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NZ Automobile Association submission on:

Regulatory System (Transport) Amendment Bill



SUBMISSION TO: Transport and Infrastructure Committee

REGARDING: Regulatory System (Transport) Amendment Bill

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ATTENTION: Committee Secretariat

ADDRESS: Transport and Infrastructure Committee
Parliament Buildings
Wellington

SUBMISSION AUTHORISED BY: Simon Douglas
Chief Officer, AA Transport Policy & Advocacy team
New Zealand Automobile Association Incorporated (NZAA)
PO Box 1, Wellington, 6140

SUBMISSION AUTHOR: Dylan Thomsen

AUTHOR E-MAIL: dthomsen@aa.co.nz

AUTHOR PHONE: (04) 931 9991

NOTE TO REQUESTOR:

The AA requests an opportunity to present this submission orally.

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Executive Summary

The AA supports the Bill's intent to modernise New Zealand's transport regulatory system and sees many positives in it.

We welcome the move towards digital options for licences, WoF labels, vehicle licences and electronic communication for penalties or other official information.

The systems will need to be well designed to avoid any unintended negative consequences from these digital changes though.

We support lifting the maximum ceiling possible for fines to ensure penalties remain effective.

However, we think a broader set of actions is needed other than solely increasing fines to be most effective at preventing unsafe driving behaviour.

Introduction

The New Zealand Automobile Association (AA) represents over 1.1 million personal Members and a further 1 million vehicles through business relationships. We aim to represent our Members' interests and advocate for safer, fairer, and more efficient transport.

We acknowledge the Regulatory System (Transport) Amendment Bill's intent to modernise and future-proof New Zealand's transport regulatory framework. It is a very large bill with many sensible changes to make our rules and regulations function more smoothly.

Our submission focuses on a few key areas: the introduction of digital driver licences, digital labels for things like warrant of fitness and vehicle licences, electronic issuing of regulatory notices and fees, and the proposed increase to maximum fines for driving offences.

1. Digital driver licences

The AA supports the legal recognition of digital driver licences as an alternative to physical plastic cards. We believe this is a positive step that aligns with international trends and the increasing digitisation of government services. Digital licences have the potential to improve convenience for drivers, reduce administrative costs, and enable more secure and up-to-date information management.

It is essential that the transition to digital licences maintains accessibility for all New Zealanders, including those who may not have reliable access to digital devices or the internet.

There have been Government comments published in the media that physical licences will remain available as an option and the AA completely agrees with this approach. Digital licences need to be an option alongside physical licences, not a replacement for them.

Robust privacy and security protections will be essential for digital credentials, but this has been achieved in a number of similar initiatives.

To be successful, the security of digital licences will need to be strong while also allowing them to be easily used by drivers going about their daily lives. Achieving this balance will be the challenge for officials.

We would encourage those designing the system to look at the range of digital licence technology used in Australian states and other places and identify the best performers to model New Zealand's system on.

2. Digital labels for WoF and vehicle licences

The AA supports the concept of allowing digital information for warrant of fitness (WoF) and vehicle licences as an alternative to traditional windscreen labels.

We recognise the benefits that this change could provide in terms of less physical labels and stickers being created and posted. Many vehicle owners could prefer a more modern, digital approach.

As with digital driver licences, it is important that motorists who prefer or require physical labels are not disadvantaged.

Warrant of fitness checks are important for ensuring safe vehicle standards in our fleet. It will be crucial that digital systems are effective at reminding owners when their next inspection is due and for Police or other enforcement officers to be able to quickly and easily check on the roadside if a vehicle has a current WoF.

Vehicle licences are important in two key ways – contributing to transport funding and also ensuring accurate ownership information for enforcement. The latter is only going to become more important as New Zealand introduces more automated enforcement tools like new types of speed cameras.

The AA would not want to see moves to digitise these functions result in less compliance with WoF and vehicle license requirements. It will be crucial that any digital systems do an excellent job of letting drivers know when they need to make payments and also that there will still be the ability for authorities to quickly check these at the roadside for enforcement.

In any digital transition, we urge the Government to ensure that digital systems are user-friendly and that clear guidance is provided to both motorists and enforcement agencies during the initial period.

3. Electronic issuing of regulatory notices and fees

The AA supports the move to enable fines, infringement notices, and reminders to be issued and delivered electronically—such as via email or secure digital platforms—instead of relying solely on physical mail. This shift reflects the increasing digitisation of government services and aligns with public expectations for faster, more convenient communication.

Timely delivery of penalties is critical to their effectiveness. Behavioural research and international experience show that penalties are more likely to influence driver behaviour when they are received promptly after the offence. Delays in receiving notices—particularly when sent by post—can reduce the perceived relevance of the penalty and diminish its deterrent effect.

However, the AA recognises that there are challenges to be addressed to ensure the system is effective and fair. For example, email filters and spam settings may prevent important notices from being seen, and not all individuals regularly check their email or have reliable internet access. There is a risk that genuine non-receipt of notices could lead to unintended penalties or enforcement actions.

To mitigate these risks, the AA recommends that:

- The system be designed with **robust safeguards** to confirm delivery and receipt of notices,
- **Multiple channels** (e.g. email, SMS, secure portals) be used to increase reliability,
- **Clear guidance** be provided to the public on how to update contact details and check for notices,
- **Fallback options** (such as physical mail) remain available for those who opt out of digital communication or do not engage with it effectively.

