

OC230882

7 November 2023

Tēnā koe

I refer to your email sent on 9 October 2023, requesting the following under the Official Information Act 1982 (the Act):

*All briefings or reports that Te Manatū Waka – Ministry of Transport produced in the years of 2021-22 that relate to a review of the Graduated Driver Licensing System (GDLS).*

Seven documents fall within the scope of your request and are detailed in the document schedule attached as Annex 1. The schedule outlines how the documents you requested have been treated under the Act.

Certain information is withheld under the following sections of the Act:  
9(2)(a) to protect the privacy of natural persons

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

I am refusing the release of documents 1, 2a, and 2b under the following section/s of the Act:

18(d) the information requested is or will soon be publicly available

You can find these documents at the following link:

<https://www.transport.govt.nz/assets/Uploads/AdviceOnProgressionThroughTheGraduatedDriverLicensingSystem.pdf>

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz)

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā

A handwritten signature in black ink, appearing to be 'JH' followed by a stylized flourish.

Joanna Heard  
**Acting Manager, Safety**

## Annex 1 - Document Schedule

Doc#	Document	Decision on release
1	Time limited licences current state and options	Refused under section 18(d)
2a	Time-Limited Licences Expiring from 1 December 2021	Refused under section 18(d)
2b	Appendix 1: Waka Kotahi Options Analysis	Refused under section 18(d)
3	Engagement update and key messages for interagency work to improve access to driver licences	Withheld phone numbers under section 9(2)(a)
4	Update on the Graduated Driver Licensing System Regulatory Review	Withheld phone numbers under section 9(2)(a)
5	Graduated Driver Licensing System Regulatory Review- Results from Further Crash Data Analysis	Withheld phone numbers under section 9(2)(a)
6	Graduated Driver Licensing System Regulatory Review	Withheld phone numbers under section 9(2)(a)

**To** Hayley Evans, Senior Manager Systems Integrity

**From** Alex McMinn, Manager Driver and Operator  
Emma Bray, Advisor, Regulatory Policy

**Date** 13 May 2021

**Subject** Time limited licences - current state and options

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## **PURPOSE**

The purpose of this memo is to provide you with the issues, options analysis, and my recommended option for addressing the impending time-limited licence extension expiry. In addition, the purpose of this memo is to obtain your approval on how to proceed with this issue.

## **BACKGROUND**

### 2014 Amendment Rule

The 2014 Amendment Rule introduced the policy of the 'time-limited licence' for learner and restricted Class 1 and Class 6 licences, to encourage learner and restricted driver licence holders to progress through the GDLS during the 5-year timeframe.

The then Minister of Transport also required that:

- a time-limited licence could not be renewed prior to the expiry date
- a time-limited licence holder must re-sit and pass the relevant theory test as a mandatory renewal requirement.

The policy rationale for time-limited licences was to alleviate a perceived road safety issue called 'pooling' (staying on a learner or restricted licence for extended periods of time). As novice drivers and motorcyclists acquire the skills and driving experience needed to drive safely on the road, they are expected to graduate from a learner licence to a restricted licence, then to a full licence, within a reasonable timeframe.

At the time, creating a time limit was seen as striking a balance between providing sufficient incentive for individuals capable of progressing to do so, but avoiding prematurely forcing those who do not feel skilled enough to progress. The inclusion of the theory test as a mandatory requirement for renewal was to reassure Waka Kotahi that the time-limited licence holder was still current in their driving knowledge, and to incentivise graduating to the next licence stage. It was also included to penalise those who did not progress.

### Problem identified with time-limited licences in 2019

The progression of the initial cohort (1 December 2014 – 1 December 2019) of time-limited licence holders through the GDLS was encouraged via the normal messaging through driver licence communications and education. However, little monitoring was undertaken to assess the effectiveness of the change. Once the extent of the non-progression was known, steps were taken to intensify awareness and encourage progression.



Once aware of the problem, work was undertaken by Waka Kotahi to urge progression, including 10,000 letters sent six months prior to expiry and then further reminders eight weeks prior. This was unsuccessful in prompting these time-limited licence holders to progress. By 30 July 2019, only 238 time-limited licence holders had booked practical tests to progress to the next stage of their licence.

Due to the wording of the 2014 Amendment Rule, time-limited licence holders were unable to renew their licence and resit a theory test, until the day of, or after their driver licence had expired. At the time, there was limited capacity in the driver testing system to cope with a potential influx in test bookings from time-limited licence holders.

Known accessibility barriers were also an issue, for example – the cost of theory and practical tests, the cost of renewing, adequate supervision/training, and access to a road legal vehicle in which to be trained in, or to take to a practical test. In addition, research has confirmed that there are wide ranging reasons licence holders don't progress through the GDLS, such as:

- only needing a learner licence to ride a moped
- only wanting a driver licence identification purpose
- in the case of a restricted licence, only needing to transport child en or a spouse.<sup>1</sup>

These barrier issues and reasons for non-progression were further confirmed in mid-2019 when the Waka Kotahi Contact Centre carried out a series of outbound calls (less than 100) to impacted time-limited licence holders, asking why they did not progress.

It was not until early to mid-2019 that the size of this issue was realised, and a plan put in place to address the impending expiry dates. Data showed that from 1 December 2019 to 1 December 2021, 144,000 time-limited licences were due to expire.

Planning then commenced between Waka Kotahi and the Ministry of Transport to address the operational and legislative issues (e.g. capacity, lack of progression, limited window for testing).

#### 2019 Amendment Rule

Due to the wording of the 2014 Amendment Rule and the limited operational levers available, a further change to the Rule was immediately required. The then-Associate Minister of Transport and Cabinet chose a two-year extension to remedy the issues. The *Land Transport Rule: Driver Licensing Amendment (No 2) 2019 (2019 Amendment Rule)* came into effect on 1 Nov 2019, with the following changes:<sup>2</sup>

- time-limited licences expiring between 1 December 2019 and 1 December 2021, received an automatic two-year extension from the original expiry date;
- time-limited licence holders who want to remain at their current licence stage were given the ability to renew their licence up to 90 days prior to the expiry date; and
- new photo driver licences were not issued as this was a blanket extension

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To communicate these changes, [REDACTED] was allocated for a six-month social media campaign, and new letters/emails were sent to all applicable time-limited licence holders. Further, time-limited licence renewal reminders were updated, and a new series of reminders introduced when the time-limited licence holder was eligible for their next stage of licence.

<sup>1</sup> John Langley et al (2012) *Non-progression through graduated driver licensing: Characteristics, traffic offending, and reasons for nonprogression*, 13-1, 7-13.

<sup>2</sup> New photo driver licences were not issued as this was a blanket extension.

The reach of the social media campaign was particularly successful, with 4.2 million impressions (number of times posts were displayed) and 120,000 plus link clicks.

## CURRENT STATE

The purpose of the 2019 Amendment Rule extension was to prevent a bottleneck situation occurring, and it has not had the desired effect. Approximately 110,487 (as at 26 February 2021) time-limited licences with an automatic 2-year extension from 2019, will begin to expire from 1 December 2021. Projections show between 3,000 – 5,000 licence holders a month until late 2023 will have their time-limited licence expire.

Alongside of this group, there are also a large group of licence holders (321,087) still on a 10-year graduated class who have not progressed to a higher class and whose licences become time limited licences on renewal. Driver licensing agents (the agent network) can only process on average 11,000 – 15,000 standard driver licence applications per month (e.g. 10-year full licence renewals, new class of licence, licence reinstatements, licence replacements, etc).

In short, the time-limited driver licence bottleneck has simply moved into the future, where it will soon begin to affect the broader driver licensing system. Further issues have compounded this bottleneck, and these are detailed below

### Capacity Issues

When combining time-limited licences with standard driver licence applications, the agent network will not be able to cope with the increased demand, causing a knock on effect for other licence holders and creating delays in an already congested system. Significant agent network and testing capacity issues will likely further hinder these time-limited licence holders, particularly if they are intending to progress to the next stage of the GDLS. Currently there are substantial wait times for all stages of the GDLS across New Zealand, but Auckland is particularly affected.

### MSD Financial Assistance

In 2019, MSD began to provide targeted financial assistance within the South Auckland Region. This has supported driver licensing uptake in Māori and Pasifika communities, and is expected to continue until at least 2022. While MSDs investment has enabled more people to enter the driver licensing system and Waka Kotahi supports this, it has unintentionally increased test wait time demand in Auckland. While this increased demand is being addressed operationally, time-limited licences will continue to compound wait times.

### Impact of COVID-19

Furthermore, the impact of COVID-19 lockdowns during 2020 and into 2021 (and potentially beyond) has been significant and will continue to negatively affect the driver licensing system for some time. The economic effects of COVID-19 will have disproportionately impacted communities who already experience accessibility issues within the driver licensing system. The expiry of time-limited licenses will also begin in the upcoming 2021/22 summer period, a traditionally busy demand period for driver licensing services. This will further increase waiting times.

### Overseas Driver Licence Extension

The *Land Transport (Driver Licensing) (Covid-19 Temporary Extension of Deemed Licences) Amendment Rule 2020* came into force in December 2020. Its intention is to enable overseas driver licence holders to continue to drive on their overseas licence for up to 24 months in New Zealand.

This was to provide relief to overseas licence holders who have been unable to leave New Zealand due to COVID-19 border restrictions, and to help manage the number and flow of licence conversions in the driver licensing system. Extended overseas driver licences will begin to expire from December 2021,



with the extension itself expiring at the end of March 2022. This will also place further stress on the driver licensing system during the same time period as the time-limited licence extension expiry, as many of these drivers will be required to convert to a New Zealand licence to continue driving in New Zealand.

## OPTIONS

Seven options have been developed for analysis to remedy the risks and issues created by time-limited licences:

- A. Keep the current time-limited licence policy in place and amend the Rule to allow the licence holder to sit a theory test as part of the renewal application at any time prior to the expiry date, rather than only within 90 days of the expiry date
- B. Keep the current time-limited licence policy in place and amend the Rule to allow the licence holder to renew the licence at any time prior to the expiry date and remove the mandatory theory test requirement
- C. Keep the current time-limited licence policy in place and let time-limited licences expire. Waka Kotahi will continue to communicate and educate on the requirements of holding a time-limited licence
- D. Amend the Rule to revoke the time-limited licence policy and revert all time-limited licences back to a standard 10-year licence validity (**recommended**)
- E. Amend the Rule to extend the expiry date for time-limited licence holders by 12-24 months to allow these drivers extra time to renew or progress
- F. With any of the options suggested, amend the Rule to make the display of an R plate on any vehicle operated by a restricted licence holder mandatory
- G. Amend the Rule to create an extension only for those time-limited licence holders within the window of December 2021 – December 2023

## Assessment Criteria

Each option above has been assessed against the following criteria:

- Safety: the impact on road safety outcomes
- Accessibility: the impact the option will have on access to a local driver licensing or testing site, access to a supervisor and a road legal vehicle for vulnerable drivers
- Social Impact: the broader social impact the option will have on vulnerable drivers, such as equity, affordability, etc
- Capacity: the impact the option will have on the Driver Licensing and Driver Testing systems capacity
- Implementation: the impact the option will have on implementation
- Revenue: the impact the option will have on Waka Kotahi revenue

Whether the option has met any of the criteria is noted in the Options Analysis table. Please see **Appendix 1** for this.

## RECOMMENDATION

It is recommended Waka Kotahi supports and advocates for **option D**, which would revoke the time-limited licence policy and revert all licences back to a standard 10-year licence validity. This is based on the options analysis table in **Appendix 1**.

This is the preferred option because data reflects the initial policy has not had the desired outcome of reducing pooling and progression through the GDLS. It is also placing additional pressure on an already

strained driver licensing system. This option aligns with the Road to Zero strategy, the GDLS review, and the MSD cross-government working group on improving access and equity to the licensing system. This option will not adversely affect vulnerable drivers, instead it will positively impact the time-limited licence cohort and all other licence holders.

This is because it removes the time pressure, cost, stress, and access issues of meeting the time-limited licence requirements and it frees-up system capacity for other driver licence holders, while also being relatively simple to implement for Waka Kotahi. This option will not have a negative impact on road safety as the initial policy did not achieve the intended outcome, nor did it improve road safety outcomes. While no options have yet been fully costed due to time constraints in getting this issue to the Ministry of Transport and then before the Minister and preferring to instead get a steer on what option/s is acceptable, it's expected that this option is one of the more cost effective for Waka Kotahi to implement.

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Alex McMinn  
Manager Driver & Operator



Emma Bray  
Advisor, Regulatory Policy

## RECOMMENDATIONS

Based on the options table in Appendix 1, it is recommended that you:

<b>agree</b> Option D – to amend the Rule to revoke the time-limited licence policy and revert all time-limited licences back to a standard 10-year licence validity, is the preferred Waka Kotahi solution to the current issue of time-limited licence holders	Yes	No
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<b>agree</b> to send this briefing with the covering email drafted for you at Appendix 2 to the Ministry of Transport at your earliest convenience	Yes	No
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Signed



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Hayley Evans  
Senior Manager Systems Integrity  
17/05/2021



**APPENDIX 1 - OPTIONS ANALYSIS TABLE**

Assessment against Criteria	
Option A: Allow renewal to occur at any time with a theory test – renewed validity period of 5 years from grant date (regardless of any time which may remain in the current period)	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>the theory test ensures that these licence holders remain knowledgeable of the road rules</li> <li>Reduce reputational risk for Waka Kotahi</li> <li>Does not pose privacy integrity risk, as the customer will be in contact with Waka Kotahi to update address information</li> </ul>	<ul style="list-style-type: none"> <li>Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>Will place stress on agent and testing capacity – especially since the COVID-19 Overseas Driver Licence Extension will expire on 31 March 2022</li> <li>Accessibility and equity barriers: cost, and adequate training will impact willing compliance</li> <li>Risk that drivers who have become accustomed to driving on their licence and do not want to re-sit a theory test, will not renew and will drive unlicensed</li> <li>For drivers to renew their licence and not progress, challenges the integrity of the GDLS. The system is not intended to have drivers remain at the learner or restricted driver licence stages</li> <li>Has not been costed by Waka Kotahi due to time constraints</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li><u>Safety</u>: Will have a neutral safety impact</li> <li><u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li><u>Social Impact</u>: Will have a minimal positive impact as it will mean licence holders aren't required to renew within a set period, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau.</li> <li><u>Capacity</u>: It may smooth out some capacity demand as renewal can be completed at any time prior to expiry, but if people choose not to renew before their licence expires, then stress will still be placed on agent and testing capacity</li> <li><u>Implementation</u>: Low level complexity. From a technical systems perspective, this will require some changes to the Driver Licence Register and from a communications perspective will require a series of direct messaging and broader communications. A full analysis of implementation requirements has yet to be completed.</li> <li><u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	

Assessment against Criteria	
Option B: Allow renewal to occur at any time without a theory test – renewed validity period of 5 years from grant date (regardless of any time which may remain in the current period)	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Acts as an incentive to move drivers through the GDLS system as the licence has to be renewed more frequently than a full class, but does not impact on resources for either theory or practical testing</li> <li>Will reduce the risk of non-compliance if drivers do not have to re-sit a theory test</li> <li>Does not pose privacy integrity risk, as the customer will be in contact with Waka Kotahi to update address information</li> <li>Doesn't impose a significant cost on the licence holder as only the renewal fee must be paid (\$20.10)</li> </ul>	<ul style="list-style-type: none"> <li>Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>ACC research indicates many of the drivers who do not progress through the system lack clear coaching instruction and find it hard to know when they have the skills to successfully sit the test</li> <li>Will place stress on agent capacity – especially since the COVID-19 Overseas Driver Licence Holders Extension will expire on 31 March 2022</li> <li>Potential damage to the reputation of Waka Kotahi as we would be re-acting the policy that was put in place, and would not be ensuring these licence holders remain knowledgeable of the road rules</li> <li>Accessibility and equity barrier : will impact willing compliance</li> <li>For drivers to renew their licence and not progress, challenges the integrity of the GDLS. The system is not intended to have drivers remain at the learner or restricted driver licence stage</li> <li>Has not been costed by Waka Kotahi due to time constraints</li> </ul>
Criteria met	
<ul style="list-style-type: none"> <li><u>Safety</u>: Will have a neutral safety impact.</li> <li><u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li><u>Social Impact</u>: Will have a minimal positive impact as it will mean licence holders aren't required to renew within a set period or sit another theory test, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau</li> <li><u>Capacity</u>: It may smooth out some capacity demand as renewal can be completed at any time prior to expiry and no theory test required, but if people choose not to renew before their licence expires, then stress will still be placed on agent and testing capacity</li> <li><u>Implementation</u>: Low to medium level complexity. From a technical systems perspective, this will require some changes to the Driver Licence Register and from a communications perspective will require a series of direct messaging and broader communications. A full analysis of implementation requirements has yet to be completed</li> <li><u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	



<b>Assessment against Criteria</b> <b>Option C: Maintain Status Quo – allow the Time- limited Licence Extension policy to expire, and instead Waka Kotahi continue to communicate and educate on the implications of a time-limited licence</b>	
<b>Advantages</b> <ul style="list-style-type: none"> <li>• Would align with the original intent of the time-limited Licence policy</li> <li>• No additional costs to Waka Kotahi</li> </ul>	<b>Disadvantages</b> <ul style="list-style-type: none"> <li>• A significant number of licences begin to expire from 1 December 2021</li> <li>• Will place stress on agent and testing capacity – especially since the COVID-19 Overseas Driver Licence Extension will expire on 31 March 2022</li> <li>• Risk that drivers will drive unlicensed</li> <li>• MSD review: would not improve access and equity</li> <li>• Will adversely affect vulnerable drivers</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li>• <u>Safety</u>: Will have a neutral safety impact</li> <li>• <u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li>• <u>Social Impact</u>: Will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau. The time-limited licence policy is also contrary to the current views of driver licensing enabling broader social outcomes</li> <li>• <u>Capacity</u>: Will continue to place significant stress on agent and testing network capacity as an extra 3000-5000 time-limited licences will expiry every month until the end of 2023, with further time-limited licences coming through every month with a future 5-year licence validity (e.g. when a learner or restricted licence issued prior to 1 December 2014 is renewed, it will be issued as a time-limited licence)</li> <li>• <u>Implementation</u>: Low level complexity. Will not require any technical system changes, instead only a communications plan</li> <li>• <u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	

<b>Assessment against Criteria</b> <b>Option D: Remove the entire time-limited licence policy and revert all licences back to a standard 10-year licence validity (recommended).</b>	
<b>Advantages</b> <ul style="list-style-type: none"> <li>• Would remove an ineffective policy which places additional barriers on vulnerable groups</li> <li>• More efficient – frees up space at driver testing sites</li> <li>• Allows people to remain on their licence for the purpose they need it for without undue pressure to progress</li> <li>• Waka Kotahi and MOT will not have to respond to the mass expiry of time-limited licences every few years</li> <li>• Would free up internal Waka Kotahi resources</li> <li>• Would align with Road to Zero, the GDLS review, and MSD's focus around improving access and equity to the licensing system</li> <li>• Will not adversely affect vulnerable drivers</li> <li>• Will not have a negative impact on road safety</li> </ul>	<b>Disadvantages</b> <ul style="list-style-type: none"> <li>• Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>• Evidence shows that people who do not graduate through the GDLS are at a higher risk of fatal crash. Removing this policy could mean more people pool in the learner and restricted stages</li> <li>• Has not been costed by Waka Kotahi due to time constraints</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li>• <u>Safety</u>: The change will have a neutral safety impact</li> <li>• <u>Accessibility</u>: Will have a positive impact as it allows vulnerable drivers on time-limited licences to stay on their licence if they choose to, or progress without the added time pressure of a shorter validity period</li> <li>• <u>Social Impact</u>: Positive impact. This change aligns with the MSD review on improving access and equity to the licensing system, aligns with Road to Zero and supports the preliminary finding of the GDLS regulatory review</li> </ul>	



- Capacity: Will alleviate the incoming bottleneck and spread out the renewal of these licences more evenly
- Implementation: Medium level complexity. From a technical systems perspective, this will require a greater level of changes to the Driver Licence Register, but from a communications perspective is likely to only require a broad communications approach. A full analysis of implementation requirements has yet to be completed
- Revenue: Will reduce expected cashflow in the short-term

