative fuel inspection certificates.

Those changes will reduce reliance on paper-based systems, improving ease and efficiency for both providers and users of transport services. Over time, those changes will enable the New Zealand transport system to be more cost-effective and support wider government digitisation objectives.

Maritime

Key amendments to maritime legislation include—

- Expanding and amending investigation powers under the Maritime Transport Act 1994 (the **MTA**), for example, by amending the threshold for initiating an investigation from reasonable grounds to believe to reasonable grounds to suspect:
- enabling the Minister of Conservation to exercise functions, duties, and powers under Part 3A of the MTA in the Sub-Antarctic and Kermadec Islands as if they were a regional council or unitary authority:
- updating the service requirements under the MTA to enable regulators to send regulatory notices electronically:
- increasing maximum fines and infringement fees to ensure greater effectiveness and proportionality across transport modes, including consistency with international standards for maritime penalties.

The Bill also addresses regulatory duplication, gaps, errors, and inconsistencies within maritime transport legislation. For example, the Bill amends the MTA to—

- update definitions, including the definitions of convention and unit of account:
- clarify the requirement for operators of a floating production, storage, and offloading unit to pay the maritime levy:
- better align the MTA with the Maritime Labour Convention in relation to employment recruitment and to clarify the scope (consultation and notification requirements) of rule-making powers.

Aviation

The Bill addresses regulatory duplication, gaps, errors, and inconsistencies within aviation transport legislation, including by—

- correcting a numbering error in the Civil Aviation Act 2023 (the **CAA**) that unintentionally prevents Auckland and Wellington airports from setting charges for aerodrome activities:
- clarifying that costs cannot be recovered via levies where those same costs are otherwise collected:
- making minor editorial changes to cross-references:

- correcting errors to ensure consistency in the CAA and the Transport Accident Investigation Commission Act 1990.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	NO
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Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	NO
<p>No, the Bill does not, except for amendments to the MTA which:</p> <ul style="list-style-type: none"> Align section 26 of the MTA with the requirements in the Maritime Labour Convention (MLC) relating to young people working on ships or doing hazardous work. Addresses inconsistencies in the MTA with the MLC in relation to seafarer employment agreements, records of employment, and seafarer recruitment and placement services. Enable implementation of recommendations and provisions from the International Labour Organization. <p>Link to text and Amendments of the MLC: https://www.ilo.org/international-labour-standards/maritime-labour-convention-2006-0/text-and-preparatory-reports-maritime-labour-convention-2006</p>	

2.2.1. If so, was a National Interest Analysis report prepared to inform a Parliamentary examination of the proposed New Zealand action in relation to the treaty?	NO
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Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
<p>Regulatory Impact Statements (RIS) have been prepared on the following:</p> <ul style="list-style-type: none"> State Highway closure powers, Transport Service Licence enforcement powers, and limited access roads, "Land Transport: Regulatory Systems Transport Amendment Bill No. 2 proposals", Ministry of Transport, 21 October 2021: https://www.transport.govt.nz/assets/Uploads/RIS-Impact-Summary-RSTA-2-Land-Proposals-REDACTED.pdf The proposal to provide the rail regulator, the New Zealand Transport Agency with reactive investigatory powers, "Providing better investigation powers under the Railways Act 2005", Ministry of Transport, February 2022, https://www.transport.govt.nz/assets/Uploads/RIS-Providing-better-investigation-powers-under-the-Railways-Act-2005-REDACTED-v2.pdf "Review of Director of Land Transport powers during emergency and time-critical events", Ministry of Transport 26 August 2022 and "Regulatory Impact Statement: proposed changes to penalty levels in the Maritime space", Ministry of Transport, 13 July 2022 https://www.transport.govt.nz/assets/Uploads/Proactive-release-of-Regulatory-Systems-Transport-Amendment-Bill-No-2-Policy-Approvals-package.pdf <p>All RIS' completed to date have received a meets or partially meets assessment by an independent quality assurance panel.</p> <p>Several land and maritime proposals developed by the Ministry of Transport under the previous Government (CAB-22-MIN-0177 refers) have been assessed by Treasury's</p>	

Regulatory Impact Assessment team as being technical in nature and have no or only minor impacts on businesses, individuals, and not-for-profit entities, and are therefore exempt from RIS requirements.

Most proposals agreed to by Cabinet on 31 March 2025 (CAB-25-MIN-0086 refers) have been granted exemptions from RIS requirements by the Ministry for Regulation (MfR).