The AA believes that with careful design and implementation, electronic issuing of fines and notices can enhance the fairness, efficiency, and impact of New Zealand's transport enforcement system.

4. Maximum Fines for Driving Offences

The Bill proposes increasing the maximum fine for driving offences from \$10,000 to \$15,000, and for infringements from \$2,000 to \$3,000. The AA understands that these changes set the upper limit for fines and future Government decisions would be required to set any specific increases for certain offences.

We support this move to enable increased penalties in the future to ensure they remain an effective deterrent. However, our research and Member feedback indicate that simply increasing fines is not going to be the whole answer for changing unsafe driving behaviour.

The AA would like to take this opportunity to highlight a range of broader changes that we believe would create a more effective approach to fines and penalties. These include:

- **Link penalties to inflation**
Current traffic offence fines should be increased by at least 100% as a starting point to restore their deterrent value, reflecting inflation since the last review in 1999. Fines should also be automatically adjusted for inflation in the future, so their effectiveness is maintained without requiring repeated government reviews.
- **Alignment of penalties with safety risk**
In addition to the inflation adjustment, we would like to see a focus on behaviours most strongly linked to fatal and serious crashes being: non-use of restraints, impairment, distraction, and speed. The penalties should be consistent and at a level that will maximise deterrence.
- **A comprehensive review of the demerit system**
The demerit point system should be reviewed to ensure it is functioning efficiently and that

the highest points are also consistent and focussed on impairment, distraction, use of seatbelts and speed.

- **Stronger penalties for repeat and high-risk offenders**

Increased penalties for repeat offenders should be considered, including the possibility of a multiplier for demerit points if someone continues to commit similar offences.

- **Expanded use of alternative and non-monetary penalties**

The AA supports expanding alternatives to monetary fines, such as community-based programmes and road safety education, especially for those on low or no income.

- **Continued support for treatment and rehabilitation options**

Alcohol and drugs are involved in a large proportion of fatal crashes and a substantial number of drivers caught drunk or drugged may have substance abuse problems. Penalties that don't address this are unlikely to be very successful at changing their behaviour.

When the Government looks at changing specific penalties in the future, we believe these changes will help ensure that penalties are both fair and effective in improving road safety.

We surveyed more than 2000 AA Members early in 2025 and the results included:

- Less than half of AA Members believe current fines are effective at discouraging unsafe driving.
- Most Members believe demerits are more effective than fines at discouraging unsafe driving.
- There is strong support for non-monetary penalties and for ensuring penalties are proportionate and fair, particularly for vulnerable groups.

The [full survey results are available online](#).

About the New Zealand Automobile Association

The NZAA is an incorporated society with over 1.1 million Personal Members who belong to the Association, as well as over 1 million business vehicle memberships, representing a large proportion of New Zealand's road users.

The AA was founded in 1903 as an automobile users' advocacy group, but today our work reflects the wide range of interests of our large membership, many of whom are cyclists and public transport users as well as private motorists.

Across New Zealand, drivers regularly come into contact with the AA through our breakdown officers, 36 AA Centres and other AA businesses. Meanwhile, 18 volunteer AA District Councils around New Zealand meet each month to discuss local transport issues. Based in Wellington and Auckland, our professional policy and research team regularly surveys our Members on transport issues, and Members frequently contact us unsolicited to share their views. Via the AA Research Foundation, we commission original research into current issues in transport and mobility. Collectively, these networks, combined with our professional resource, help to guide our advocacy work, and enable the NZAA to develop a comprehensive view on mobility issues.

Motorists contribute over \$5 billion in taxes each year through fuel excise, road user charges, registration fees, ACC levies, and GST. This money is reinvested by the Government in our transport system, funding road building and maintenance, public transport services, road safety work including advertising, and Police enforcement activity. On behalf of AA Members, we advocate for sound and transparent use of this money in ways that improve transport networks, enhance safety, and keep costs fair and reasonable.

Our advocacy takes the form of meetings with local and central government politicians and officials, publication of research and policy papers, contributing to media on topical issues, and submissions to select committees and local government hearings.

Total Membership

2.1+ million New Zealanders belong to the AA

Over 1.1 million are Personal Members

Over 1 million are Business Vehicle Memberships

% of licenced drivers

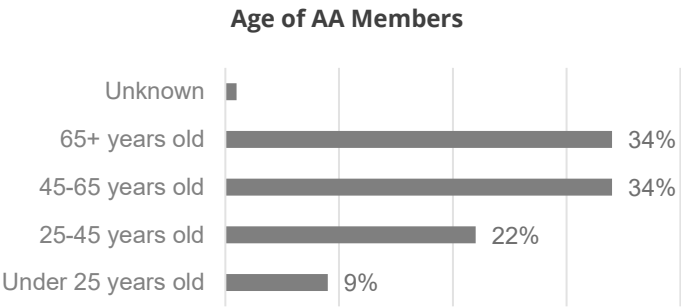
At least 29% of licensed drivers are Personal AA Members
(based on Class 1 licences for cars and light vehicles)

Gender split

54% Female

46% Male

Age range & Membership retention



53% of AA Members have been with us for over 10 years.