## Assessment against Criteria

### Option E: Further 12 - 24 month extension

Advantages:	Disadvantages:
<ul style="list-style-type: none"> <li>• Time-limited licences will start expiring on 1/12/2021. This would allow drivers in this cohort extra time to progress</li> <li>• Allows testing sites extra time to increase resources to manage these extra drivers over coming years</li> <li>• Would give extra time for Waka Kotahi to design and implement a plan to encourage progression through the GDLS</li> </ul>	<ul style="list-style-type: none"> <li>• Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>• Analysis of the data of those who have progressed to another class during the 2019 extension period indicates that the extension was ineffective – out of the 131,232 licences extended there is still a remaining pool of 110,516 sitting on the same class having done nothing in the extended period.</li> <li>• Could exacerbate the testing capacity issues i.e. 3,346 time-limited licences will expire in December 2021, and between around 3000 – 6000 are expected to expire each month until the end of 2023</li> <li>• Mass change to expiry dates in the Driver Licensing Register will impact the integrity of the register and its data. Licence records are already out of sync with photo driver licence (PDL) card details as no replacement cards were automatically issued for previous extensions and further extensions will exacerbate problems as more licences will have expired by the time a decision is made</li> <li>• Drivers may not be aware of the new expiry date as new PDLs are not issued for the extension and despite an extensive communications campaign, confusion is widespread.</li> <li>• There is already existing confusion among extended time-limited licence holders and industry on when their licence actually expires despite the communications campaign from Waka Kotahi.</li> <li>• If a new PDL is not issued, downstream effect of not being able to use for ID purposes</li> <li>• Has not been costed by Waka Kotahi due to time constraints</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li>• <u>Safety</u>: May assist with compliance as licence holder not caught out with an expired licence, but the change itself will have a neutral safety impact</li> <li>• <u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li>• <u>Social Impact</u>: Will have a minimal positive impact as it will mean licence holders aren't required to renew or sit a test when not ready or when the system has limited capacity, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau</li> <li>• <u>Capacity</u>: It may smooth out some capacity demand in the short term but will only push the issue out further to form a larger bottleneck</li> <li>• <u>Implementation</u>: High level complexity. From a technical systems perspective, this will require a significant update to all affected driver licence records on the Driver Licence Register, and an extensive social media,</li> </ul>	

<p>communications and industry/stakeholder engagement approach. It will be difficult to communicate as some licences will be extended and others will not</p> <ul style="list-style-type: none"> <li><u>Revenue:</u> Will have a neutral effect to expected cashflow revenue</li> </ul>
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Assessment against Criteria		
Option F: Amend the Land Transport (Driver Licensing) Rule 1999 for the mandatory display of an R plate on any vehicle operated by a restricted licence holder		
Advantages:	Disadvantages:	
<ul style="list-style-type: none"><li>Research evidence from New Jersey shows a direct positive effect on road safety through a 9% reduction in crash rates in the first year of introducing a comparable measure (only for drivers less than 21 years old) despite preliminary evidence showing variable compliance with the requirement (between 46%-70%)</li><li>Provides an additional incentive for restricted licence holders to progress to a full licence in order to avoid incurring monetary penalties as well as demerit points for non-compliance. There is also likely to be an incentive created by creating a wish to avoid embarrassment associated with the display of such plates.</li><li>May increase awareness of the restricted licence conditions amongst parents and peers, which could lead to improved compliance</li><li>Enhances enforcement efforts relating to licence condition breaches by increasing the visibility of restricted licence holders. The New Jersey study identifies a 14% increase in citation rates or violation of driver licence requirements and attributes (despite evidence that not all drivers were displaying the required decal).</li><li>Alerts other road users to the restricted licence holders' licence status and potential skill limitation</li><li>Small additional cost (about \$10 per pair of signs or can be made by the licence holder)</li><li>No need for amendment to Waka Kotahi information technology</li></ul>	<ul style="list-style-type: none"><li>Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li><li>Does not directly address the specific issue of Time-Limited Licences expiring from 1 December 2021</li><li>High level of non-compliance with L plates brings the effectiveness of mandatory R plates into question</li><li>The transferability of the successful New Jersey experience to New Zealand is unknown as are the longer-term impacts on driver behaviour (the New Jersey study covered only the first 12 months after the law change and enforcement activity was concentrated in the first few months after the law's implementation)</li><li>Requirement could be easily breached as R plates are easy to remove (in 2011 nearly 26,000 offences of removing L plates were detected)</li><li>Penalty costs to drivers for non-display could total \$2.6 million (previous costings) if there is the same incidence of non-display as for L plates</li><li>Would have an associated cost to Waka Kotahi for initial implementation of \$510,000 and annual costs of \$393,000 (costed in 2013 'Proposals to Address Driver Licence Pooling' Regulatory Impact Statement, but these numbers would need to be updated and upfront costs likely absorbed as part of other changes from GDLS regulatory review).</li></ul>	
Criteria met		
<ul style="list-style-type: none"><li><u>Safety:</u> research shows that displaying R plates improves road safety</li><li><u>Accessibility:</u> Unlikely to have a negative impact, when compared to the gains in road safety. Based on the current cost of L plates for learner drivers, R plates could cost \$2 to \$5</li><li><u>Social Impact:</u> Neutral impact</li><li><u>Capacity:</u> Will have no impact</li><li><u>Implementation:</u> Low level complexity. No technical system changes required as this would only require a relatively extensive communications campaign linked to other changes as part of implementing the GDLS regulatory review</li><li><u>Revenue:</u> No impact</li></ul>		

Assessment against Criteria	
Option G: An extension only for those within the window of December 2021 – December 2023	
Advantages:	Disadvantages:
<ul style="list-style-type: none"> <li>Time-limited licences will start expiring on 1 December 2021. This would allow drivers in this cohort extra time to progress</li> <li>Allows testing sites extra time to increase resources to manage these extra drivers over coming years</li> <li>Would give extra time for Waka Kotahi to design and implement a plan to encourage progression through the GDLS</li> </ul>	<ul style="list-style-type: none"> <li>Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>Analysis of the data of those who have progressed to another class during the previous extension period indicates that the extension was ineffective – out of the 131,232 licences extended there is still a remaining pool of 110,516 sitting on the same class having done nothing in the extended period. It does not seem that COVID-19 was a large factor in this based on progression data from 2014 to 2019.</li> <li>Could push the testing capacity issues i.e. 3,346 time limited licences will expire in December 2021, and between around 3000 – 6000 are expected to expire each month until the end of 2023</li> <li>Mass change to expiry dates in Driver Licensing Register will impact the integrity of the register and its data – Licence records are already out of sync with PDL details as no replacement cards were automatically issued and further extension exacerbates problems</li> <li>Drivers may not be aware of the new expiry date due to known confusion from the 2019 extension and because contact details in the Driver Licence Register are often out of date.</li> <li>Despite posted letters, media statements, social media advertising and memo to industry, there is already existing confusion among extended time-limited licence holders and industry on when their licence actually expires</li> <li>If a new PDL is not issued for all drivers, there will be further confusion for licence holders, insurance companies, financial institutions and roadside Police enforcement activities</li> <li>If a new PDL is not issued, downstream effect of not being able to use for ID purposes</li> <li>Has not been costed by Waka Kotahi due to time constraints</li> </ul>
Criteria met	
<ul style="list-style-type: none"> <li><u>Safety</u>: May assist with compliance as licence holder not caught out with an expired licence, but the change itself will have a neutral safety impact</li> <li><u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li><u>Social Impact</u>: Will have a minimal positive impact as it will mean licence holders aren't required to renew or sit a test when not ready or when the system has limited capacity, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau</li> <li><u>Capacity</u>: It may smooth out some capacity demand in the short term but will only push the issue out further to form a larger bottleneck</li> <li><u>Implementation</u>: High level complexity. From a technical systems perspective, this will require a significant update to all affected driver licence records on the Driver Licence Register, and an extensive social media, communications and industry/stakeholder engagement approach. It will be difficult to communicate as some licences will be extended and others will not</li> <li><u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	



**APPENDIX 2 – DRAFT COVERING EMAIL TO MOT**

Kia ora Helen

As you know, Waka Kotahi has undertaken work on options to identify and alleviate risks to the driver licensing system posed by the upcoming expiry of a number of time-limited driver licences.

The attached briefing provides further background and options analysis for remedies to time-limited licence-related matters, as well as the rationale behind our preferred option.

Given the relatively short timeframe available to both our organisations, it would be great if our respective representatives could meet at your earliest available opportunity to discuss the best way forward.

Ngā mihi

Hayley Evans

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT



23 June 2021

OC210468

Hon Michael Wood  
Minister of Transport

Action required by:

Friday, 2 July 2021

## TIME-LIMITED LICENCES EXPIRING FROM 1 DECEMBER 2021

### Purpose

Seek your approval to amend the Land Transport (Driver Licensing) Rule 1999 to revoke the time-limited licence policy for learner and restricted Class 1 (car) and Class 6 (motorcycle) licences.

### Key points

- In 2014, the Land Transport (Driver Licensing) Rule 1999 (the Driver Licensing Rule) was amended to introduce 'time-limited licences' for learner and restricted Class 1 (car) and Class 6 (motorcycle) licences (the 2014 Amendment Rule). This policy intended to encourage learner and restricted licence holders to progress to a restricted or full licence during a 5-year timeframe.
- Implementing the time-limited licence policy has not had the intended effect of progressing people through the driver licensing system and we do not have any data showing that there have been improved safety outcomes.
- There have also been challenges for those on a time-limited licence to progress given capacity issues in the driver testing system. In 2019 it was identified that 144,000 time-limited licences had not progressed as intended by the 2014 Amendment Rule and were due to expire. The system did not have the capacity to progress all those drivers through the system so all licences were extended by 2 years via an Amendment Rule.
- Current data (as at 26 February 2021) shows that approximately 110,487 time-limited licences, which have already been granted a 2-year extension (through the 2019 Amendment Rule), will begin to expire from 1 December 2021.
- Waka Kotahi's practical driver testing provider VTNZ has increased the number of testing officers since March 2020 by 26% above the normal level and introduced further Saturday testing to help address the increased demand in testing caused by COVID-19 lockdowns. Despite this increase in capacity, the driver licensing system does not have enough capacity to renew or test all of these time-limited licence-holders before their licences expire.

- We propose to revert the Class 1 and 6 learner and restricted licences to a standard 10-year validity (the same as the Class 1 and 6 full licence) when a licence-holder renews their time-limited licence.
- The 2014 Amendment Rule also introduced changes limiting when a time-limited licence can be renewed (on the day of or after expiry), and requiring a licence holder to re-sit and pass a theory test when renewing their licence. The 2019 Amendment Rule increased the time for renewal, allowing a time-limited licence holder to renew their licence up to 90 days prior to the expiry date. We propose revoking these amendments as they place unnecessary barriers and costs in the driver licensing system.
- As the licences will begin to expire in December 2021, we recommend you proceed with an urgent Amendment Rule, which would require:
  - Agreement from Cabinet to the proposed policy change and to waive the 28-day rule
  - a targeted stakeholder engagement process (using contacts identified as part of the GDLS review and Waka Kotahi contacts) instead of a formal public consultation process.

## Recommendations

We recommend you:

1 **agree** to:

Yes / No

- revert the Class 1 and 6 learner and restricted licences to a period of validity of 10 years when renewed
- remove the 90-day time restriction on renewal, allowing these licence holders to renew their licence any time before expiry
- remove the requirement for the licence holder to re-sit and pass the relevant theory test to renew their licence.

Helen White  
**Manager, Mobility and Safety**

..... / ..... / .....

Hon Michael Wood  
**Minister of Transport**

..... / ..... / .....

**Minister's office to complete:**

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events



## Comments

## Contacts

Withheld under section 9(2)(a) of the Official Information Act 1982

Name	Telephone	First contact
Helen White, Manager, Mobility and Safety	[REDACTED]	✓
Vidhiya Damodaran, Senior Advisor, Mobility and Safety	[REDACTED]	

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OFFICIAL INFORMATION ACT

## TIME-LIMITED LICENCES EXPIRING FROM 1 DECEMBER 2021

### The Land Transport (Driver Licensing) Rule 1999 was amended in 2014

- 1 The Land Transport (Driver Licensing) Amendment Rule 2014 (the 2014 Amendment Rule) introduced the policy of the 'time-limited licence' for learner and restricted licences for Class 1 (car licence) and Class 6 (motorcycle licence). The intention of introducing the time-limit was to encourage learner and restricted driver licence holders to progress through the Graduated Driver Licensing System (GDLS) within the 5-year timeframe.
- 2 The 2014 Amendment Rule also introduced restrictions on renewal, including that a time-limited licence could not be renewed:
  - 2.1 prior to the expiry date
  - 2.2 unless the holder re-sat and passed the relevant theory test

#### *Policy rationale for the 2014 Amendment Rule*

- 3 Time-limited licences aimed to alleviate a perceived issue known as 'pooling' (staying on a learner or restricted licence for extended periods of time). As novice drivers and motorcyclists acquire the skills and driving experience needed to drive safely on the road, they are expected to graduate from a learner licence to a restricted licence, then to a full licence, within a reasonable timeframe.
- 4 At the time, creating a time limit was seen as striking a balance between providing sufficient incentive for individuals capable of progressing to do so, but avoiding prematurely forcing those who do not feel skilled enough to progress. The inclusion of the theory test as a mandatory requirement for renewal was to reassure Waka Kotahi that the time-limited licence holder was still current in their driving knowledge, and to incentivise graduating to the next licence stage. It was also included to penalise those who did not progress.
- 5 In proposing the policy, it was also noted that 'pooling' increased the likelihood of drivers not complying with their licence conditions, but there was no evidence that those who remain on learner and restricted driver licences had any higher risk of crashes. The advice also noted that 'pooling' at the learner and restricted licence stage, while not consistent with the policy framework of GDLS, could have some road safety benefits. If people on their learner and restricted licence comply fully with the conditions of the licence, their exposure to risk would be limited.

### The Rule was amended again in 2019

- 6 In early 2019 it was identified that 144,000 time-limited licences were due to expire between 1 December 2019 to 1 December 2021. When Waka Kotahi identified this issue, steps were taken to intensify awareness and encourage progression through the system. Monitoring the progression of time-limited licence holders confirmed that these efforts to improve implementation were unsuccessful in prompting the time-limited licence holders to progress.

- 7 These licences were extended by 2 years through the Land Transport Rule: Driver Licensing Amendment (No 2) 2019 (2019 Amendment Rule), recognising that the driver licensing system did not have the capacity to progress all drivers through the system before licences would expire.
- 8 The 2019 Amendment Rule came into effect on 1 November 2019, with the following changes:
  - 8.1 time-limited licences expiring between 1 December 2019 and 1 December 2021, received an automatic two-year extension from the original expiry date
  - 8.2 time-limited licence holders who wanted to remain at their current licence stage were given the ability to renew their licence up to 90 days prior to the expiry date
  - 8.3 new photo driver licences were not issued for the automatic two-year extension as this was a blanket extension.
- 9 Issuing new photo driver licences, would have been cost prohibitive, and a privacy concern as addresses recorded on the Driver Licence Register are not required to be kept current. NZ Police were still able to confirm the driver licences correct expiry date through their systems.
- 10 To communicate these changes and encourage progression through the system, Waka Kotahi:
  - 10.1 launched a six-month social media campaign
  - 10.2 sent new letters/emails to all applicable time-limited licence holders
  - 10.3 updated time limited licence renewal reminders
  - 10.4 introduced a new series of letter and email reminders and varying intervals for when the time-limited licence holder was eligible for their next stage of licence.

#### **Implementing the 'time-limited licence' policy has not encouraged progression through the GDLS**

- 11 Current data (as at 26 February 2021) shows that approximately 110,487 time-limited licences which were automatically extended by 2 years (by the 2019 Rule Amendment), will begin to expire from 1 December 2021.
- 12 Projections show between now and late 2023, approximately 3,000–5,000 licence holders a month will have their time-limited licence expire, meaning they become ineligible to drive and will need to renew their licence for a fee, pass a theory test and be issued with another 5-year time-limited licence. Despite increasing testing officers, the driver licensing system does not have the capacity to test all of these licence-holders, or renew their licences, before they expire.
- 13 Alongside this group, there are also a large group of learner and restricted licence holders (321,087) still on a 10-year licence who have not yet progressed to a higher class. When these licences are renewed, they will become time-limited licences.



- 14 Waka Kotahi has attempted to encourage progression through the driver licensing system by:
- 14.1 Social media advertising campaigns
  - 14.2 Renewal reminders
  - 14.3 Increasing the number of testing officers available
  - 14.4 Working with stakeholders and community groups, such as NZIDE, AA, VTNZ, the Driving Change Network.
- 15 Despite the efforts of Waka Kotahi, implementing the time-limited licence policy has not supported the progression of drivers through the GDLS as intended. The capacity issues currently in the driver testing system affecting most regions across the country, particularly in Auckland, may have also limited those who want to progress.

**Research shows there are a number of reasons why licence holders do not progress**

- 16 There are barriers to the accessibility of a driver licence that prevent some people from progressing through the system. These barriers include the cost of tests (both theory and practical) and renewing a licence, and having access to adequate supervision/training or a road legal vehicle in which to be trained in, or to take to a practical test.
- 17 Research has also confirmed that there are a wide ranging reasons licence holders don't progress through the GDLS, such as:
- 17.1 only needing a learner licence to ride a moped
  - 17.2 only wanting a driver licence for identification purposes
  - 17.3 in the case of a restricted licence, only needing to transport children or a spouse.<sup>1</sup>
- 18 These barriers and reasons for non-progression were further confirmed in mid-2019 when the Waka Kotahi Contact Centre carried out a series of outbound calls (less than 100, as a pulse check) to impacted time-limited licence holders, asking why they did not progress.

**The time-limited licence policy impact on safety outcomes is unknown**

- 19 The policy rationale for the 2014 Amendment Rule noted that licence 'pooling' was not an existing safety concern. It was pursued primarily to encourage progression through the driver licensing system over 5 years.
- 20 There is no clear safety rationale or data available to demonstrate the safety impact of the time limited licence policy:

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<sup>1</sup> John Langley et al (2012) *Non-progression through graduated driver licensing: Characteristics, traffic offending, and reasons for nonprogression*, 13-1, 7-13

20.1 A 2019 evaluation of the GDLS (Schiff Consulting, July 2019) states “*For drivers in the dataset who progressed to a full licence by the end of 2017, we found no evidence that the amount of time taken to progress (i.e. speed of progression) had an impact on crash rates*”.

20.2 Waka Kotahi has advised us that they do not have the data to confirm whether the time limited licence policy has had any impact on road safety outcomes. Instead, Waka Kotahi noted that the policy introduced further barriers that limit willing progression to a full licence by adding to the current bottleneck in the licensing system.

### **We propose revoking the 2014 amendments to the Land Transport (Driver Licensing) Rule**

21 The Ministry and Waka Kotahi propose to:

21.1 revert the Class 1 and 6 learner and restricted licences to a period of validity of 10 years (the same as the Class 1 and 6 full driver licences) when a licence-holder successfully renews their time-limited licence.

21.2 remove the 90-day time restriction on renewal, allowing these licence holders to renew their licence any time before expiry (aligning to other driver licences)

21.3 remove the requirement for the licence holder to re-sit and pass the relevant theory test.

22 These changes would effectively remove all of the 2014 and 2019 amendments to the Land Transport (Driver Licensing) Rule.