- The Bill only provides enabling provisions for digital driver licenses, electronic issuing of regulatory notices and removing unnecessary display requirements. These proposals are exempt from the requirement to provide a RIS on the grounds that they have no or only minor impacts on businesses, individuals, and not-for-profit entities, or only minor economic, social, or environmental impacts.
- The Ministry of Transport has claimed an exemption under Cabinet Office circular CO(24)7 for the proposal to correct errors in the Civil Aviation Act 2023 and Transport Accident Investigation Commission Act 1990 on the grounds that it is for a matter suitable to be included in a Statutes Amendment Bill (as provided for in Standing Orders).

MOT has self-claimed a RIS exemption (as set out in Cabinet Officer Circular CO (24) 7), for the proposal to revoke four redundant Infringement Fees for Offences Regulations made under section 699A of the Local Government Act 1974.

2.3.1. If so, did the RIA Team in the Treasury provide an independent opinion on the quality of any of these regulatory impact statements?	NO
Each RIS completed to date have received a meets or partially meets assessment by an independent quality assurance panel, except when an exemption has been self-claimed by MoT, or granted by Treasury's RIA Team or MfR.	

2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	NO
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Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	NO
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2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	YES
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	YES
<p>The size of the potential costs and benefits outlined in the RIS documents in question 2.3 is available in the relevant RISs mentioned above.</p> <p>Some proposals received RIS exemptions or did not have a RIS provided because:</p> <ul style="list-style-type: none"> • The Bill amends transport legislation to not refer prescriptively to, for example, physical licences, labels and addresses. This will allow for the future implementation of digital transport services. Costs and benefits of implementation have not yet been estimated but will be considered as part of service design and delivery options analysis. <p>Outside of these proposals, no significant population, cost of living or financial implications were identified arising from these proposals.</p>	

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	NO
(b) the nature and level of regulator effort put into encouraging or securing compliance?	NO
<p>These proposals are intended to clarify compliance requirements. We do not believe that substantive additional enforcement efforts are needed from regulators.</p>	

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?
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Amendments to the MTA are intended to give effect to New Zealand's obligations under the Maritime Labour Convention.

No other issues were identified during the policy process that may interfere with New Zealand's international obligations.

Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

No specific issues were identified in the policy process that may have implications for the rights and interests of Māori protected by the Treaty of Waitangi.

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?	YES
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Advice provided to the Attorney-General by the Ministry of Justice, or a section 7 report of the Attorney-General, is generally expected to be available on the Ministry of Justice's website upon the introduction of a Bill. Such advice, or reports, will be accessible on the Ministry's website at <http://www.justice.govt.nz/policy/constitutional-law-and-human-rights/human-rights/bill-of-rights>.

Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:	
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(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?	YES
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(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	NO
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The Bill creates and changes various offences and penalties across transport legislation in **clauses 27, 28, 50, 71, 81 - 86, 91, 97, 98, 105, 165, 166 and 169.**

3.4.1. Was the Ministry of Justice consulted about these provisions?	YES
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Ministry of Justice (MOJ) was consulted on Cabinet papers seeking policy approvals for the Bill (notably, in relation to offences and penalties).

MOJ were consulted on the draft Cabinet paper to introduce the Bill. No significant feedback was received, however MOT recognise that if in the future, offences and penalties are to be created to support compliance of the reactive rail investigation power proposal, further engagement with MOJ would be required.

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	YES
<p>Enabling the future use of digital licences and labels</p> <p>Currently, legislation refers prescriptively to physical licences and labels. The changes being progressed would amend legislation to be neutral on the type of licence and label, where appropriate. This is designed to future-proof legislation to allow for digital licences and labels to be used when the technology is available.</p> <p>The enabling provisions themselves do not generate privacy issues. However, if implemented, proposals to digitise licences and labels and the compulsory provision of electronic addresses would change the means in which information is collected, used and handled, which raises potential privacy risks. It will be important to ensure these risks are appropriately managed prior to implementation. Potential risks include:</p> <ul style="list-style-type: none"> • Accuracy and verification of driver licence information and the appropriate safeguarding of this data. NZTA has existing obligations under the Privacy Act 2020 to ensure that customer data is accurate and that there are safeguards in place to prevent unauthorised loss, misuse, or disclosure of personal information. NZTA is working closely with the Department of Internal Affairs (DIA) to align this work with the Digital Identity Services Trust Framework, as well as partnering with experts to ensure international standards are met as this technology is developed and implemented. • Potential reliance on inaccurate information (e.g., if email addresses are not kept up to date) and could further expose New Zealanders to cybersecurity risks, scams and phishing. However, NZTA considers risks can be satisfactorily mitigated by applying similar safeguards as for other personal information they hold. NZTA also considers risks could be reduced as e-servicing will enable emails and attachments to both be password-protected to enhance privacy. This has fewer privacy risks than posting such notices to physical addresses, with no confirmation of receipt, and in envelopes that can be opened by anyone. 	

3.5.1. Was the Privacy Commissioner consulted about these provisions?	YES
<p>The Ministry of Transport has consulted the Office of the Privacy Commissioner (OPC) on the development of the digital modernisation proposals enabled by the Bill.</p> <p>While broader work to develop and implement digital driver licences will need substantial privacy analysis, on the basis that relevant law changes in scope for approval here are minor and technical, and that there will be further Cabinet approvals and opportunities for OPC to engage through the development of any digital driver licence, OPC believe the privacy risks presented at this stage are relatively minor and do not present a barrier to this work advancing. OPC encourages the Ministry, NZTA and Department of Internal Affairs to continue work analysing privacy risks and mitigations as part of developing a digital driver licence.</p> <p>NZTA's future accreditation of their digital driver licence will address many of the privacy considerations and requirements noted. Privacy is a substantively covered by the Digital Identity Services Trust Framework.</p>	

External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	YES
<p><u>Consultation on policy proposals:</u></p> <p>The following agencies, including crown entities, have been consulted on the policy proposals in the Bill, where relevant to their agency:</p> <p>Civil Aviation Authority, Department of Internal Affairs, Department of the Prime Minister and Cabinet, Ministry of Innovation Business and Employment, Ministry of Foreign Affairs and Trade, Maritime New Zealand, Ministry of Justice, Ministry of Primary Industries, Ministry for Regulation, New Zealand Police, New Zealand Transport Agency, Department of Conservation, Land Information New Zealand, New Zealand Customs Service, Ministry of Social Development, Ministry for Disabled People, Energy Efficiency and Conservation Authority, Office of the Privacy Commissioner, Parliamentary Counsel Office and Treasury.</p> <p><u>Departmental consultation on the draft Bill:</u></p> <p>Feedback was received from the following agencies and Crown entities: Department of Internal Affairs, Ministry for Regulation, Ministry for Business Innovation and Employment, Ministry for Justice, New Zealand Police, Department of Conservation, Ministry for Foreign Affairs and Trade, NZTA and Maritime New Zealand.</p> <p>DIA support the work to enable digital driver licences through the Land Transport Act 1998, and anticipate this change will have strong support. Police would like to stay informed on the progress of the digital modernisation proposals, especially for the implementation phase.</p> <p><u>Ministerial consultation on draft Bill:</u></p> <p>No feedback was received during Ministerial consultation on the Bill.</p>	

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?	NO
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Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO
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Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	YES
<p>The Bill will amend the levy-making power in the CAA to provide that costs can be recovered via levies unless those same costs are otherwise collected or to be collected via the Airports (Cost Recovery for Processing of International Travellers) Act 2014. Levies are imposed on aviation participants for the purpose of enabling the CAA to carry out its statutory functions. The proposed amendment aligns with equivalent protections against 'double-counting' of costs already contained in the Customs and Excise Act 2018 and Biosecurity Act 1993.</p> <p>The Bill will also enable maritime levies to be set in respect of floating production and storage offloading units.</p>	

Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	YES
<p>The Bill will retrospectively commence corrections to the Auckland Airport Act 1987 and Wellington Airport Act 1990. These corrections resolve a numbering error which unintentionally disapplied sections 228-230 of the Civil Aviation Act 2023 to Auckland and Wellington airports, which restricts their ability to set charges once they become airport operators. This retrospective commencement will date back to 5 April 2025, which was when the Civil Aviation Act 2023 consequentially amended the two Airport Acts. This retrospectivity is not expected to have any substantive effect, since the airports are not yet registered as airport operators. Instead, the retrospectivity will make it as if this error never occurred.</p>	

Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	NO
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO
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Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	NO
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Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	NO
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4.8. Does this Bill create or amend any other powers to make delegated legislation?	YES
<p>The Bill amendments to empowering provisions are intended to be only for smaller regulatory and technical fixes. These include:</p> <p>Clauses 49 and 100 amend the rule-making provisions in the Land Transport Act 1998 and Maritime Transport Act 1994 to clarify the procedure.</p> <p>Clauses 12 and 165 enable bylaws made by road controlling authorities to set fees below a maximum cap set by regulations.</p> <p>Clauses 47 and 48 enable rules to be made specifying how driver licences are produced, and requiring vehicles or classes of vehicles to present for inspection if a safety issue is identified.</p> <p>Clauses 50 and 91 enable increased penalties to be set by regulations.</p> <p>Clauses 66 and 92 mean that conventions and marine protection conventions declared by Order in Council also include amendments to those conventions.</p> <p>Clause 74 enables the Minister of Conservation to make navigation bylaws under section 33M of the Maritime Transport Act 1994.</p> <p>Clause 77 enables maritime rules to be made to implement recommendations of the International Labour Organisation.</p> <p>Clause 77 enables maritime rules to be made in respect of seafarer recruitment and placement services.</p>	

Any other unusual provisions or features

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?	NO
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