### **Revoking the ‘time-limited licence’ policy provides the most benefits**

23 Waka Kotahi has advised that this change would remove a policy which places additional barriers on vulnerable groups.

24 An analysis of this proposal against our assessment criteria is in the table below.

Criteria	Assessment	Impact
<b>Safety</b> <i>The impact on road safety outcomes</i>	No evidence to signal a positive or negative impact on road safety.	Neutral
<b>Accessibility</b> <i>The impact the option will have on access to a local driver licensing or testing site, access to a supervisor and a road legal vehicle for vulnerable drivers</i>	Allows vulnerable drivers on time-limited licences to stay on their licence if they choose to, or progress without the added time pressure of a shorter validity period or stress and cost of a theory test. Allows people to remain on their licence for the purpose they need it for without undue pressure to progress.	Positive

<p>Social Impact</p> <p><i>The broader social impact the option will have on vulnerable drivers, such as equity, affordability, etc</i></p>	<p>This change aligns with the MSD review on improving access and equity to the licensing system.</p>	<p>Positive</p>
<p>Capacity</p> <p><i>The impact the option will have on the Driver Licensing and Driver Testing systems capacity</i></p>	<p>Will alleviate the incoming bottleneck and spread out the renewal of these licences more evenly.</p>	<p>Positive</p>
<p>Implementation</p> <p><i>How easy the option is to implement</i></p>	<p>Medium level complexity. This change would free up some internal Waka Kotahi resources in the long term. From a technical systems perspective, this will require a greater level of changes to the Driver Licence Register but from a communications perspective is likely to only require a broad communications approach. A full analysis of implementation requirements has yet to be completed.</p>	<p>Neutral – more work required to determine full impact</p>
<p>Revenue</p> <p><i>The impact the option will have on Waka Kotahi revenue</i></p>	<p>In accordance with Treasury requirements, Waka Kotahi administers the driver licensing system on the principle of cost-recovery (commonly known as 'user-pays'). Therefore, driver licensing fees are intended to be set in such a way that those who use (and benefit directly from) the service are charged appropriately. Under a user-pays system, the level of revenue to operate the system is based on the volume of people using and paying for the services they use. Removing the time-limited licence for the 10-year standard licences will therefore reduce expected cashflow in the short-term for Waka Kotahi.</p>	<p>Negative initially, due to a reduction in forecasted cashflow, but as the system is operated on cost recovery, it will be corrected in the short to medium term as a neutral impact.</p>

### Waka Kotahi considered a number of other options to address this issue

25 Waka Kotahi considered a range of options, these were:

- 25.1 Keep the current time-limited licence policy in place and amend the Rule to allow the licence holder to sit a theory test as part of the renewal application at any time prior to the expiry date, rather than only within 90 days of the expiry date
- 25.2 Keep the current time-limited licence policy in place and amend the Rule to allow the licence holder to renew the licence at any time prior to the expiry date and remove the mandatory theory test requirement
- 25.3 Keep the current time-limited licence policy in place and let time-limited licences expire. Waka Kotahi will continue to communicate and educate on the requirements of holding a time-limited licence



- 25.4 Amend the Rule to revoke the time-limited licence policy and revert all time-limited licences back to a standard 10-year licence validity (**recommended**)
- 25.5 Amend the Rule to extend the expiry date for time-limited licence holders by 12-24 months to allow these drivers extra time to renew or progress
- 25.6 Amend the Rule to create an extension only for those time-limited licence holders within the window of December 2021–December 2023
- 26 Waka Kotahi's Analysis of the options considered against the assessment criteria is included in Appendix 1.

### **Revoking the time-limited licence policy should confer only benefits to the public**

- 27 This option will not adversely affect vulnerable drivers, instead it will positively impact the time-limited licence cohort and other licence holders. This is because it removes the time pressure, cost, stress, and access issues of meeting the time-limited licence requirements and it frees-up system capacity for other driver licence holders.
- 28 There is the risk that this change would result in some licence holders continuing to not progress through the GDLS, however, this should not have a negative impact on road safety as the initial policy was not intended to improve road safety outcomes.
- 29 There are separate pieces of work underway to review the GDLS and to increase access to driver training and licensing. The GDLS review is considering the extent to which the GDLS is achieving road safety, access and equity outcomes. Changes from this review are likely to support progression through the GDLS. Advice on the regulatory review of the GDLS is expected to be provided to you in August 2021.

### **We intend to consult on this proposal**

- 30 Subject to your agreement, we intend to perform targeted stakeholder engagement using contacts identified as part of the GDLS review and Waka Kotahi's stakeholder lists, as this would be a wide-ranging policy change that affects a significant number of New Zealanders. However, because we consider that it confers only benefits to the public and because of the timeframes required to make the proposed amendments, we do not propose to hold wider public consultation.

### **Implementation and impacts for Waka Kotahi**

- 31 This proposal has not yet been fully costed by Waka Kotahi and more work is required to determine the next steps for implementation. Indicative costs of IT system changes and external communications are \$650,000. Waka Kotahi is currently securing funding for this and developing an implementation plan.
- 32 In the long-term, Waka Kotahi expect this proposal to be one of the more cost-effective options to implement, of the options they considered.

## Proposed timeline

- 33 We propose to work to the following timeline, which was produced in consultation with your office and Parliamentary Counsel Office:

Briefing signed by you	2 July 2021
Draft Cabinet paper provided to other agencies for consultation (1 week)	9 July 2021
Ministry of Transport provides draft Cabinet paper and any associated documents to your office for consideration (excluding feedback from departmental consultation)	14 July 2021
Caucus consultation and feedback	20 July 2021
Updated draft of the Cabinet paper provided to you (incorporating departmental feedback)	23 July 2021
Ministerial consultation	23 July - 3 August 2021
Cabinet paper for DEV lodged	5 August 2021
Drafting instructions issued to PCO	16 August 2021
Consultation package prepared	16 August 2021
Targeted consultation (4 weeks + allowing two weeks for any extensions requested)	13 September – 8 October 2021 (or 22 October if required)
Summary of submissions and final briefing provided to you	29 October 2021
Any further drafting instructions provided to PCO	5 November 2021
Proposed Amendment Rule provided to you for signing	19 November 2021

- 34 We anticipate requesting permission from Cabinet to waive the 28-day rule on the basis that this proposal only confers benefits to the public.
- 35 Ideally, we would look to amend the Driver Licensing Rule as one package along with the recommendations from the GDLS review, but as we need to address this issue prior to 1 December 2021, we need to progress this issue separately. We will develop communications material to ensure stakeholders and the public are aware of the broader review underway.

## APPENDIX 1 - OPTIONS ANALYSIS TABLE

<b>Assessment against Criteria</b> <b>Option A: Allow renewal to occur at any time with a theory test – renewed validity period of 5 years from grant date (regardless of any time which may remain in the current period)</b>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>the theory test ensures that these licence holders remain knowledgeable of the road rules</li> <li>Reduce reputational risk for Waka Kotahi</li> <li>Does not pose privacy integrity risk, as the customer will be in contact with Waka Kotahi to update address information</li> </ul>	<ul style="list-style-type: none"> <li>Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>Will place stress on agent and testing capacity – especially since the COVID-19 Overseas Driver Licence Extension will expire on 31 March 2022</li> <li>Accessibility and equity barriers: cost, and adequate training will impact willing compliance</li> <li>Risk that drivers who have become accustomed to driving on their licence and do not want to re-sit a theory test, will not renew and will drive unlicensed</li> <li>For drivers to renew their licence and not progress, challenges the integrity of the GDLS. The system is not intended to have drivers remain at the learner or restricted driver licence stages</li> <li>Has not been costed by Waka Kotahi due to time constraints</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li><u>Safety</u>: Will have a neutral safety impact</li> <li><u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li><u>Social Impact</u>: Will have a minimal positive impact as it will mean licence holders aren't required to renew within a set period, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau.</li> <li><u>Capacity</u>: It may smooth out some capacity demand as renewal can be completed at any time prior to expiry but if people choose not to renew before their licence expires, then stress will still be placed on agent and testing capacity</li> <li><u>Implementation</u>: Low level complexity. From a technical systems perspective, this will require some changes to the Driver Licence Register and from a communications perspective will require a series of direct messaging and broader communications. A full analysis of implementation requirements has yet to be completed.</li> <li><u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	



<b>Assessment against Criteria</b> <b>Option B: Allow renewal to occur at any time without a theory test – renewed validity period of 5 years from grant date (regardless of any time which may remain in the current period)</b>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Acts as an incentive to move drivers through the GDLS system as the licence has to be renewed more frequently than a full class, but does not impact on resources for either theory or practical testing</li> <li>• Will reduce the risk of non-compliance if drivers do not have to re-sit a theory test</li> <li>• Does not pose privacy integrity risk, as the customer will be in contact with Waka Kotahi to update address information</li> <li>• Doesn't impose a significant cost on the licence holder as only the renewal fee must be paid (\$20.10)</li> </ul>	<ul style="list-style-type: none"> <li>• Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>• ACC research indicates many of the drivers who do not progress through the system lack clear coaching instruction and find it hard to know when they have the skills to successfully sit the test</li> <li>• Will place stress on agent capacity – especially since the COVID 19 Overseas Driver Licence Holders Extension will expire on 31 March 2022</li> <li>• Potential damage to the reputation of Waka Kotahi as we would be retracting the policy that was put in place, and would not be ensuring these licence holders remain knowledgeable of the road rules</li> <li>• Accessibility and equity barriers: will impact willing compliance</li> <li>• For drivers to renew their licence and not progress, challenges the integrity of the GDLS. The system is not intended to have drivers remain at the learner or restricted driver licence stage</li> <li>• Has not been costed by Waka Kotahi due to time constraints</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li>• <u>Safety</u>: Will have a neutral safety impact.</li> <li>• <u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li>• <u>Social Impact</u>: Will have a minimal positive impact as it will mean licence holders aren't required to renew within a set period or sit another theory test, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau</li> <li>• <u>Capacity</u>: It may smooth out some capacity demand as renewal can be completed at any time prior to expiry and no theory test required, but if people choose not to renew before their licence expires, then stress will still be placed on agent and testing capacity</li> <li>• <u>Implementation</u>: Low to medium level complexity. From a technical systems perspective, this will require some changes to the Driver Licence Register and from a communications perspective will require a series of direct messaging and broader communications. A full analysis of implementation requirements has yet to be completed</li> <li>• <u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	

<b>Assessment against Criteria</b> <b>Option C: Maintain Status Quo – allow the Time- limited Licence Extension policy to expire, and instead Waka Kotahi continue to communicate and educate on the implications of a time-limited licence</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Would align with the original intent of the time-limited Licence policy</li> <li>• No additional costs to Waka Kotahi</li> </ul>	<ul style="list-style-type: none"> <li>• A significant number of licences begin to expire from 1 December 2021</li> <li>• Will place stress on agent and testing capacity – especially since the COVID-19 Overseas Driver Licence Extension will expire on 31 March 2022</li> <li>• Risk that drivers will drive unlicensed</li> <li>• MSD review: would not improve access and equity</li> <li>• Will adversely affect vulnerable drivers</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li>• <u>Safety</u>: Will have a neutral safety impact</li> <li>• <u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li>• <u>Social Impact</u>: Will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau. The time-limited licence policy is also contrary to the current views of driver licensing enabling broader social outcomes</li> <li>• <u>Capacity</u>: Will continue to place significant stress on agent and testing network capacity as an extra 3000-5000 time-limited licences will expire every month until the end of 2023, with further time-limited licences coming through every month with a future 5-year licence validity (e.g. when a learner or restricted licence issued prior to 1 December 2014 is renewed, it will be issued as a time-limited licence)</li> <li>• <u>Implementation</u>: Low level complexity. Will not require any technical system changes, instead only a communications plan</li> <li>• <u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	

<b>Assessment against Criteria</b> <b>Option D: Remove the entire time limited licence policy and revert all licences back to a standard 10-year licence validity (recommended).</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Would remove an ineffective policy which places additional barriers on vulnerable groups</li> <li>• More efficient – frees up space at driver testing sites</li> <li>• Allows people to remain on their licence for the purpose they need it for without undue pressure to progress</li> <li>• Waka Kotahi and MOT will not have to respond to the mass expiry of time-limited licences every few years</li> <li>• Would free up internal Waka Kotahi resources</li> <li>• Would align with MSD's focus around improving access and equity to the licensing system</li> <li>• Will not adversely affect vulnerable drivers</li> <li>• Will not have a negative impact on road safety</li> </ul>	<ul style="list-style-type: none"> <li>• Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>• Removing this policy could mean more people pool in the learner and restricted stages</li> <li>• Has not been costed by Waka Kotahi due to time constraints</li> </ul>
<b>Criteria met</b> <ul style="list-style-type: none"> <li>• <u>Safety</u>: The change will have a neutral safety impact</li> </ul>	

- Accessibility: Will have a positive impact as it allows vulnerable drivers on time-limited licences to stay on their licence if they choose to, or progress without the added time pressure of a shorter validity period
- Social Impact: Positive impact. This change aligns with the MSD review on improving access and equity to the licensing system
- Capacity: Will alleviate the incoming bottleneck and spread out the renewal of these licences more evenly
- Implementation: Medium level complexity. From a technical systems perspective, this will require a greater level of changes to the Driver Licence Register, but from a communications perspective is likely to only require a broad communications approach. A full analysis of implementation requirements has yet to be completed
- Revenue: Will reduce expected cashflow in the short-term

Assessment against Criteria Option E: Further 12 - 24 month extension	
Advantages:	Disadvantages
<ul style="list-style-type: none"> <li>• Time-limited licences will start expiring on 1/12/2021. This would allow drivers in this cohort extra time to progress</li> <li>• Allows testing sites extra time to increase resources to manage these extra drivers over coming years</li> <li>• Would give extra time for Waka Kotahi to design and implement a plan to encourage progression through the GDLS</li> </ul>	<ul style="list-style-type: none"> <li>• Requires amendment to the <i>Land Transport (Driver Licensing) Rule 1999</i>, which is a resource intensive process.</li> <li>• Analysis of the data of those who have progressed to another class during the 2019 extension period indicates that the extension was ineffective – out of the 131,232 licences extended there is still a remaining pool of 110,516 sitting on the same class having done nothing in the extended period.</li> <li>• Could exacerbate the testing capacity issues i.e. 3,346 time-limited licences will expire in December 2021, and between around 3000 – 6000 are expected to expire each month until the end of 2023</li> <li>• Mass change to expiry dates in the Driver Licensing Register will impact the integrity of the register and its data – Licence records are already out of sync with photo driver licence (PDL) card details as no replacement cards were automatically issued for previous extensions and further extensions will exacerbate problems as more licences will have expired by the time a decision is made</li> <li>• Drivers may not be aware of the new expiry date as new PDLs are not issued for the extension and despite an extensive communications campaign, confusion is widespread.</li> <li>• There is already existing confusion among extended time-limited licence holders and industry on when their licence actually expires despite the communications campaign from Waka Kotahi.</li> <li>• If a new PDL is not issued, downstream effect of not being able to use for ID purposes</li> <li>• Has not been costed by Waka Kotahi due to time constraints</li> </ul>



### Criteria met

- **Safety:** May assist with compliance as licence holder not caught out with an expired licence, but the change itself will have a neutral safety impact
- **Accessibility:** This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location
- **Social Impact:** Will have a minimal positive impact as it will mean licence holders aren't required to renew or sit a test when not ready or when the system has limited capacity, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau
- **Capacity:** It may smooth out some capacity demand in the short term but will only push the issue out further to form a larger bottleneck
- **Implementation:** High level complexity. From a technical systems perspective, this will require a significant update to all affected driver licence records on the Driver Licence Register, and an extensive social media, communications and industry/stakeholder engagement approach. It will be difficult to communicate as some licences will be extended and others will not
- **Revenue:** Will have a neutral effect to expected cashflow revenue

### Assessment against Criteria

#### Option F: An extension only for those within the window of December 2021 – December 2023

##### Advantages:

- Time-limited licences will start expiring on 1 December 2021. This would allow drivers in this cohort extra time to progress
- Allows testing sites extra time to increase resources to manage these extra drivers over coming years
- Would give extra time for Waka Kotahi to design and implement a plan to encourage progression through the GDLS

##### Disadvantages:

- Requires amendment to the *Land Transport (Driver Licensing) Rule 1999*, which is a resource intensive process.
- Analysis of the data of those who have progressed to another class during the previous extension period indicates that the extension was ineffective – out of the 131,232 licences extended there is still a remaining pool of 110,516 sitting on the same class having done nothing in the extended period. It does not seem that COVID-19 was a large factor in this based on progression data from 2014 to 2019.
- Could push the testing capacity issues i.e. 3,346 time limited licences will expire in December 2021, and between around 3000 – 6000 are expected to expire each month until the end of 2023
- Mass change to expiry dates in Driver Licensing Register will impact the integrity of the register and its data – Licence records are already out of sync with PDL details as no replacement cards were automatically issued and further extension exacerbates problems
- Drivers may not be aware of the new expiry date due to known confusion from the 2019 extension and because contact details in the Driver Licence Register are often out of date.
- Despite posted letters, media statements, social media advertising and memo to industry, there is already existing confusion among extended time-limited licence holders and industry on when their licence actually expires
- If a new PDL is not issued for all drivers, there will be further confusion for licence holders, insurance

	<p>companies, financial institutions and roadside Police enforcement activities</p> <ul style="list-style-type: none"> <li>• If a new PDL is not issued, downstream effect of not being able to use for ID purposes</li> <li>• Has not been costed by Waka Kotahi due to time constraints</li> </ul>
<p><b>Criteria met</b></p> <ul style="list-style-type: none"> <li>• <u>Safety</u>: May assist with compliance as licence holder not caught out with an expired licence, but the change itself will have a neutral safety impact</li> <li>• <u>Accessibility</u>: This change would continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location</li> <li>• <u>Social Impact</u>: Will have a minimal positive impact as it will mean licence holders aren't required to renew or sit a test when not ready or when the system has limited capacity, but will continue the known accessibility issues, of cost, access to adequate training, proximity to licensing agent and/or test location and place unnecessary stress on the licence holder and their Whānau</li> <li>• <u>Capacity</u>: It may smooth out some capacity demand in the short term but will only push the issue out further to form a larger bottleneck</li> <li>• <u>Implementation</u>: High level complexity. From a technical systems perspective, this will require a significant update to all affected driver licence records on the Driver Licence Register, and an extensive social media, communications and industry/stakeholder engagement approach. It will be difficult to communicate as some licences will be extended and others will not</li> <li>• <u>Revenue</u>: Will have a neutral effect to expected cashflow revenue</li> </ul>	

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**Ministry of Transport**

TE MANATŪ WAKA

28 July 2021

OC210620

**Hon Michael Wood**

**Minister of Transport**

## **ENGAGEMENT UPDATE AND KEY MESSAGES FOR INTERAGENCY WORK TO IMPROVE ACCESS TO DRIVER LICENCES**

### **Purpose**

The Education, Employment and Training (EET) Secretariat requested an update on engagement and key messages to share with the EET Ministers to support discussions with driver licensing stakeholders. The request follows Minister Hipkins being approached by the Driving Change Network.

This briefing summarises the engagement to date and provides key messages on the cross-agency work to improve access to driver training and licensing. This information can be shared with your colleagues on the EET Ministers Group.

### **Stakeholder engagement on Graduated Driver Licensing System Review**

1. Since July 2020, the Ministry of Social Development (MSD) has been leading a cross-agency working group that aims to improve access to driver training and licensing. An initial overview of the issues and a cross agency work programme was considered and agreed by EET Ministers in February 2021.
2. A key component of the work programme is the regulatory review (the Review) of the graduated driver licensing system (GDLS), led by the Ministry of Transport and Waka Kotahi NZ Transport Agency (Waka Kotahi). The initial scoping phase of this Review received club funding from ten government agencies indicating the broad interest across government.
3. During the initial scoping phase of the Review, officials from the Ministry of Transport and Waka Kotahi carried out engagement with interested parties seeking to improve the GDLS.
4. Engagement to date has involved providing a summary of the current licensing system, explaining the scope of the review and hearing the issues that people face with the system. Engagement activities have included:
  - 4.1. 19 April 2021 – workshop with cross-agency and non-government stakeholders facilitated by the Ministry of Transport, Waka Kotahi and Ministry of Social Development, and hosted by the Ministry of Transport in Wellington



- 4.2. 18 May 2021 - hui with Tairāwhiti Rural Education Activities Programme (REAP), held in Wharekahika and attended by the Ministry of Transport and Waka Kotahi
- 4.3. 20 May 2021 - presentation and panel discussion from the Ministry of Social Development, Waka Kotahi, and the Ministry of Transport at the Driving Change Network conference held in Wellington
- 4.4. 26 May 2021 - hui with Māori providers of driver licensing services and related organisations for Tāmaki Makaurau facilitated by the Ministry of Transport and Waka Kotahi, held at Te Puea Memorial Marae in Māngere
- 4.5. 11 June 2021 – online Te Ao Māori Transport Knowledge Hub presentation and discussion with cross-agency and non-government stakeholders, facilitated by the Ministry of Transport and Waka Kotahi
- 4.6. Throughout the review there have also been targeted detailed conversations held with stakeholders, such as the Insurance Council of New Zealand and Vehicle Testing New Zealand, facilitated by the Ministry of Transport and Waka Kotahi.
5. This engagement included working with and seeking to include the views of Māori as part of honouring the Treaty of Waitangi and the Ministry's commitment to deliver improved transport sector outcomes for Māori. This initial engagement was not comprehensive, but we are continuing to develop a broader engagement approach to hear Māori views as we progress the Review.
6. Stakeholders have not yet been advised of any options that are being considered.

### **Stakeholder engagement on MSD cross-agency driver licensing work**

7. During the establishment of MSD's cross-agency working group and prior to the commencement of the Review, MSD engaged with government agencies interested in the driver licensing space. This included representatives from the Ministry of Justice, New Zealand Police, the Department of Corrections, ACC, Ministry for Primary Industries, Ministry for Pacific Peoples, Te Puni Kōkiri, Ministry for Woman, the Ministry of Education, the Ministry of Business, Innovation, and Employment, the Ministry of Transport and Waka Kotahi.
8. Some members of this cross-agency group had wider engagement that fed into this work. In particular:
  - 8.1. The Ministry of Business, Innovation, and Employment runs Regional Skills Leadership Groups (RSLG) who provided insights reports and raised some driver licence issues
  - 8.2. The Ministry of Education had engagement with schools and research and engagement from 2018/19
  - 8.3. The Ministry of Business, Innovation, and Employment and the Ministry of Social Development Industry partnership functions provided insights from various

industries, including transport (trucking) and Primary industries (agriculture, horticulture etc)

8.4. The Ministry of Social Development regional commissioners and contract managers had insights from driver licence support providers and clients

8.5. The Department of the Prime Minister and Cabinet and the Ministry of Social Development regional policy had been engaging with some communities experiencing significant disadvantage (such as Wairoa) where access to driver licences was raised as a priority issue.

### **Key messages**

9. Key messages that can be shared with your colleagues are provided in Appendix 1.
10. The Ministry of Transport will provide a progress update to stakeholders once you and the EET Ministers have considered advice on the safety implications of possible changes to the GDLS.

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## Recommendations

We recommend you:

- 1 **share** this briefing and appendix with your colleagues on the Education, Employment and Training Ministers Group

Yes / No

Helen White  
**Manager, Mobility & Safety**  
 28 / 07 / 2021

Hon Michael Wood  
**Minister of Transport**  
 ..... / ..... / .....

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

## Contacts

Name	Telephone	First contact
Helen White, Manager, Mobility and Safety		✓
Vidhiya Damodaran, Senior Advisor		
Sara Montgomery, Graduate Advisor		

Withheld under section 9(2)(a) of the Official Information Act 1982



## Appendix 1 – Key Messages

- This Government is committed to building a 21<sup>st</sup> century transport system that reduces congestion, improves safety, reduces carbon emissions, and provides greater choice. Active travel and public transport play a key role in ensuring people have real transport choices. However, we also acknowledge that in some areas not having access to a driver licence causes transport disadvantage where driving is the only way to travel to services and employment.
- This Government is aware there are barriers that prevent people from progressing through the Graduated Driver Licensing System (GDLS). These include costs, access to a suitable vehicle or person to teach them to drive, access to testing facilities in rural areas and other individual barriers.
- There are social and economic challenges associated with not having a driver licence, including barriers to accessing apprenticeships, employment and redeployment opportunities that are part of the COVID-19 recovery.
- Driving unlicensed contributes to Māori and Pacific people being disproportionately penalised and sometimes encountering the criminal justice system (For example, when an individual is unable or unwilling to pay their infringement fee.)
- Supporting people to access driver licensing and training is a priority for this Government. Officials are:
  - looking for opportunities to better coordinate investment into support for driver education and training. (This work is MSD-led).
  - completing a regulatory review of the GDLS to identify opportunities to improve access and equity while maintaining safety outcomes. (This work is led by the Ministry of Transport and Waka Kotahi NZ Transport Agency).

## Regulatory review of the Graduated Driver Licensing System

- The GDLS is designed to improve driver safety and reduce death and serious injuries on our roads by enabling drivers to grow their driving skills and gain confidence while also minimising risks for other drivers and passengers.
- The GDLS regulatory review is focused on Class 1 (car) licensing<sup>1</sup>. It aims to ensure the driver licensing regulatory system is achieving the safety outcomes it is designed for, in an equitable and accessible way.
- The Review is in its infancy, but the six key issues identified so far are:
  1. For many driver licences are essential to enabling social and economic opportunity
  2. The structure, delivery and costs of the GDLS create barriers for some groups to access and progress through the GDLS
  3. Some elements of the GDLS may not appear to contribute to improved safety outcomes. However, further analysis by officials is underway
  4. Changes to the GDLS can help improve outcomes for Māori, and other disadvantaged groups

<sup>1</sup> A Class 1 licence learner, restricted or full licence also enables the holder to ride a moped. Moped and motorcycle licensing is being reviewed separately and is not contemplated in this review.

5. Driving unlicensed and breaching learner and restricted licensing conditions is a common behaviour
  6. There is currently no way to monitor access and equity of the GDLS or wider driver licensing system.
- The regulatory review is ongoing, we expect there to be the opportunity for the public and interested stakeholders to provide input into this work and possible options in early 2022.

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11 November 2021

OC210736

Hon Michael Wood

Action required by:

Minister of Transport

Thursday, 18 November 2021

## UPDATE ON THE GRADUATED DRIVER LICENSING SYSTEM REGULATORY REVIEW

### Purpose

To present our analysis and recommendations for the road safety and equity considerations of the current Graduated Driver Licensing System (GDLS) regulatory review.

### Key points

- On 1 July 2021, Te Manatū Waka briefed the Employment, Education and Training (EET) Ministers Group on progress of the GDLS regulatory review and potential proposals. The paper noted that further analysis was required, particularly around the safety impacts of indicative proposals. This paper provides you with our updated advice and analysis.
- We recommend retaining many features of the current GDLS that contribute to positive road safety outcomes. These features include the learner and restricted licence conditions, and minimum holding periods to progress through the system.
- We recommend a range of regulatory changes to the GDLS which will improve road safety and/or improve the accessibility of the system:
  - *remove the restricted licence time-discount for advanced driver training* – this will remove an accelerated pathway from a restricted to a full licence which has been associated (both in New Zealand and internationally) with negative road safety outcomes.
  - *change the names that appear on a learner licence to a “Learner Permit” and “New Zealand Driver Permit”* – this will help ensure that learner licence holders understand the conditions of their licence.
  - *reduce the frequency of mandatory eyesight tests* – this will facilitate online licence renewals and reinstatements which improve accessibility for some communities. This recommendation will be progressed as part of the 2019 draft Land Transport (Driver Licensing) Amendment Rule).
- After additional assessment of the proposal presented to EET Ministers in July 2021 to remove the full licence practical test, we recommend further investigating the effects of the full licence practical test for drivers. Te Manatū Waka is progressing



further data analysis and this will inform final recommendations to Cabinet. Advice on this further analysis will be provided to you in early 2022. Initial findings indicate:

- For drivers under 25 years, the full licence test appears to keep drivers with a higher crash risk from progressing to the full licence stage. Compared to those who pass the test, young drivers who failed the test had a crash rate that was 5.38 times higher in the first six months.
  - For drivers 25 years and over, it was not clear whether those who failed the full licence test and remained on their restricted licence had a higher crash risk than those who passed the test.
- The Review found that regulatory interventions are less effective at addressing the systematic barriers which contribute to different licence rates across communities. Effectively addressing these equity challenges will require:
  - operational improvements to driver licensing services (e.g. increasing the accessibility of testing services and access to the restricted licence conditions exemption application process) regulated by Waka Kotahi NZ Transport Agency (Waka Kotahi)
  - funding Ministry of Social Development's (MSD) driver licence support services to assist those who may struggle to gain a licence (such as those who cannot access a suitable learner licence supervisor within their community).
- There is a risk that the Review's outcomes will be perceived as not doing enough to address entry and progression issues in the GDLS for people who have low rates of licence attainment and progression. However, this review is one of several workstreams to address issues with entry and progression through the GDLS. To provide this context, we will present the findings of the regulatory review alongside our work with Waka Kotahi to explore operational improvements and with MSD on the delivery of driver licence support.
- Subject to your feedback we will work with MSD and Waka Kotahi prepare a cross-agency paper for you to take to Cabinet in early 2022. The Cabinet paper will look to progress these recommendations, recommendations on the driver licence support framework and provide an update on operational improvements that could be made.

## Recommendations

We recommend you:

- |   |   |          |
|---|---|----------|
| 1 | <b>agree</b> to provide feedback on the recommendations in Annex 1  | Yes / No |
| 2 | <b>agree</b> that, subject to your feedback, Te Manatū Waka draft a cross-agency paper with the Ministry of Social Development and Waka Kotahi to take to Cabinet in 2022 that will include the recommendations in Annex 1  | Yes / No |
| 3 | <b>agree</b> that Te Manatū Waka and Waka Kotahi progress work on the 2019 draft Land Transport (Driver Licensing) Amendment Rule   | Yes / No |
| 4 | <b>note</b> that Te Manatū Waka will further explore the data to better understand any safety implications of removing the full licence practical test and an appropriate minimum holding period for the restricted licence if the full licence test were to be removed |          |
| 5 | <b>note</b> that Te Manatū Waka engage with external stakeholders on the above recommendations to incorporate their perspectives into the advice for Cabinet.   |          |



Robert Anderson  
**Manager, Mobility and Safety**  
 10 / 11 / 2021

Hon Michael Wood  
**Minister of Transport**  
 ..... / ..... / .....

**Minister's office to complete:**

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

## Comments

## Contacts

Name	Telephone	First contact
Robert Anderson, Manager, Mobility and Safety	s 9(2)(a)	✓
Vidhiya Damodaran, Senior Advisor, Mobility and Safety		
Erwin Ricketts, Senior Advisor, Mobility and Safety		

## UPDATE ON THE GRADUATED DRIVER LICENSING SYSTEM REGULATORY REVIEW

**The GDLS review has been underway since early 2021 and is a priority action under the Road to Zero Action Plan**

- 1 In 2019, the Government developed *Road to Zero 2020-2030* which outlines the Government's strategy to improve road safety in New Zealand. Focus Area 4 (improving road user choices) of the Road to Zero Action Plan 2020-2022 committed to increase access to driver training and licensing.<sup>1</sup>
- 2 As part of this commitment, the Action Plan listed a regulatory review of the GDLS as a priority action.<sup>2</sup> In March 2021, Te Manatū Waka and Waka Kotahi NZ Transport Agency launched the GDLS review. On 1 July 2021, Te Manatū Waka briefed the Employment, Education and Training (EET) Ministers Group on the Review's progress and potential proposals, including removing the full licence test.<sup>3</sup>
- 3 Since June 2021, Te Manatū Waka and Waka Kotahi, in consultation with the Ministry of Social Development (MSD), have progressed the analysis and option development for the regulatory review. We have further built up the evidence base with analysis of New Zealand road safety data. This evidence has informed the review so far and will support proposals going forward.

**The GDLS Review is part of several pieces of work to improve access and outcomes in the driver licensing system**

- 4 The GDLS Review focuses on regulatory changes to the licensing system. This Review is one piece of several work programmes, which together seek to improve outcomes in the driver licensing system.

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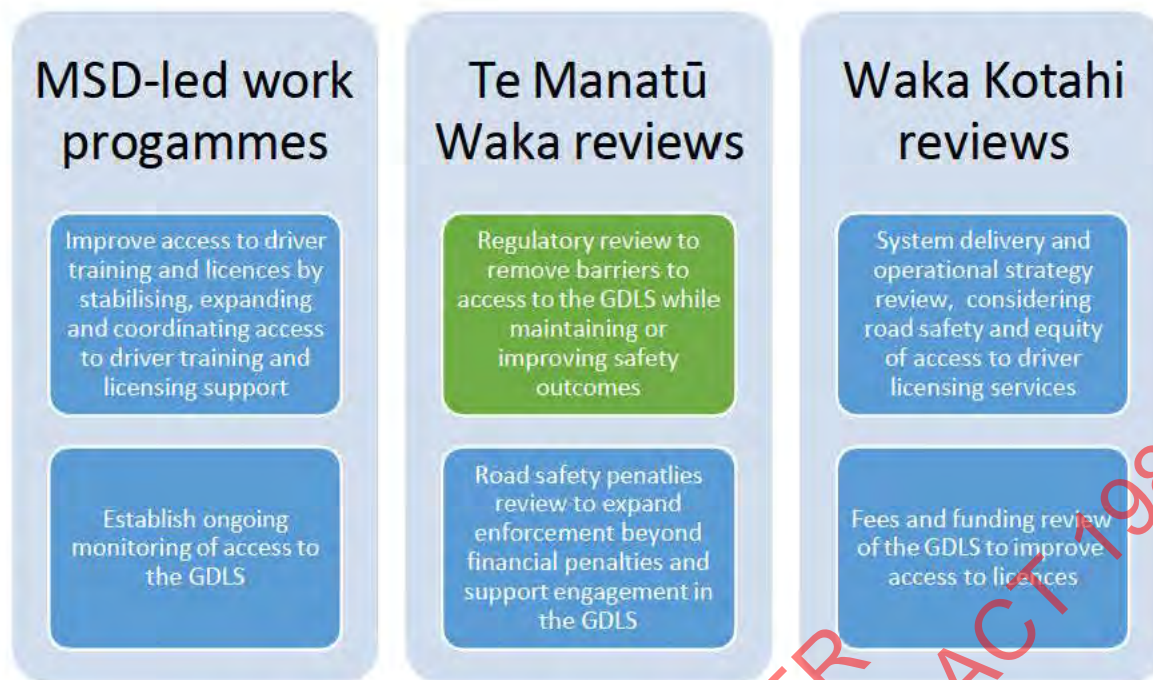
<sup>1</sup> The Road to Zero Action Plan can be accessed here:

[https://www.transport.govt.nz/assets/Uploads/Report/Road-to-Zero-Action-Plan\\_Final.pdf](https://www.transport.govt.nz/assets/Uploads/Report/Road-to-Zero-Action-Plan_Final.pdf)

<sup>2</sup> See Te Manatū Waka's submission to the Education and Workforce Committee for an overview of the current GDLS system ([Ministry of Transport - New Zealand Parliament \(www.parliament.nz\)](https://www.parliament.nz)).

<sup>3</sup> Ministry of Transport "Graduated Driver Licensing System Regulatory Review" (24 June 2021) OC Number: OC210464.





- *MSD- led cross-agency work programme to improve access to driver training and licences:* This workstream explores ways to stabilise and expand access to driver training and licensing support. MSD will coordinate access to these services. MSD are also looking to establish ongoing monitoring of access to the GDLS.
  - *Road safety penalties review:* This is led by Te Manatū Waka. Among other issues, it considers equity and road safety risks associated with driver licence offences and the related penalties. It also considers expanding enforcement options beyond financial penalties, which do not address the underlying equity issues, to drive more equitable outcomes from GDLS-related offences. This could enable Police to support engagement (entry and progression) in the GDLS for groups that are otherwise hard to reach.
  - *Driver licensing system delivery and operational strategy review:* This is led by Waka Kotahi. This strategy will consider operational changes to improve access to the driver licensing system, including the content of driver licence tests and the way they are administered. These considerations will need to be balanced with road safety outcomes.
  - *Fees and funding review for the driver licensing system:* This is led by Waka Kotahi and Te Manatū Waka. The costs of the current system are underpinned by the cost recovery framework used by Waka Kotahi. You have received advice on the Waka Kotahi fees and funding review [OC210405 refers].
- 5 The Waka Kotahi fees and funding review proposes changing application and testing fees, and removing re-sit fees for driver licence tests. The accessibility impacts of these proposals are mixed. Some people will benefit from reduced renewal fees and removing re-sits fees, while proposed increases to the restricted licence initial application and testing fee will negatively impact others.

## Objectives and Scope of the GDLS Regulatory Review

- 6 The GDLS Review aims to improve equity and access to the GDLS, while maintaining or improving safety outcomes.

### *The Review focuses on Class 1 car licences*

- 7 The Class 1 (car) licensing regime is the focus of this Review because it is the most common licence type impacting wellbeing outcomes for most New Zealanders. Other licence types, such as those for motorcycles, are beyond the scope of this Review.<sup>4</sup>
- 8 The Review focuses on road safety and equity outcomes resulting from regulatory settings that govern entry, progression, and licence conditions. The Review also aims to ensure that:
- the regulatory framework supports the Waka Kotahi operational and delivery review by ensuring the regulatory settings do not limit their ability to deliver an effective system, and
  - all unnecessary barriers to licensing and progression are removed so that MSD's support packages can target support to progress people through the remaining barriers (that are necessary to improve road safety).
- 9 The Review has not considered issues relating to driver licence offences, nor affordability of licences. These issues are considered in other work programmes noted in paragraph four above.

## Problem identification and option development process

### *Evidence from stakeholder engagement and research underpins the GDLS Review*

- 10 Te Manatū Waka officials began the review by identifying accessibility and progression issues of the GDLS. This was informed by a workshop with stakeholders and community organisations. Officials also had targeted engagements with Māori, Government agencies, and non-government organisations (e.g. AA).<sup>5</sup>
- 11 We gathered data on licensing rates, demographics, and road safety outcomes. This was supported by a review of national and international literature, studies, and government advice about the relationship between driver licensing systems, licence conditions and road safety risk.

### *Proposed options are assessed based on equity, road safety, and implementation impacts*

- 12 For each barrier in the licensing system, we considered three basic options: retaining the status quo, removing the barrier, or changing the barrier. The Review recommends implementing the options that result in the highest net-benefit, as assessed against these three criteria:

<sup>4</sup> Te Manatū Waka is currently reviewing Class 6 (motorcycle) licences.

<sup>5</sup> Our Māori engagement included a hui with Tairāwhiti Rural Education Activities Programme (REAP) at Wharekahika and Manaaki Tangata e Rua (Mter) at Te Puea Memorial Marae, Mangere and participating in the Ministry of Transport's Te Ao Māori Transport Knowledge hub.

- **Equity:** will the proposal remove barriers to entry and progression through the GDLS? Will the proposal affect road safety outcomes for certain groups? We focussed on impacts on communities that are particularly disadvantaged by the GDLS (e.g. Māori and Pacific people, young mothers and rural communities).
  - **Road safety:** will the proposal lead to improved safety outcomes overall? We expect some options will result in no change in road safety (or at least will not worsen road safety). These options may still be recommended if they improve equity outcomes as described above. Annex Two summarises some of our data analysis on road safety outcomes.
  - **Implementation:** will the proposal impose additional costs on regulatory and administrative bodies?
- 13 Analysis of the road safety and equity impacts of reducing regulatory barriers must be carefully balanced. In many cases, removing regulatory barriers may improve a person's access to a driver licence but it will also increase their crash risk. We know that some groups facing challenges entering and progressing through the GDLS already face inequitable road safety outcomes. In our analysis, we have considered that any changes to the licensing system should improve access to driver licensing while also maintaining or improving road safety outcomes for these groups.
- 14 Our assessment of each option has been informed by our stakeholder engagement, research and evidence.

### **The GDLS contributes to the safety of New Zealand roads but not everyone has equal access**

- 15 Licensing systems that are graduated (a staged approach placing restrictions on new drivers as they develop skills and confidence to drive on a full licence) are internationally recognised as an effective method of improving road safety.<sup>6</sup>
- 16 While the GDLS serves road safety outcomes, access to the supporting services (e.g. training and testing) is not equally available to all New Zealanders. Some groups (such as Māori and Pacific people) have low rates of licence attainment and progression.<sup>7</sup>
- 17 Differences in licence attainment and progression result from various social, financial, or geographic barriers hindering entry and progress through the GDLS. These barriers include cost of tests, literacy, language, access to training, access to a suitable vehicle and access to a testing station.

<sup>6</sup> See Schiff Consulting (2019). Evaluation of the graduated driver licensing system – Transport Evidence Base report 19/1 A. Wellington: Ministry of Transport. This evaluation of the NZ GDLS suggests that the system continues to contribute to positive road safety outcomes. We see that crash risk is very low for learner licence holders, which indicates that the system works to protect these novice drivers. There is an initial spike when people first receive their restricted licence, then crash risk trends downwards as people progress through to their full licence.

<sup>7</sup> See Te Manatū Waka's submission to the Education and Workforce Committee that describes some of the data we hold on current challenges in the driver licensing system ([Ministry of Transport - New Zealand Parliament \(www.parliament.nz\)](https://www.parliament.nz)) and Motu Research Note #44: Rates of driver licence holding in Aotearoa New Zealand <https://www.motu.ac.nz/our-research/population-and-labour/individual-and-group-outcomes/rates-driver-licence-holding-nz/>.



## Many parts of the GDLS work well and should be retained

- 18 The Review found that many parts of the GDLS already contribute to positive road safety outcomes, while striking a reasonable balance with equity and accessibility. Therefore, we do not recommend fundamental changes to these aspects of the GDLS.
- 19 As stated in our July 2021 update to EET Ministers, the Review found that the most effective changes to access and equity are unlikely to come from regulatory changes, but rather through:
- operational and delivery improvements (e.g. access to testing services) regulated by Waka Kotahi
  - the funding of driver licence support for people most impacted by barriers to driver licences (from MSD).
- 20 We recommend no change to the following (Annex One contains analysis supporting these recommendations).
- **The theory test to enter the learner stage and the practical test to enter the restricted stage:** The theory test at the learner stage, and the practical driving test at the restricted stage both contribute to positive road safety outcomes by ensuring that a person has the necessary knowledge and skill to progress.<sup>8</sup>
  - **Minimum time to progress through the GDLS:** The minimum age to enter the GDLS (gain a learner licence) is 16 (which is in line with all Australian states, except for ACT).<sup>9</sup> If a person progresses as fast as possible, that person can progress through a restricted licence to attain a full licence by 18.<sup>10</sup> The current minimum holding periods and ages protect novice drivers and contribute to positive road safety outcomes. Our data indicates that reducing this time would negatively impact road safety outcomes, while increasing these periods would disadvantage young people who need a licence for employment, education, and other opportunities. For a summary of our findings, see Annex One: Restricted licence: Minimum time on licence.
  - **Learner licence conditions:** Learner licence holders have lower crash rates relative to restricted licence holders. Conditions requiring learner licence holders to only drive supervised, and display 'L' plates on their vehicles are likely to contribute to this positive outcome.
  - **Restricted licence conditions:** Night-time driving and carrying peer passengers are two of the highest risk factors for novice drivers. International research has found that restrictions on night-time driving and carrying

<sup>8</sup> Turner, B., Job, S. and Mitra, S. (2021). Guide for Road Safety Interventions: Evidence of What Works and What Does Not Work. Washington, DC., USA: World Bank.

<sup>9</sup> Austroads (2015) Summary of Literature of the Effective Components of Graduate Driver Licensing Systems.

<sup>10</sup> We recommend removing the time-discount for advanced driver training courses which removes the accelerated option to gain a full licence by 17 and a half (see paragraph 31).

passengers reduces the crash risk for young drivers.<sup>11</sup> We recommend retaining conditions prohibiting unsupervised driving between 10:00pm and 5:00am and carrying passengers (subject to existing exceptions such as a spouse, child, or parent of the driver).<sup>12</sup> More could be done to promote the use and accessibility of the process for gaining exemptions to driver licence conditions (see paragraph 27 below).

- 21 Subject to further data analysis (which is underway), we may consider removing the full licence practical test. This would be a fundamental change and may require revisiting the minimum time on a restricted licence for this group to ensure crash risk is minimised when progressing to a full licence.

### Changes can be made to the GDLS to improve safety outcomes and equity of access

- 22 While the fundamentals of the GDLS are sound, we identified changes that would drive further road safety and equity improvements. In assessing regulatory proposals, we found that some desired outcomes could be reached through operational change instead. To reflect this, we have included recommendations to indicate where operational changes could make it easier for some communities to engage with the licensing system.

- 23 We recommend the following.

- **Recommendation one:** Waka Kotahi consider operational and delivery changes to the learner, restricted and full licence tests to improve access and equity, specifically:
  - equity and access should be considered as part of Waka Kotahi's regular operational and delivery reviews of the learner licence theory test
  - Waka Kotahi explore operational and delivery changes to improve access and equity for the restricted licence and full licence practical tests.
- **Recommendation two:** Improve understanding of the process for gaining exemptions to driver licence conditions and Waka Kotahi assessment criteria, through a targeted education campaign

<sup>11</sup> Ouimet, M.C., Pradhan, A.K., Brooks-Russell, A., Ehsani, J.P., Berbiche, D., & Simon-Morton, B.G. (2015). Young drivers and their passengers: A systematic review of epidemiological studies on crash risk. *Journal of Adolescent Health*, 57, S24-35.

Boets, S., Meunier, J. C., & Kluppels, L. (2016). Implementing graduated driving license in Europe: literature review on practices and effects, and recommendation of an ideal model. *Rech. Transp. Secur.*, 1-2, 81-96.

Hartling L, Wiebe N, Russell K, Petruk J, Spinola C & Klassen TP (2004). Graduated licensing for reducing motor vehicle crashes among young drivers, *Cochrane Database of Systematic Reviews*.

<sup>12</sup> Restrictions on night-time driving and carrying passengers varies across jurisdictions. Three Australian states prohibit unsupervised night-time driving at their equivalent restricted licence stage. Passenger carrying restrictions are also mixed: four Australian states specify that a restricted equivalent licence holder can only carry one passenger (depending on the age of the driver, age of the passenger, and the time of day). See Austroads (2015).

- **Recommendation three:** Remove the restricted licence time-discount for advanced driver training
- **Recommendation four:** Change the names that appear on a learner licence to a “Learner Permit” and “New Zealand Driver Permit”
- **Recommendation five:** Progress the 2019 draft Land Transport (Driver Licensing) Amendment Rule, which includes a recommendation to reduce the frequency of eyesight tests

24 More work is required in some areas, including addressing the issue of people stalling on their licence. This additional work is discussed further below.

*Recommendation one: Waka Kotahi consider operational and delivery changes to the learner, restricted and full licence tests to improve access and equity.*

25 The way that driver licence testing is operationalised and delivered may account for inequities in licence rates for some communities.

26 Waka Kotahi (which is responsible for operation and delivery of the GDLS) is aware of these issues. It regularly reviews the operation and delivery of the learner licence theory test services. It is also exploring increasing the use of mobile learner licence theory testing to help schools and communities without testing operators.

27 We recommend Waka Kotahi add equity and access considerations to the scope of its regular learner licence reviews, and more broadly explore operational and delivery changes in the licensing system to address access and equity issues. Ensuring operational and delivery settings do not unfairly disadvantage certain groups would also improve road safety outcomes for those groups.

*Recommendation two: Improve understanding of the process for gaining exemptions to driver licence conditions and Waka Kotahi assessment criteria through a targeted education campaign*

28 The July 2021 paper to EET Ministers indicated that allowing restricted licence holders to drive at night to support employment opportunities, and allowing them to carry adult passengers, may improve equity of access to opportunities for restricted licence holders. However, we no longer propose to progress these recommendations.

29 After further analysis, we conclude that removing these conditions may result in negative road safety outcomes. As a whole, restricted licence holders have a significantly higher crash risk compared to full licenced drivers.<sup>13</sup> Broad exemptions risk exposing less capable drivers to risky driving situations, such as night-time driving and carrying passengers, and could result in inequitable road safety outcomes.<sup>14</sup>

30 The current exemption application process balances equity of access to opportunities and road safety risks. To get an exemption to restricted licence conditions, a holder

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<sup>13</sup> Schiff Consulting (2019).

<sup>14</sup> Both night-time driving and carrying passengers exacerbate novice drivers' crash risk. See further: Austroads (2015).

must apply to Waka Kotahi (applications cost \$27.20).<sup>15</sup> The current legislation does not allow Waka Kotahi to grant an exemption based on inconvenience or hardship alone; road safety is the primary concern.<sup>16</sup> This focus on road safety prevents creating inequitable road safety outcomes for this group of restricted licence drivers.

- 31 In 2019, Waka Kotahi granted 203 exemptions from the night-time driving condition and 216 exemptions from the passenger restriction.<sup>17</sup> We recommend Waka Kotahi actively promotes the exemption application pathway and process to ensure access to exemptions is equitable. This exemption pathway offers a means to address some accessibility challenges without negatively impacting road safety outcomes.

*Recommendation three: Remove the time-discount for advanced driver training*

- 32 Restricted licence holders can accelerate their progress from a restricted licence to a full licence with advanced driver training courses. There are two approved course providers in New Zealand: the NZ Institute of Driver Educators who deliver 'Street Talk' and the NZ Automobile Association (AA) who deliver 'Defensive Driving'. These courses can cost anywhere between \$150 and \$300 to attend, which means they are only available to those that can afford this fee. The courses consist of a classroom component covering theory, and a smaller in-car session addressing driving habits.
- 33 If a full licence applicant presents a certificate that they attended an approved advanced driving course, the applicant can receive the following time discounts on their restricted licence minimum holding period (depending on age):
- Under 25: a six-month reduction (reducing the holding period from 18 to 12 months).
  - 25 and over: a three-month reduction (reducing the holding period from six to three months).
- 34 International evaluations suggest that time discounts have a negative road safety impact (i.e. the driving improvement from the training does not offset the lost experience of driving within restrictions of provisional licensing stages).<sup>18</sup> Evaluations of time discounts in Canada found that those who took a time discount had as high as a 45 percent increase in crash rate compared to those who did not.<sup>19</sup>

<sup>15</sup> There are currently blanket exemptions to carry your spouse (a person you live with in the nature of marriage), children who live with you and who are under you or your spouses care (you or your spouse support them financially), your parent or guardian, relatives who live with you and who receive a social security benefit (e.g. the jobseeker support, sole parent or support living payment benefits), someone you look after as their primary (main) caregiver.

<sup>16</sup>For a full list of criteria Waka Kotahi consider, see <https://www.nzta.govt.nz/driver-licences/exemptions/exemption-from-driver-licensing-requirements/>

<sup>17</sup> This was out of a total of 1003 applications made in 2019, of these, 510 applications were made by restricted licence holders within the first six months of gaining their restricted licence, which is known to be the period of highest crash risk for young drivers. The majority of these 510 applications came from people aged 16-17 for the passenger exemption and 16-18 for the night-time driving exemption.

<sup>18</sup> For a meta-analysis of 82 studies reviewing the effectiveness of advanced driver training, see: Beanland and Huemmer (2021) The effectiveness of advanced driver training. NZ Transport Agency research report number TAR 20/02. This paper concluded that several evaluations have suggested that time discounts do more harm than good (e.g. by increasing violation rates and/or crash risk).

<sup>19</sup> Williams, A. F., & Mayhew, D. R. (2008). Graduated Licensing and Beyond. American Journal of Preventive Medicine, 35(3S), 324–333. Note that this is a time discount from Canadian learner to restricted licence equivalent stage.



- 35 New Zealand evaluations have also been critical about the effects of time discounts. One study concluded that there appears to be an increase in crash involvement associated with gaining a full licence between 12 and 18 months (which is enabled by a time discount) relative to gaining a full licence after 18 months.<sup>20</sup> Another New Zealand evaluation in 2015 found a higher rate of traffic offending among those who took time discounts. In their first year of holding a full licence, 46 percent of the time discount cohort received a speeding related offence (relative to 30 percent of drivers in the non-time discount cohort).<sup>21</sup>
- 36 We are not aware of any studies or reports indicating positive safety outcomes from time discounts. A 2019 evaluation of the New Zealand GDLS made a neutral finding about time discounts: it found no difference in crash rates between those who sat the advanced driver training course and took a time discount, and those who did not participate in training.<sup>22</sup>
- 37 Despite the neutral finding of the 2019 evaluation, it does not outweigh the body of New Zealand and international evidence pointing to the negative road safety impacts of time-discounts. Therefore, we recommend removing the time-discount in the interest of road safety. This would require an amendment to the Land Transport (Driver Licensing) Rule 1999.
- 38 Removing the time-discount will impact some young drivers by delaying their progress to a full licence. Approximately one third of drivers under 30 attain an advanced driver training certificate (and many of these drivers will seek a time-discount).<sup>23</sup> We expect that this accessibility impact will be offset by improved road safety outcomes.

*Recommendation four: Change the names that appear on a learner licence to “Learner Permit” and “New Zealand Driver Permit”*

- 39 Through engagement, we heard that some communities misinterpret the learner licence (which has “New Zealand Driver Licence” on it) and believe it allows people to learn to drive unsupervised. This results in some people unintentionally breaching their learner licence conditions, which can result in inequitable road safety outcomes and enforcement outcomes.
- 40 To help address this issue, we recommend replacing the word ‘licence’ (where it appears on a learner licence) with ‘permit’. If you agree to this recommendation, we will explore whether Parliamentary Counsel Office (PCO) consider it appropriate to change the name that appears on the licence with a Rule amendment, without requiring a change to the name of the licence in the primary legislation (the Land Transport Act 1998). We will also work with Waka Kotahi to agree on the exact wording to be used.

<sup>20</sup> Lewis-Evans, B. (2010). Crash involvement during the different phases of the New Zealand graduated driver licensing system (GDLS). *Journal of Safety Research*, 41, 359–365.

<sup>21</sup> Begg, D and R Brookland (2015) Participation in driver education/training courses during graduated driver licensing, and the effect of a time-discount on subsequent traffic offenses: Findings from the New Zealand Drivers Study. *Journal of Safety Research* 55: 13–20.

<sup>22</sup> Schiff Consulting (2019).

<sup>23</sup> Ibid.

- 41 If a primary legislation change were required, this would be resource intensive and would affect several pieces of legislation. Instead of a change to the Act, we consider a more appropriate alternate would be for Waka Kotahi to explore options that would make the supervisor condition of a learner permit more well known. For example, printing the supervisor condition directly on all newly issued learner permit cards.
- 42 To keep implementation costs low, we propose this change will only apply to new licences issued (rather than recalling existing learner licences). We will explore an education campaign to support the rename.

*Recommendation five: Progress the 2019 draft Land Transport (Driver Licensing) Amendment Rule, which includes the recommendation to reduce the frequency of eyesight tests*

- 43 In 2019, Waka Kotahi publicly consulted on a draft Land Transport (Driver Licensing) Amendment Rule, which largely aims to streamline aspects of the driver licence process for commercial (e.g. heavy vehicle) licences. This work was subsequently deprioritised following discussions between Te Manatū Waka and the previous Transport Ministers to allocate resource to more urgent priorities. No further work has been undertaken on this issue since mid-2019.
- 44 Part of this work recommended reducing the frequency of mandatory eyesight tests to:
- the first time obtaining a Class 1 or 6 licence
  - when renewing or reinstating a licence for the first time on or after the applicant's 45th birthday
  - for any renewal or reinstatement after the applicant's 75th birthday.
- 45 The proposal was based on finding little discernible road safety benefit from repeated eyesight testing.<sup>24</sup> If eyesight testing does not improve road safety outcomes, then the frequent requirement to get an eyesight test is an unnecessary and inequitable barrier for those who need to go to an optometrist for a satisfactory vision test. We propose to advance this recommendation by resuming work on the Amendment Rule. We will brief you separately on how to progress this workstream in March 2022.
- 46 Advancing the Rule will not only support the GDLS Review, but it will also support the Government's objectives for the commercial and heavy vehicle licensing system by:
- accelerating progress between the heavy vehicle licence classes
  - simplifying licences for special-type vehicles through removing special-type vehicle endorsements (e.g. for forklifts), standardising the speed requirements for tractors and special-type vehicles, and simplifying the rules for tractors that can be driven on a Class 1 (car) licence
  - improving oversight of approved course providers and strengthening testing for commercial driver licences and endorsements.

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<sup>24</sup> See Annex Two for a summary of Waka Kotahi's analysis supporting this recommendation.

- 47 Due to the 2019 work having already been done, this rule change would be able to progress at a faster rate than the remainder of the GDLS review recommendations. We will provide you further advice on progressing this rule amendment in March 2022.

**We are progressing additional analysis which we need before confirming our full licence recommendations**

- 48 On 1 July 2021, EET Ministers received a paper with an indicative proposal to remove the full licence practical test from the GDLS. This proposal was based on addressing inequities in full licence attainment across different communities.
- 49 More information is needed to understand the possible road safety impacts of removing the full licence test. Initial indications from our data analysis (presented in Annex Two) are that for under 25-year olds, the full licence practical test appears to keep those with a higher crash risk from progressing to a full licence. More work is needed to understand the impact of the full licence practical test for those 25 and over.
- 50 Te Manatū Waka is currently progressing additional data analysis to understand crash risks for people remaining on their restricted licence. This analysis will be complete by early 2022. It will give us a better understanding of the road safety profile of this group and whether there would be negative impacts to road safety if the full licence test were removed. It will also inform potential policy design considerations (e.g. holding period for restricted licence holders, and any conditions on progressing to a full licence).
- 51 There will always be unavoidable uncertainty about the road safety impacts of removing the full licence test for certain groups. While findings from the data will inform the final recommendation and policy decision, the data itself will continue to have limitations based on the sample taken or the analysis performed. We will ensure limitations of the data are clearly noted in our advice so that Ministers can recognise these limitations when making decisions.

*We have initial findings on the impact of the full licence practical test for those under 25 years old*

- 52 Initial findings from our data analysis indicates that the full licence test contributes to improved safety outcomes for young drivers (17-24-year olds). For young drivers who failed their full licence test and remained on their restricted licence for the subsequent four years, the odds of crashing within six-months were 5.38 times higher than for those who passed the test.<sup>25</sup>
- 53 These initial findings suggest that young drivers who fail the full licence test and remain on their restricted licence have qualitatively worse road safety outcomes, relative to their peers.

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<sup>25</sup> The data and its limitations is provided in Annex 2.

*We need more road safety analysis for people 25 and over who remain on their restricted licence*

- 54 Our data did not show a clear difference in crash rates for people 25 and over who had failed their full licence test and remained on their restricted licence for the subsequent four years, compared with those who passed the full licence test.
- 55 We need to further analyse this group of people 25 and over that are remaining on their restricted licence to confirm and expand on our initial findings. Our current data is limited as it does not include:
- those who did not sit the full licence test in the time period measured
  - those that failed their full licence test then passed it in the subsequent four years.

*We need more information about non-progression through the GDLS*

- 56 We know that increasing numbers of people are remaining at the learner and restricted licence stages. Approximately 400,000 people have currently stalled within the GDLS.<sup>26</sup> We expect all driver licensing related workstreams will contribute to reducing the number of people who have stalled by improving access to training and support services and removing progress barriers.
- 57 Learner and restricted licences currently expire after five years to encourage licence holders to progress to the next licence stage. This policy has been ineffective at reducing the number of people who have stalled on their licence to date, and it also introduced barriers to retaining a learner or restricted driver licence. Public consultation has just finished on proposals to revert learner and restricted licence time limits to ten-year expiry periods when renewed.
- 58 As part of our ongoing data analysis work, we will investigate if stalling on a restricted licence is a safety concern and, if so, use tools to specifically target those safety concerns.

**Balancing road safety and equity of access to education, employment and training opportunities**

- 59 We need to balance equity of access to opportunities and road safety impacts when considering potential changes to the restricted licence conditions and the full licence practical test.

*If those who stalled on their restricted licence have a lower or equal crash risk to their full licensed counterparts:*

- 60 A full licence increases employment opportunities and allows entry to higher licence classes. Removing the full licence test for drivers will be more effective in improving access to opportunities compared to reducing or removing the conditions on their restricted licence.

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<sup>26</sup> Waka Kotahi (2021). This number is based on the amount of people who are soon facing expiry of their learner or restricted licence.



*If those who stalled on their restricted licence have a higher crash risk than their full licence counterparts:*

- 61 This data would indicate that the incentive to improve skills to pass the full licence test results in improved road safety outcomes. In this case, we would recommend keeping the full licence practical test and the restricted licence conditions to minimise exposure to high-risk driving environments while continuing to develop driving confidence and skill.
- 62 Removing or relaxing restricted licence conditions for those who have been shown to have a higher crash risk will result in negative road safety outcomes for this group. Removing or relaxing conditions can also act as a disincentive to progress to the full licence as the restricted licence may be seen as adequate for the person's needs.
- 63 If the crash risk for this group is higher than their full licensed counterparts. We suggest that this group be considered as a priority group in MSD's targeted funding for driver training and licence support. This will encourage this group to improve their skills, improve their road safety outcomes, and pass the full licence test. It will also remove barriers to their progression which will improve access to EET opportunities.

#### **Some proposals have road safety and publicity risks**

- 64 There is a risk that the outcome of this review will not match public expectations because we recommend retaining several system settings which contribute to improved safety outcomes.
- 65 The Review found that the biggest improvements to equity and accessibility will come from operational changes. Therefore, final advice to Cabinet will present the full package of changes which integrate the recommendations of this Review, MSD recommendations to improve access to driver licences and Waka Kotahi driver licensing system delivery and operational work.
- 66 There will be considerable public interest if we recommend removing the full licence practical test. The public will be concerned about the potential safety impacts of this change. This risk will be partially mitigated by our data (we will only recommend this policy if we have New Zealand data to support it), however, there will always be a degree of uncertainty about the road safety impacts of this policy.
- 67 To further address public concern and support ongoing monitoring of the driver licensing system, we propose establishing a monitoring scheme to ensure we can measure the effects of any policy changes and intervene if we see a decline in road safety.
- 68 Removing the full licence practical test would also impact on the revenue and commercial position of Vehicle Testing New Zealand (VTNZ) who are the Waka Kotahi agents for delivery of the practical licence tests. VTNZ currently receive a commission for delivering the full licence test. Waka Kotahi may have contractual obligations to VTNZ that will be impacted by any change to the requirement for a full licence practical test.
- 69 We are also aware that the proposal to remove time-discounts for advanced driver training may draw critical comments from current training providers. This change will

likely decrease the demand for their services. We will engage closely with this sector to find ways to mitigate any negative impacts.

- 70 This proposal to remove time-discounts may also draw critical comments from those entering the licensing process looking to accelerate their progression. It will delay the progress of some people moving to their full licence and beyond, if looking to enter higher driver licence classes (for heavy vehicles). We expect that progressing the 2019 draft rule amendment to streamline access to these licence classes would mitigate some of this risk.

### Review timeline and next steps

- 71 Following feedback from you and EET Ministers, we will provide you further advice on the next steps, including our proposed engagement approach for collecting feedback on our proposals. We will look to specifically engage with communities that face additional barriers to entering and progressing through the GDLS, including Māori, Pacific, ethnic, disabled and rural communities.
- 72 We are awaiting feedback on our proposals from Te Puni Kōkiri and Ministry for Pacific Peoples. We will work to engage these Ministries further as we progress work towards developing a Cabinet paper.
- 73 We expect to have a draft Cabinet paper to share with you in the first half of 2022.
- 74 We will provide you with advice on progressing the 2019 draft Land Transport (Driver Licensing) Amendment Rule in March 2022.
- 75 Timing of the next steps will be impacted by the outcome of our further analysis to determine whether the full licence test can be removed for restricted licence holders.
- 76 We are currently working to the following timeline:

Action	Time
EET Chief Executives meeting	3 November 2021
Updated advice provided to you and your EET Ministers Group colleagues	11 November 2021
EET Ministers Group meeting	18 November 2021
Further safety data scoping and analysis	October 2021 to February 2022
Targeted engagement with external stakeholders	December 2021 to February 2022
Draft Cabinet paper	First half of 2022



## ANNEX ONE: SUMMARY OF GDLS REVIEW RECOMMENDATIONS

Element of the GDLS	Are we recommending change?	Recommendation(s)	Rationale
<b>Learner Licence</b>			
Name of the learner licence	Yes (legislative - rule amendment)	Change the names that appear on a learner licence to "Learner Permit" and "New Zealand Driver Permit". It would still be called a licence in the legislation.	Through engagement, we heard that some communities misinterpret the learner licence (which has "New Zealand Driver Licence" on it) and believe it allows people to learn to drive unsupervised. This results in some people breaching the conditions of their learner licence. The recommended change in terminology should help avoid confusion between a learner licence and a full licence.  To keep implementation costs low, we propose this change will apply to new licences issued (rather than recalling existing learner licences). We would look to supplement this name change with an education campaign, although we note that an education campaign by itself is not likely to be effective at addressing the underlying problem. We also consider an alternative option could be to print a direction on the learner licence, such as: "must be supervised while driving by a qualified supervisor at all times".  If you agree to this option, we will work with Waka Kotahi on the exact wording to be used.
Minimum age	No	No change	The current minimum age of 16 for a learner licence strikes an appropriate balance between accessibility and road safety.  Decreasing the minimum age risks a range of negative road safety impacts. It may undo the positive impacts of the 2012 increase in the minimum learner licence age from 15 to 16. Schiff (2019) estimated that raising this age avoided 23 fatal and serious crashes in 2017 (relative to a scenario where 15 years olds could gain a learner licence).  Increasing the minimum age negatively impacts young people such as school leavers who may need a licence to pursue employment opportunities. The road safety impacts of a higher minimum learner licence age are also uncertain. Our data analysis shows that 16-year-old learner licence holders have lower crash rates in their first 12 months, compared to 17-20 year old learner licence holders in their first 12 months. This is a counter-intuitive finding (as crash risk tends to decrease with age). We have not tested it further, but one possible explanation is that 16-year olds drive less.
Requirements to gain a learner licence	Yes (operational)	Waka Kotahi consider operational and delivery changes to the learner licence test to improve access and equity.  No legislative change to the requirements to gain a learner licence.	Theory tests improve road safety, relative to application only (no test) learner licence models (Austroads, 2015). A theory test ensures that drivers have a basic understanding of New Zealand road rules before they can drive under supervision. This basic understanding will help the driver understand the rules they must follow and the rules to expect other drivers to follow to minimise crash risk.  We know that some communities face barriers to accessing the learner licence. Waka Kotahi regularly review the operation and delivery of the learner licence and we recommend that equity and access should be considered as part of these regular reviews.
Conditions on a learner licence	No	No change	Current learner licence conditions are effective at reducing the harms of inexperienced drivers. Schiff (2019) found the learner licence crash rate to be similar to the full licence crash rate. Our own data analysis found that the learner licence crash rate was lower than the restricted licence crash rate.  We know that some learner drivers face difficulties accessing an appropriate supervisor for learning to drive. This creates inequities, especially in communities and families where driver licensing rates are low. Cross-agency work led by MSD is looking to improve access to driver training and licensing for these communities and other affected groups.
Minimum time on licence	No	No change	The six-month minimum holding period for the learner licence phase (as a prerequisite for applying for a restricted licence) contributes to road safety outcomes.  Increasing the minimum holding period is not expected to impact road safety outcomes. The minimum holding period of 6 months and the restricted licence practical test, together, are intended to ensure a driver has 120 hours of driving experience before progressing to a restricted licence. If a 6-month holding period has not been sufficient for an individual to get that driving experience, it is expected that the restricted licence practical test will prevent them from progressing until they have sufficient driving experience. Waka Kotahi data shows that, on average, people take about 3 years to progress from their learner to a restricted licence which indicates that most people take more than the minimum period to progress. Some individuals value quick progression through the GDLS. This includes young people with limited transport options and those who need a licence for employment. This group would be negatively impacted by an increase in the holding period.  Reducing this holding period is not recommended, a shorter holding period is associated with negative safety outcomes internationally (Boets et al, 2016).
<b>Restricted Licence</b>			
Requirements to gain a restricted licence	Yes (operational)	Waka Kotahi consider operational and delivery changes to the restricted licence practical test to improve access and equity.  No legislative change to the requirements to gain a restricted licence.	A practical driving test ensures that a person has the skills necessary to drive safely in unsupervised conditions. These tests contribute to positive road safety outcomes. International studies demonstrate that those who fail their practical driving test have higher crash rates than those who pass.  Additional regulatory barriers to gain a restricted licence would be unlikely to improve road safety outcomes. New Zealand and international data indicate that crash risk is highest in the first few months of solo driving. This results from driver inexperience which is difficult to address with regulatory tools.  We know there are a significant number of people who face barriers in accessing the restricted licence practical test. Waka Kotahi will be reviewing the operation and delivery of the test to address these access and equity issues.



Conditions on a restricted licence	No	No change	<p>New Zealand and international evidence indicate that night-time driving and driving with peers are very high-risk environments for novice drivers. The current conditions which restrict night-time driving and the ability to carry passengers are effective at reducing crash risk. Introducing further conditions or intensifying the existing conditions on a restricted licence would create additional barriers to access. Removing or relaxing conditions would improve access but may reduce safety outcomes.</p> <p>There is currently a process to apply to Waka Kotahi for exemptions to driver licence conditions (for example, if a person needs to drive at night for work or carry passengers). Waka Kotahi's assessment strongly focuses on whether an exception to the condition is likely to maintain or improve safety on the roads. We propose improving awareness of this exception process (see the progression and logistical issues section of this table)</p>
Minimum time on licence	No	No change	<p>The 18-month holding period (for under 25's) and 6 month holding period (for 25's and over), before a restricted licence holder can apply for a full licence, sufficiently reduces crash risk.</p> <p>Our safety data shows that after 18 months on a restricted licence, the 17-24-year olds crash rate was 12.06 (per 10,000 licence holders), which was half of the crash rate in the initial 3 months of 25.75 (per 10,000 licence holders). This crash rate gradually continues to fall over time. For 25-34-year olds, after 6 months on the restricted licence, their crash is 11.49 (per 10,000 licence holders), which is lower than their crash rate in the initial 3 months of 16.26 (per 10,000 licence holders).</p> <p>Increasing the minimum holding period would have equity and access implications for those who need a licence for education, employment and other opportunities. Reducing the minimum holding period is likely to increase crash risk (see Time-discount for advanced driver training in Progression and logistical issues section below). While the current holding period creates some inequities for school leavers (who may need a full licence for employment and education opportunities), we believe the holding period strikes an appropriate balance between access and road safety. The current holding period works in combination with the full licence test to improve road safety outcomes. Decisions on the full licence test may require this question to be revisited.</p>
<b>Full Licence</b>			
Requirements to gain a full licence	Pending further analysis	<p>We recommend Waka Kotahi consider operational and delivery changes to the full practical licence test to improve access and equity.</p> <p>We recommend further exploring the data to better understand any safety implications of removing the full licence practical test.</p>	<p>We know that significant groups of people face barriers to accessing the full licence test.</p> <p>The Ministry of Transport has analysed data provided by Waka Kotahi on the crash rate for:</p> <ul style="list-style-type: none"> <li>- those who have passed or failed a full licence test, and</li> <li>- the crash rate for different age groups according to how long they have been on their licence.</li> </ul> <p>The initial data analysis indicates that the full licence test appears to play a role in improving safety outcomes for younger drivers (ages 17-24 years), but more information is required for those who are 25 years or older (25-34 years in our analysis).</p> <p>At this stage we do not have enough data to understand the full impacts of removing the full licence practical test. Nor do we have enough data to recommend a minimum holding period for the restricted licence for this group. Therefore, we are progressing ongoing work to:</p> <ul style="list-style-type: none"> <li>- understand the safety implications of removing the full licence test (recognising that there are a range of reasons why people don't progress)</li> <li>- confirm an appropriate minimum holding period for the restricted licence for this group, if removing the full licence practical test.</li> </ul> <p>Based on the data we have so far, we recommend:</p> <ul style="list-style-type: none"> <li>- operational changes that could improve equity and access to this test should be explored by Waka Kotahi (including locations where the test can be carried out and exploring options for the hazard detection component that do not disadvantage non-native English speakers)</li> <li>- further exploration of the data for people who have been on their restricted licence for more than the minimum period and appear to have stalled on their licence, to better understand any safety risks of removing the restricted licence practical test for this group.</li> </ul>
<b>Progression and logistical issues</b>			
Non-progression (stalling at learner or restricted)	Pending further analysis	None at this stage.	<p>Many people make only partial progress through the GDLS. These people stall at either the learner licence or restricted licence stage. At this stage, we do not have enough information to determine if there is a safety risk to long-term non-progression, therefore, we are not able to propose an appropriate policy response. One New Zealand study found no evidence that the amount of time taken to progress has an impact on crash rates, for those who progressed to a full licence. However, this study did not analyse crash risk for those who remained on their restricted licence for a prolonged period of time (Schiff, 2019).</p> <p>Data informing our considerations of removing the full licence practical test will inform us of whether long term non-progression is a safety issue. This data will help us determine whether targeted regulatory or operational interventions are necessary.</p> <p>It is expected that all of the workstreams in the driver licensing space will contribute to reducing long-term non-progression, by improving access to training and support services, removing unnecessary regulatory and operational barriers, and putting in place processes to support those who continue to stall at their licensing stage.</p>
Vision test	Yes (legislative - rule amendment)	<p>Progress work on the 2019 draft Land Transport (Driver Licensing) Amendment Rule, which includes the recommendation reduce the frequency of mandatory eyesight tests to:</p> <ul style="list-style-type: none"> <li>• the first time obtaining a Class 1 or 6 licence</li> <li>• when renewing or reinstating a licence for the first time on or</li> </ul>	<p>Eyesight tests are frequent (they are required at every licence application, renewal, and some reinstatements) and this frequency appears to have minimal impact on improving safety outcomes. In the consultation for the 2019 Amendment Rule, Waka Kotahi advised:</p> <ul style="list-style-type: none"> <li>- One study found that crash rates were the same for a cohort of people in the three-year period before they passed or failed their eyesight test at a licence renewal. Another study looked at the crash rates of the 7,400 drivers who failed an eyesight check at a licensing agent between 1 January 2005 and 31 December 2011 and were then required to wear corrective lenses while driving. The crash rates of these drivers in the three years before and after failing the eyesight test and being required to wear glasses or contacts were virtually the same. Waka Kotahi noted that limitations on the data available prevent crash risk studies that have larger samples and that look at longer periods. However, they concluded that the two studies suggest that there is little discernible safety benefit from repeated eyesight testing as part of the driver licensing process.</li> </ul>



		<ul style="list-style-type: none"><li>after the applicant’s 45th birthday for any renewal or reinstatement after the applicant’s 75th birthday.</li></ul>	<ul style="list-style-type: none"><li>Statistics kept by Waka Kotahi suggest that the eyesight testing method used by licensing agents is not very effective. In 2014, 60 percent of people who failed their eyesight tests were assessed by an optometrist as fit to drive without corrective lenses (Waka Kotahi, 2019). These people would have been required to pay an optometrist for an eye test despite their eyesight being suitable for driving.</li></ul> <p>Reducing the frequency of eyesight tests will also be a step towards enabling online licensing options, which can greatly benefit people that struggle to access physical driver licensing agents. These people include New Zealand driver licence holders living overseas.</p>
Time-discount for advanced driver training	Yes (legislative - rule amendment)	Remove the time-discount for advanced driver training	<p>New Zealand and international evidence show that time-discounts for advanced driver training courses have a negative impact on road safety. Schiff (2019) found no significant differences in crash rates for fully licensed drivers with advanced certificates and drivers who received time discounts at the restricted stage, compared to drivers without advanced certificates. This finding is inconsistent with the majority of international and other New Zealand studies which conclude that time discounts result in negative road safety outcomes. The time-discount for advanced driver training also contributes to inequities in access to driver licensing as not all people can afford to pay for an advanced driver training course.</p> <p>Due to the strong international safety data, we recommend removing the time-discount for advanced driver training.</p>
Waka Kotahi’s ability to issue exemptions to restricted licence conditions	Yes (operational)	Create a targeted education campaign that will improve understanding of and access to the process for gaining exemptions to driver licence conditions.	<p>Some people will need exemptions to the restricted licence conditions. The current process for gaining an exemption from Waka Kotahi is used by some people, but more could be done to raise the profile of this process. Therefore, we propose that Waka Kotahi should take steps to raise the public profile of the exemption process (including their assessment criteria) to ensure access to the exemption process is equitable.</p> <p>This application-only exemption process is better than broad changes to restricted licence conditions. Our initial analysis indicates that the restricted licence conditions could contribute to improved road safety outcomes for people under 25. While more analysis is needed, we do not support removing conditions on the restricted licence. Instead, we seek to understand the safety profile of this group through our investigation of removing the full licence practical test. If we remove the full licence practical test, then we would achieve a similar outcome to a broad exemption to restricted licence conditions.</p>

## ANNEX TWO: SUMMARY OF FINDINGS FROM TE MANATŪ WAKA'S DATA ANALYSIS

### Explanation of findings

*Young drivers (aged 17-24) who fail the full licence test have a significantly higher crash rate compared to their peers who pass the full licence test*

77 At six months, the crash rate for 17-24 year olds who passed their full licence test was 4.54 (per 10,000 licence holders) and the crash rate for 17-24 year olds who had failed their full licence test and remained on their restricted licence for the subsequent four years was 24.39 (per 10,000 licence holders). This means the odds of having a crash for drivers who failed the test was 5.38 times higher than those who passed the test (and this difference was statistically significant).

78 At 4 years, the crash rate for 17-24 year olds who passed their full licence test was 27.01 (per 10,000 licence holders) and the crash rate for 17-24 year olds who had failed their full licence test and remained on their restricted licence for the subsequent four years was 45.73 (per 10,000 licence holders). This means the odds of having a crash for drivers who failed the test was 1.70 times higher than the odds for those who passed the test (and this difference was statistically significant).

*The difference in crash rate for drivers aged 25 and over who fail the full licence test compared to their peers who pass the full licence test is not statistically significant*

79 At six months, the crash rate for people 25 and over who passed their full licence test was 2.65 (per 10,000 licence holders) and the crash rate for people 25 and over who had failed their full licence test and remained on their restricted licence for the subsequent four years was 0 (per 10,000 licence holders). The odds ratio for this difference in crash rates could not be calculated.

80 At four years, the crash rate for people 25 and over who passed their full licence test was 15.36 (per 10,000 licence holders) and the crash rate for people 25 and over who had failed their full licence test and remained on their restricted licence for the subsequent four years was 20.80 (per 10,000 licence holders). The odds ratio for these crash rates could be calculated, but it was not statistically significant.

	Drivers aged 17-24		Drivers aged 25+	
	Crash rate at 6 months	Crash rate at 4 years	Crash rate at 6 months	Crash rate at 4 years
Failed full licence test	24.39	45.73	0.00	20.80
Passed full licence test	4.54	27.01	2.65	15.36
Odds ratio (how many times higher the odds are for a driver who failed the test having a crash over those that passed)	5.38	1.70	Could not be calculated	Difference was not statistically significant

*Crash rate = Crashes per 10,000 drivers*



## Data analysis methodology

- 81 Te Manatū Waka analysed the crash risk of those who sat their full licence test between 2012 and 2015. We divided the drivers into two groups:
- Young drivers (aged 17-24) at the time of taking the full licence test, and
  - Drivers aged 25 and over at the time of taking the full licence test.
- 82 Within each group, we assessed the crash rate at six months and four years (from taking the test) for those who passed the full licence and those who failed the full licence and remained on their restricted licence for the subsequent four years.
- 83 Crash rate is presented as the number of at-fault DSI (death and serious injuries) crashes per 10,000 license holders. Odds ratio was used to determine whether the crash rate for any two groups was statistically significantly different at a 95 percent confidence level.

## Data limitations

- 84 The findings in this section are limited as they only provide information on a specific cohort of drivers and should be interpreted with caution. Te Manatū Waka is undertaking further analysis to confirm and expand on these findings.
- 85 The data is limited by a small sample size. While we have a good sample size for those who passed their full licence test (over 240,000 people), we had a much smaller number of those who failed the full licence test and remained on their restricted licence for the subsequent four years (approximately 10,000 people).
- 86 This data is limited as it does not include drivers who did not sit the full licence test between 2012 and 2015 and it does not include drivers who failed the full licence test in the 2012-2015 period but passed the test in the subsequent four years.<sup>27</sup>

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<sup>27</sup> The reason the data was limited to these years was to ensure the test was sat after the 2012 changes to the full licence practical test, to allow for four years of crash data after the licence test period and to exclude 2020 and 2021 crash data, which is impacted by the effects of COVID-19 nationwide lockdowns.



13 April 2022

OC220084

**Hon Michael Wood**

**Minister of Transport**

## **GRADUATED DRIVER LICENSING SYSTEM REGULATORY REVIEW- RESULTS FROM FURTHER CRASH DATA ANALYSIS**

### **Purpose**

Provide recommendations for the Graduated Driver Licensing System (GDLS) regulatory review following crash data analysis relevant to the full licence practical test and time discount for advanced driver training.

### **Key points**

- In November 2021, we provided an update on the GDLS regulatory review of Class 1 licences to you and the Education, Employment and Training (EET) Ministers Group (OC210736 refers).
- More work was required to investigate the likely effects of removing the full licence practical test and understand whether remaining on a restricted licence without progressing to a full licence was a safety issue. In the course of this work, we have also taken the opportunity to look at crash data for drivers who took the restricted licence time discount for advanced driver training, to understand whether that has a material impact on safety outcomes in the New Zealand context.
- We have now completed this analysis and the findings indicate:
  - there is a safety advantage to retaining the full licence test
  - drivers who take the time discount to get a full licence do not appear to have negative road safety outcomes as a result.
- From these findings, we do not recommend changes to the time discount or to the requirement to undertake a full licence test. To meet our objective to improve access to driver licences, we consider the biggest improvements will come from operational and delivery changes in the licensing system.
- We propose another regulatory review once operation and delivery changes have been established. We will work with Waka Kotahi to understand qualitative differences in drivers who do not progress through the licensing system to understand how we can better serve these drivers.

- NZ Police and Waka Kotahi have been consulted and support this advice. The Ministry of Social Development (MSD) has also been consulted and recognises that the research conducted so far does not support significant changes to these regulatory settings. MSD supports a follow up review, which will be informed by demographic and safety data collected as part of ongoing monitoring of the driver licensing system.
- If you agree to the recommendations in this paper, the only remaining recommendation for the regulatory review will be to change the name that appears on a learner licence to a “learner permit” to help learner licence holders understand the conditions of their licence. We will report back to you on timing to implement this change, including the fit with proposals for other rule changes that we are developing advice on.
- Work is underway on a Cabinet paper setting out cross-agency work to improve access to the GDLS. That paper will include a summary of the findings of the GDLS review and outline our coordinated approach to improving access to the system using investment and operational improvements. The paper will be presented to the EET Ministers Group and then Cabinet in mid-2022.
- As a related piece of work, we are preparing advice on a proposal to introduce a zero blood-alcohol limit for learner and restricted drivers, to be included as a proposal in the Road Safety Penalties Review discussion document. The discussion document will be presented to Cabinet in November 2022. This proposal is still in its initial stages and we expect views expressed in the public consultation will inform our consideration.

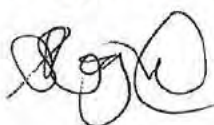
## Recommendations

We recommend you:

- 1 **agree** to retain the full licence practical test as data shows that compared to drivers who remain on their restricted licence and do not progress to a full licence:
  - drivers 25 and over who passed their full licence test have lower odds of a crash Yes / No
  - drivers under 25 that progressed at a normal rate to a full licence have lower odds of a crash.
- 2 **agree** to retain the time discount for advanced driver training as recent analysis of New Zealand data shows that drivers who take the time discount do not have a higher crash risk than those that do not take a time discount. Yes / No
- 3 **note** the work being undertaken by agencies to improve access to driver licences, and therefore improve equity and safety outcomes, includes:
  - i. Waka Kotahi establishment of a Driver Licensing Improvement Programme
  - ii. Ministry of Social Development work to stabilise and expand the driver licence support sector to enable more people to obtain driver licences

- iii. Waka Kotahi undertaking a review of advanced driver training courses to strengthen them and improve road safety outcomes for drivers who have taken the course.

- 4 **agree** that Te Manatū Waka will review the Graduated Driver Licensing System regulatory settings again in five years once access to licensing and training has been improved through the work programmes of Waka Kotahi and the Ministry of Social Development. Yes / No
- 5 **refer** this briefing to Education, Employment and Training Ministers for their information, noting that the data analysis will be presented in the EET meeting alongside the Cabinet paper due to be completed mid-2022. Yes / No



Siân Roguski  
**Acting Manager, Mobility and Safety**  
 12/ 4 / 2022

Hon Michael Wood  
**Minister of Transport**

..... / ..... / .....

**Minister's office to complete:**

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Siân Roguski, Acting Manager, Mobility and Safety	s 9(2)(a)	✓
Vidhiya Damodaran, Senior Advisor, Mobility and Safety		



## GRADUATED DRIVER LICENSING SYSTEM REGULATORY REVIEW- RESULTS FROM FURTHER CRASH DATA ANALYSIS




**We provided advice to the EET Ministers group in November 2021, but further safety data analysis was required**

- 1 In November 2021, we provided an update on the Graduated Driver Licensing System (GDLS) regulatory review to you and the Employment Education and Training (EET) Ministers Group (OC210736 refers).
- 2 As part of this advice, we recommended retaining many features of the current GDLS that contribute to positive road safety outcomes. These features include the learner and restricted licence conditions, and minimum holding periods to progress through the system.
- 3 More work was required to investigate the likely effects of removing the full licence practical test and understand whether remaining on a restricted licence without progressing to a full licence was a safety issue.
- 4 While doing further data analysis, we also looked at crash data for drivers who took the restricted licence time discount for advanced driver training. We looked at this data to confirm whether New Zealand crash trends reflected international evidence that advanced driver training does not improve driving and can result in worse road safety outcomes.

**Our analysis looks at three different types of drivers – normal, stale and slow progressors**

- 5 The data for licence holders showed that 85 percent of people progressed from a restricted to full licence within 2.8 years.<sup>1</sup> This majority progression period allowed three groups to be identified.

*Table 1: Definition of driver licensing groups identified*

	Group	Definition
	Normal progressors	progressed to their full licence within 2.8 years of gaining their restricted licence (RL)
	Drivers who did not progress to a full licence	remained on their restricted licence for more than 2.8 years and did not progress to a full licence (also called 'stale' RL holders)
	Slow progressors	remained on their restricted licence for more than 2.8 years but eventually progressed to their full licence

<sup>1</sup> Minimum time to progress from a restricted to full licence is 18 months for drivers under 25 (or 12 months with a certificate from an advanced driver training course), and 6 months for drivers 25 and over (or 3 months with a certificate from an advanced driver training course).



- 6 We combined the licence data with crash data, looking at crashes where the driver was primarily or partially at fault.
- 7 To compare crash rates over the same length of time we looked at crashes for an up to five-year period. We excluded the initial high-crash period after gaining a restricted licence to exclude driver inexperience as a factor in our analysis.<sup>2</sup> This meant that drivers had legally been allowed to drive solo for the same amount of time but for:
- 7.1 normal progressors, the crashes occurred while on their full licence
  - 7.2 drivers who did not progress to a full licence, the crashes occurred while on their restricted licence
  - 7.3 slow progressors, the crashes occurred while on their restricted or full licence.

Figure 1: Time period crashes were taken (shown by dark blue arrow) when comparing crash rates of normal progressors, drivers who did not progress to a full licence and slow progressors






- 8 This comparison allows us to see how drivers at the same timepoint of their licensing journey can be at different places in the GDLS and how this affects their crash rates. A summary of our findings for crashes resulting in death or serious injury (DSI crashes) is presented in Table 2. This is explained in more detail in Annex 1.

<sup>2</sup> We excluded the initial high-crash period by starting our measurement period 2.8 years after a driver gained their restricted licence. This allowed us to compare crashes at equivalent stages of driving experience (estimated by time spent on their licence – which we note may not reflect actual time spent driving).



Table 2: Summary of findings from crash data analysis when comparing DSI crash rates for normal progressors in each age group with drivers who do not progress and slow progressors

Group		Odds of a DSI crash when compared to normal progressors of the same age group	
		25 and over	under 25
	Normal progressors	Reference	Reference
	Drivers who did not progress to a full licence (stale RL holders)	117% more likely	18% more likely
	Slow progressors	No significant difference	63% more likely

- 9 Overall, the analysis shows that drivers who do not progress to a full licence (i.e. have not passed a full licence practical test) have higher odds of a crash than normal progressors for both age groups.

**Based on the safety outcomes of the three different groups we propose retaining the full licence test**

- 10 The evidence suggests that the full licence test plays a role in identifying drivers that have improved driving skills (demonstrated by having lower odds of a crash):
- 10.1 Drivers 25 and over that have passed their full licence test (normal progressors and slow progressors) are shown to have lower odds of a crash than drivers who have not (stale restricted licence holders).
  - 10.2 Drivers under 25 that progressed normally have lower odds of a crash than drivers who have not progressed to their full licence.
- 11 For these reasons, we recommend retaining the full licence practical test. This recommendation, together with our previous advice, would retain almost all the current GDLS settings.
- 12 The only remaining recommendation for changes to the regulatory settings is to change the name that appears on a learner licence to a "learner permit" to help learner licence holders understand the conditions of their licence.<sup>3</sup> We will report back to you on timing to implement this change, and how this might fit with proposals for the 2019 Land Transport Driver Licensing Rule Amendment that we are currently developing advice on.
- 13 Further information would be required to understand why drivers under 25 who progress slowly to their full licence have higher odds of a crash than normal progressors. Once we understand more about this group, we can consider further changes to improve their driving outcomes.

<sup>3</sup> OC210736 refers.

**As well as contributing to inequity, non-progression through the GDLS is a safety risk that will take longer to address**

- 14 Improving entry and progression through the GDLS is a core goal of the cross-agency work programme. To achieve this, we recommend prioritising focus on strengthened investment into driver training and support, and operational improvements to remove barriers to entry and progression.
- 15 We know that not having a full licence can limit a person's employment opportunities, access to education and access to services. In addition, our findings show that not progressing to a full licence is associated with higher odds of a crash.
- 16 Previous policy attempts to improve progression through the licensing system include the introduction of the time-limited licences policy, which limited learner and restricted licences to 5-year expiry periods. In December 2021, the time-limited licences policy, was revoked due to being unsuccessful and imposing an additional barrier to licensing for those already affected by inequities in the licensing system.
- 17 We know that many people face barriers to entry and progression through the licensing system that need to be addressed. Both Waka Kotahi and the Ministry of Social Development (MSD) have work programmes to reduce these barriers.
- 18 MSD has proposed changes to the funding of driver licence support services to stabilise and expand the sector. Waka Kotahi is reviewing their operational and delivery settings in the driver licensing system to improve access and progression through the system without compromising safety.<sup>4</sup>
- 19 We consider that changes through MSD and Waka Kotahi work programmes will make the most difference to people progressing through the licensing system. These programmes will aim to reduce barriers caused by inequitable access to driver licence support and geographic access to testing. The programmes will also invest in driver licensing sector development.
- 20 Once these programmes are up and running, and barriers to accessing the driver licensing system have been reduced, we can consider further regulatory or operational changes that could improve engagement with the licensing system.

**We propose reviewing the regulatory settings again in five years**

- 21 The experience of the time-limited licences policy has demonstrated that regulatory settings alone cannot fix the issue of access and equity, and can act as an additional barrier if implemented in isolation. With this in mind, we do not recommend making regulatory changes to encourage progression through the Class 1 licensing system until the barriers posed by limited driver licence support services and the operation and delivery of the driver licensing system have been reduced.
- 22 We recommend reviewing the regulatory settings again in five years once MSD and Waka Kotahi have implemented changes to improve access to driver training and licensing. Regulatory changes that can improve safety and encourage progression through the GDLS can then be considered without further disadvantaging many of those who currently face barriers to entry and progression through the system.

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<sup>4</sup> See Waka Kotahi briefing BRI-2409.



- 23 The MSD and Waka Kotahi work programmes will not be able to address barriers for all drivers wishing to enter and progress through the GDLS. These work programmes will be limited by funding constraints. Those who still face barriers to entry and progression through the GDLS will need to be considered in any future review of the GDLS.

**Ongoing monitoring of the driver licensing system will provide further insights into future reviews**

- 24 Driver licensing and crash rates are affected by a number of factors including geographic location and socioeconomic status. In New Zealand, we know this results in differences in driver licensing rates and crash rates for different ethnicities, genders, and people with different employment and education statuses. This analysis was not able to consider these factors.
- 25 We expect to collect more data to be considered as part of the next GDLS review in five years. This data will be collected through:
- 25.1 proposed research to understand more about stale and slow progressors as part of the land transport sector research programme (see Annex 1 for more information)
- 25.2 ongoing monitoring and evaluation of the driver licensing system proposed as part of the wider driver licensing review.

**We propose retaining the time-discount for advanced driver training and strengthening the training to improve road safety outcomes**

- 26 We also took the opportunity to review the evidence relating to the safety outcomes associated with the time discount for advanced driver training courses and did not identify negative road safety outcomes in our data analysis. These findings are also reflected in the 2019 Schiff Consulting evaluation of the GDLS (the Schiff Consulting Evaluation). Therefore, we recommend retaining the time-discount for advanced driver training.
- 27 When we looked at the crash rates for drivers under 25 who took a time discount and compared this to drivers under 25 who progressed normally, we found that there was a 16% decrease in the odds of any crash for drivers who took the time discount and no significant difference in the odds of a DSI crash.
- 28 We note the inequity of the availability of advanced driver training as there is an added cost involved. However, the Schiff Consulting Evaluation found that those who live in a less urbanised region are more likely to do advanced driver training. This indicates that the availability of this pathway also improves access for some who may have fewer transport options available to them.
- 29 Previous findings of negative road safety outcomes associated with the time discount for advanced driver training are discussed in Annex 1. It is possible that negative road safety outcomes previously reported for New Zealand could be due to the motivation and personality of an individual taking the advanced driver training course. If that is the case, then the advanced driver training course provides an opportunity to provide

education to these drivers that is specific to their needs at a crucial stage in their licensing journey. Without the time-discount, that opportunity would not exist.

- 30 Given the objective of advanced driver training is to improve outcomes on the road, we would like to see it strengthened to improve road safety outcomes for drivers taking the course. We recommend that Waka Kotahi reviews and considers strengthening the advanced driver training course to improve safety outcomes. This could include requiring successful completion of a test to complete the course, rather than requiring attendance only.
- 31 Waka Kotahi has indicated support for reviewing the advanced driver training courses but notes that this is likely to be a significant piece of work to review and strengthen the courses.
- 32 Waka Kotahi has also advised that its powers for oversight of approved course providers will remain limited until the proposed Land Transport Rule: Driver Licensing Amendment 2019 has been made. This amendment increases the regulatory tools Waka Kotahi has for approving and monitoring course providers. We are working with Waka Kotahi on this proposed Rule amendment and we expect to provide you advice in May 2022.

**We are developing a proposal to introduce a zero blood-alcohol limit for learner and restricted drivers as part of the Road Safety Penalties Review**

- 33 Currently, the blood-alcohol limit for drivers younger than 20 is zero. Because this limit is related to the age of the driver, learner and restricted drivers over 20 are able to drive with up to:
  - 250 micrograms of alcohol per litre of breath, or
  - 50 milligrams of alcohol per 100 millilitres of blood.
- 34 The GDLS places a phased set of restrictions on learner and restricted drivers to minimise the risks novice drivers face as they are learning to drive and gain confidence. The GDLS gradually reduces the restrictions on novice drivers, allowing them to develop safer driving skills while minimising the risks they and others on the road face.
- 35 There is clear evidence that an increase in blood-alcohol results in increased crash risk. A New Zealand study of drivers involved in fatal crashes<sup>5</sup> showed that for a blood-alcohol concentration (BAC) of 30 mg/100mL, when compared to a driver aged 30+ with a zero BAC, drivers aged:
  - 15-19 year olds were 15 times more likely to have a fatal crash
  - 20-29 year olds were 8.7 times more likely to have a fatal crash
  - 30+ year olds were 2.9 times more likely to have a fatal crash.

<sup>5</sup> Keall, Frith and Petterson, 2004. Data retrieved from the Te Manatū Waka website (<https://www.transport.govt.nz/statistics-and-insights/safety-annual-statistics/alcohol-and-drugs/>)

- 36 This evidence shows that the impairment caused by alcohol occurs at relatively low blood-alcohol levels and increases crash risk even for the 30+ age group. A zero-blood alcohol level could therefore be an effective tool in reducing crash risk for novice drivers as they learn to drive. It could also help minimise crash risk for restricted licenced drivers (who have a high crash risk in the early stages of solo driving) as they continue to develop their driving skills.
- 37 We are developing a proposal to include a recommendation of a zero blood-alcohol limit for learner and restricted drivers and motorcyclists as part of the Road Safety Penalties Review discussion document, which we expect will be ready for you to take to Cabinet in November 2022. We expect views expressed in the public consultation will inform this work going forward.

**We expect stakeholders will support our recommendations and proposals**

- 38 We have consulted with NZ Police, Waka Kotahi and MSD on these findings. NZ Police and Waka Kotahi support these proposals. MSD recognises that research conducted so far does not support significant changes to the regulatory settings. MSD supports another review in five years which will be informed by demographic and safety data collected as part of ongoing monitoring of the driver licensing system.

*The Automobile Association has an interest in maintaining the time-discount for advanced driver training*

- 39 The Automobile Association (the AA) who run the advanced driver training Defensive Driving course have not been consulted on this advice. However, a draft position statement provided by the AA in November 2021 in response to the Waka Kotahi commissioned review on The Effectiveness of Advanced Driver Training indicated that the AA would support these recommendations.
- 40 The AA stated that it was surprised by the Waka Kotahi report's recommendation to remove the time discount, noting that fewer young drivers would have faster access to their full licence. The AA also noted the limitations of the Waka Kotahi commissioned study and how it did not specifically evaluate the New Zealand advanced driver training courses.
- 41 The AA also commented on findings of the Schiff Consulting Evaluation, which showed no impact on safety outcomes for those who took the time discount and modelled improved safety outcomes for those who took the course without taking a time discount. The AA concluded that *"Advanced driver training combined with the time discount is an important part of our licence system that needs to be maintained."*

*Matariki 2.4D is expected to support the proposal to retain the time discount for advanced driver training*

- 42 Matariki 2.4D, an inter-organisational group that support driver training and licensing in the Hawke's Bay, wrote a letter to Waka Kotahi on 21 February 2022. In that letter they indicated support for driving training, including the Defensive Driving course which the AA provides. They went on to say that removing the time-discount incentive for people to do this course would be counter-productive to improving road safety through safer driving attitudes.



*The majority of issues with the licensing system raised by the Driving Change Network are operational*

- 43 We have not yet engaged with the Driving Change Network on the proposals for the regulatory review. However, in an email to Waka Kotahi, the Driving Change Network indicated that removing the time discount for advanced driver training would prevent young people from achieving their full licence before leaving school.
- 44 We note that the Driving Change Network's Future Pathway as outlined in their purpose document does not require legislative change of the driver licensing system itself.
- 45 Previous meetings with the Driving Change Network have made it clear that they want to ensure safety is not compromised in improving access to the licensing system. They have also indicated that operational improvements to the driver licensing system can provide significant improvements to access.

**We are writing a Cabinet paper that explains the cross-agency work to improve access to the GDLS as one package**

- 46 A Cabinet paper outlining our coordinated approach to improving access to the GDLS using investment and operational improvements will be presented to the EET Ministers Group and then Cabinet in mid 2022.
- 47 In our previous advice, we indicated that we would engage with external stakeholders for their views on the proposed changes prior to the Cabinet paper being drafted. As the findings of our safety analysis have indicated that no significant changes currently need to be made to the regulatory settings of the GDLS, we no longer propose to conduct specific engagement ahead of public consultation. Public consultation will be required if we progress a Rule amendment for the proposed change to the name that appears on the learner licence.
- 48 Decisions on the cross-agency Budget bid for Driver licence support - equitable access to driver licences to improve employment, wellbeing and safety outcomes are expected in April 2022.
- 49 You have received a briefing from Waka Kotahi on their review of the operation and delivery of the driver licensing system (BRI-2409 refers). Further advice from Waka Kotahi will be presented to EET Ministers in June 2022.
- 50 Advice on progressing the Land Transport Rule: Driver Licensing Amendment 2019 is expected to be provided to you in May 2022. This advice will allow you to make decisions on next steps for this work, which will inform timing and steps required prior to taking advice to Cabinet.
- 51 A draft of the Cabinet paper *Equitable access to driver licences to improve employment, wellbeing, and safety outcomes* is expected to be provided to your office prior to consideration by Cabinet in mid 2022. This paper will present outcomes and recommendations from the cross-agency work to improve access to driver testing and licensing.

Table 3: Summary of next steps of work underway on the GDLS Review

Next steps	Timing
Budget 2022 decisions	April 2022
Te Manatū Waka advice to you on proposed 2019 Driver Licensing Amendment Rule to reduce the frequency of eyesight testing and improve licensing for the commercial sector	May 2022
Waka Kotahi advice to EET Ministers	June 2022
Draft Cabinet paper <i>Equitable access to driver licences to improve employment, wellbeing, and safety outcomes</i> provided to your office	July/August 2022 (TBC)
<i>Equitable access to driver licences to improve employment, wellbeing, and safety outcomes</i> Cabinet paper considered by EET	July/August 2022 (TBC)
<i>Equitable access to driver licences to improve employment, wellbeing, and safety outcomes</i> paper considered by Cabinet	July/August 2022 (TBC)

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## ANNEX 1

## SUMMARY OF FINDINGS FROM ANALYSIS OF CRASH RISK ASSOCIATED WITH PACE OF PROGRESSION THROUGH THE GRADUATED DRIVER LICENSING SCHEME

### Question: Should we remove the full licence practical test?

- The data analysis showed that those who do not progress to a full licence have a higher crash and DSI crash rate than those who do.
- This is true for both drivers over and under 25.

	per 10,000 drivers		Odds Ratio		Is it significant?
	All crashes	DSI crashes	All crashes	DSI crashes	
25 and overs					
Normal progressors <sup>6</sup>	194	13	Reference	Reference	
Stale RL holders <sup>7</sup>	243	28	1.25	2.17	Significantly higher odds
Slow progressors <sup>8</sup>	210	17	1.11 (NS)	1.35 (NS)	Not a significant difference
Under 25s					
Normal progressors	303	33	Reference	Reference	
Stale RL holders	409	53	1.35	1.18	Significantly higher odds
Slow progressors	387	53	1.28	1.63	Significantly higher odds

### Question: Should we remove the time-discount for advanced driver training?

- Despite international and previous domestic evidence indicating that advanced driver training does not improve driving and can result in worse road safety outcomes, our data analysis suggests that those who do the training in NZ and take the time discount do not have worse crash outcomes than their peers on full licences who did not take the time discount (and did not progress slowly).
- This was only measured for under 25s as the number of people over 25 who took the time discount was very small.

<sup>6</sup> Normal progressors are drivers who get their full licence within 2.8 years of getting their restricted licence.

<sup>7</sup> Stale RL holders are drivers who have had their restricted licence for more than 2.8 years and do not have a full licence.

<sup>8</sup> Slow progressors are drivers who have had their restricted licence for more than 2.8 years but eventually got their full licence.






Under 25s	Per 10,000 drivers		Odds ratio		Is it significant?
	All crashes	DSI crashes	All crashes	DSI crashes	
Normal progressors on full licence	232	17	Reference	Reference	All crashes are significantly lower but DSI crashes do not have a significant difference
Time-discount on full licence	200	21	0.86	1.18 (NS)	

## ANALYSIS OF SAFETY FINDINGS ASSOCIATED WITH THE FULL LICENCE TEST

**Most drivers progress at a normal rate through the licensing system before they turn 25**

- 1 We know that the Graduated Driver Licensing System (GDLS) works well for some groups and not others. The majority of drivers progress normally with a smaller percentage not progressing to a full licence, and an even smaller percentage that are slow to progress to a full licence.
- 2 The largest group in the licensing system is normal progressors under 25, represented by 219,103 drivers in our data set. The smallest group in the licensing system appears to be slow progressors who are 25 and over, represented by 5,902 drivers in our data set.

Table 1.1: Number of drivers in our data set<sup>9</sup> for each driver licensing group

		Number of people	
		25 and over	under 25
	Normal progressors	25,787	219,103
	Drivers who did not progress to a full licence	15,497	61,641
	Slow progressors	5,902	46,672

### Drivers who do not progress to a full licence have higher odds of a crash

*Drivers 25 and over had lower odds of a crash if they progressed to a full licence*

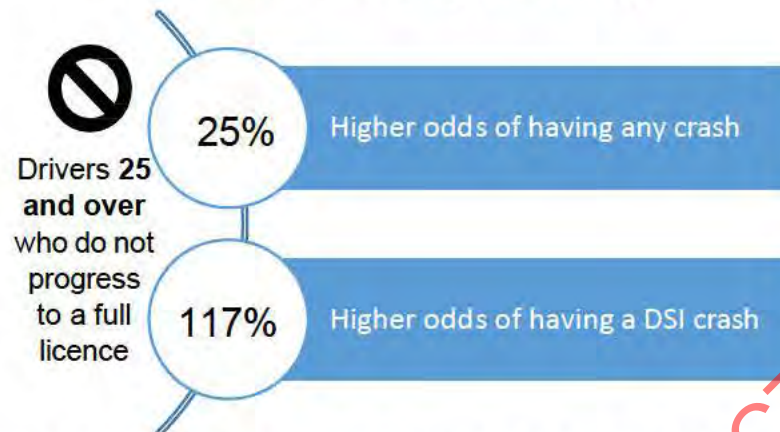
- 3 Our data analysis shows that drivers 25 and over who do not progress to a full licence have 25 percent higher odds of crashing when compared to normal progressors.

<sup>9</sup> Drivers who gained their restricted licence between 1 January 2012 and 14 March 2017.



These drivers also had 117 percent higher odds of having a crash resulting in death or serious injury (DSI crash).

Figure 1.1: Odds of a crash for drivers 25 and over who do not progress to a full licence compared to those who progress normally

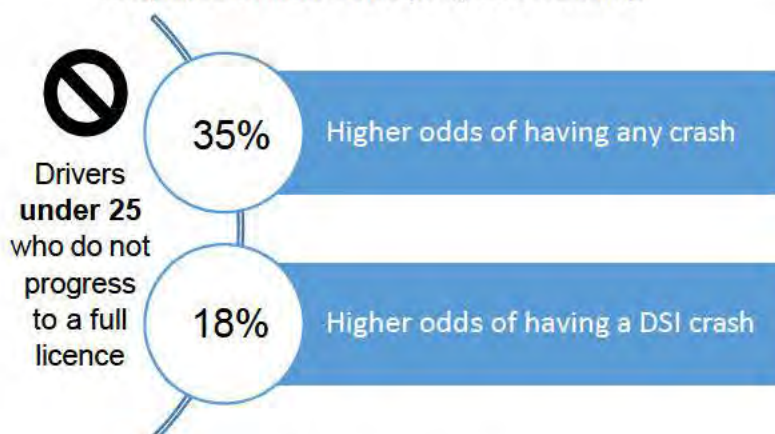


- 4 We considered the crashes of slow progressors to see if drivers who remained on their restricted licence had worse crash outcomes generally, including after obtaining a full licence. We found no significant difference between slow progressors and normal progressors in the odds of having a crash (including a DSI crash) for drivers 25 and over.
- 5 It should be noted that slow progressors who are 25 and over are a relatively small group (5,902 drivers) and the reasons why people take a long time to progress are not fully understood. It is possible that the results for slow progressors 25 and over are complicated by other factors contributing to these drivers only getting their restricted licence after they turn 25. More information would be required to better understand the factors contributing to late and slow licensure and their influence on crash outcomes.

Drivers under 25 had lower odds of a crash if they progressed to a full licence in less than 2.8 years

- 6 For drivers under 25, those who did not progress to a full licence had 35 percent higher odds of crashing and 18 percent higher odds of having a DSI crash when compared to normal progressors.

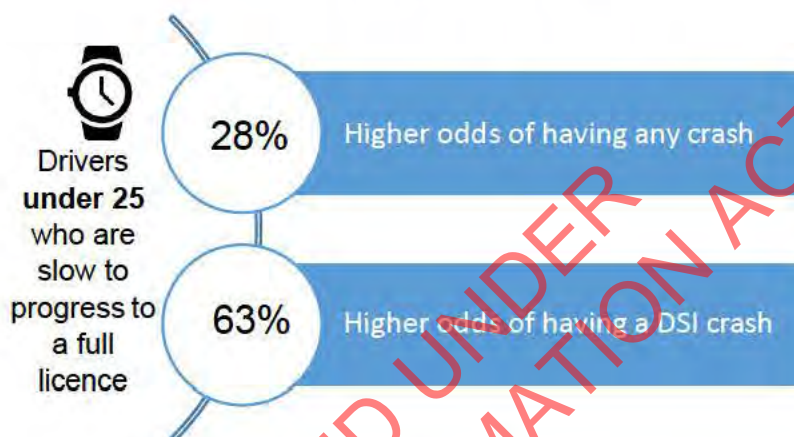
Figure 1.2: Odds of a crash for drivers under 25 who do not progress to a full licence compared to those who progress normally





- 7 Drivers under 25 who were slow progressors did not follow the same trend as drivers 25 and over. Drivers under 25 who were slow progressors had 28 percent higher odds of crashing and 63 percent higher odds of having a DSI crash when compared to normal progressors.
- 8 We do not know why drivers under 25 who are slow to get their full licence appear to have high odds of crashing and even higher odds of a DSI crash when compared to normal progressors. We would need more information about these drivers to understand this difference and any risk factors that may be specific to this group.

*Figure 1.3: Odds of a crash for drivers under 25 who were slow to progress to a full licence compared to those who progress normally*



**The data are limited to showing us relative odds of a crash but they cannot explain the wider context**

- 9 The data looks at licence status and crash data only, which limits how the results can be interpreted. For example, it is possible that drivers more committed to obtaining a full licence (i.e. normal progressors) are just better drivers than slow progressors or those who do not gain a full licence. This would mean that slow progressors and drivers who do not progress to a full licence are always poorer drivers and alternate strategies may be required to improve their driving outcomes.
- 10 When interpreting the findings of this analysis, it is important to remember that time spent on a licence is used to approximate driving experience. We cannot know how accurate this measure is as it is not possible to know how much time a person spends driving from these results. Actual time spent on the road might vary significantly between drivers and groups.

**Drivers 25 and over have lower pass rates for all GDLS tests, despite also having lower crash rates**

- 11 Drivers under 25 have higher pass rates for the learner, restricted and full licence tests. Lower pass rates are seen for drivers 25 and over.

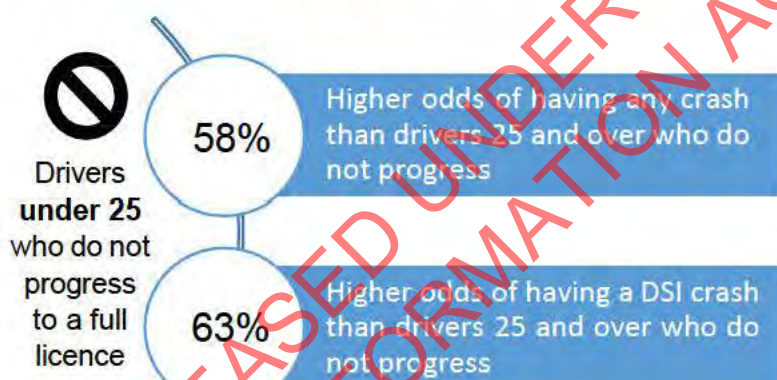


Table 1.2: Percentage of Class 1 driver licence tests passed in 2019 by age group<sup>10</sup>

Test	Age group	
	Under 25	25 and over
Learner (%)	74	63
Restricted (%)	59	49
Full (%)	76	60

- 12 In our analysis, we looked at the effect of age on the crash rate of drivers who had not progressed to their full licence (stale RL holders).<sup>11</sup> We found that drivers under 25 had 58 percent higher odds of crashing compared to drivers 25 and over, and 63 percent higher odds of having a DSI crash.

Figure 1.4: Odds of a crash for drivers who do not progress to a full licence, comparing drivers under 25 to drivers 25 and over



- 13 It should be noted that these crashes could have occurred at any time during their licensing period, meaning they could have been on their learner or restricted licence at the time of the crash. From these data, we also cannot know how many (if any) drivers who do not progress to a full licence attempted a full licence test.

We are working with Waka Kotahi to research qualitative differences in drivers who do not progress

- 14 Although we cannot know from these data which drivers have attempted the full licence test, it is counter-intuitive to see drivers with lower crash rates being less likely to pass a licensing test. More information about this group of drivers would be needed to understand these findings. For example, it is a possibility that these drivers over 25 may drive less, resulting in lower crash rates and lower pass rates due to lack of driving experience.
- 15 We have submitted a research proposal for Waka Kotahi to consider as part of their land transport sector research programme.

<sup>10</sup> [Waka Kotahi figures](#), accessed 1 March 2022, analysed by Te Manatū Waka.

<sup>11</sup> Age was taken at the time they got their restricted licence.

- 16 In our previous advice, we also proposed that Waka Kotahi consider changes to the operation and delivery of driver licence tests to improve access and equity. This could also include reviewing the driver licensing tests to ensure that they are fit for purpose for drivers 25 and over.

## ANALYSIS OF SAFETY FINDINGS ASSOCIATED WITH THE TIME DISCOUNT FOR ADVANCED DRIVER TRAINING

*Advanced driver training allows some people to accelerate their progression to a full licence*

- 1 In New Zealand, restricted licence holders can accelerate their progress from a restricted licence to a full licence with advanced driver training courses. Advanced driver training courses cost money to attend and so are only available to those who can afford them.<sup>12</sup>
- 2 If a full licence applicant presents a certificate that they attended an approved advanced driving course, the applicant can receive a time discount on their restricted licence minimum holding period.

*We reported on international evidence which did not support advanced driver training programmes that lead to early licensure*

- 3 Waka Kotahi commissioned a review on The Effectiveness of Advanced Driver Training.<sup>13</sup> This was a systematic review of 82 studies, which explored the effect of advanced driver training on safety outcomes. Three of these studies evaluated the effects of time discount policies in Canada and in New Zealand. We previously reported that the finding from this review was that the time-discount may do more harm than good (e.g. by increasing violation rates and/or crash risk).

- 4 However, the Waka Kotahi commissioned report also states that:

*“Many jurisdictions outside New Zealand include either compulsory or optional training as part of their licensing process... These programmes have yielded inconsistent results, including a mix of negative outcomes, positive outcomes, and programmes with no clear effect on safety outcomes.*

*It is problematic to compare programmes between jurisdictions because of vast differences in the structure of different licensing systems.”*

- 5 The authors also go on to note that motivation and driver personality can play a role in outcomes:

*“Some evaluations of time discount policies have explicitly asked participants what motivated them to complete the training course and the overwhelming response is to receive a time discount (Begg and Brookland 2015; Hirsch et al 2006). When comparing drivers who are motivated to receive a time discount or other external benefit, such as a reduced insurance premium, with drivers*

<sup>12</sup> MSD occasionally fund some jobseeker and youth service clients to attend advanced driver training where appropriate to a unique career or labour market entry opportunity.

<sup>13</sup> Beanland, V and I Huemmer (2021) [The effectiveness of advanced driver training](#). Waka Kotahi NZ Transport Agency research report 677.



*who are motivated to learn, training is unsurprisingly less effective for drivers with external opportunistic motivations (Hirsch et al 2006). Experimental research has also indicated that the effectiveness of training programmes varies depending on drivers' personality and driving style, with careful drivers being more responsive to training (Zhang et al 2018)."*

*Two New Zealand studies on time-discounts had findings of negative impacts on road safety*

- 6 One New Zealand study published in 2010 concluded that there appeared to be an increase in crash involvement associated with gaining a full licence between 12 and 18 months (which is enabled by a time discount) relative to gaining a full licence after 18 months.<sup>14</sup> However, the practical licence tests changed in 2012 and the minimum age to obtain a learner licence increased from 15 to 16 years old. Both changes occurred after this study was conducted.
- 7 The minimum age increasing would be expected to have had an impact on crash involvement as the minimum age to get a full licence with a time discount increased from 16.5 to 17.5 years. An evaluation of the GDLS conducted by Schiff Consulting (the Schiff Consulting Evaluation) estimated that increasing the minimum age from 15 to 16 years old caused an overall long-term reduction in crashes.
- 8 The full licence test pass rate has dropped since the changes in 2012. While the pass rate has improved since the initial drop, it remains below 80 percent. This makes it harder to know the relevance of the findings from this 2010 study to the current licensing pathway.

*Table 2.1: Full licence test pass rates between 2010 and 2020 for drivers under 25*<sup>15</sup>

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pass rate	86%	84%	68%	69%	74%	77%	77%	76%	76%	76%	77%

- 9 Another New Zealand evaluation published in 2015 found a higher rate of traffic offending among those who took time discounts. In their first year of holding a full licence, 46 percent of the time discount cohort received a speeding related offence (relative to 30 percent of drivers in the non-time discount cohort).<sup>16</sup> These findings are also limited due to the drivers in this study being licensed before the 2012 changes.
- 10 The 2015 evaluation also had limitations in the data collected on speeding offences. The speeding offences did not include speed camera fines because the New Zealand system issues speed camera offences to the owner of the vehicle and not the driver. Only offences issued by a Police officer that has pulled someone over were included in the analysis.

<sup>14</sup> Lewis-Evans, B. (2010). Crash involvement during the different phases of the New Zealand Graduated Driver Licensing System (GDLS). *Journal of Safety Research*, 41, 359-365.

<sup>15</sup> [Waka Kotahi figures](#), accessed 8 March 2022, analysed by Te Manatū Waka.

<sup>16</sup> Begg, D. and Brookland, R. (2015) Participation in driver education/training courses during graduated driver licensing, and the effect of a time-discount on subsequent traffic offenses: Findings from the New Zealand Drivers Study. *Journal of Safety Research* 55: 13–20.



- 11 Generally, there is a risk in attributing findings from these studies directly to the time-discount for advanced driver training. For example, it is possible that the opportunity of the time-discount attracted people to the course who were more interested and motivated to drive and progress to a full licence. Without more information, it would not be possible to conclude if the findings of a higher rate of offending or crashing were directly caused by the course or time discount rather than the type of person doing the course.

*Schiff Consulting evaluated the GDLS and found no significant difference in crash rates between drivers who took a time discount and those who did not do advanced driver training<sup>17</sup>*

- 12 The Schiff Consulting Evaluation found that drivers who took advanced driver training tend to be younger and gain each licence stage at a younger age. Comparing full licensed drivers with advanced certificates<sup>18</sup>, the median age for obtaining a full licence was:
- 17.6 years for drivers who took the time discount
  - 18.1 years for drivers who did the course but did not take a time discount
  - 20.3 years for drivers who did not take an advanced driver training course.
- 13 The evaluation also found that drivers with advanced certificates tend to spend less time on their learner licence. This was regardless of whether they subsequently took a time discount, suggesting that drivers who undertook advanced driver training were also motivated to progress quickly at the learner stage.
- 14 As would be expected, drivers who did advanced driver training spent less time on their restricted licence and tended to have held a licence for less time than drivers without advanced certificates.
- 15 For full licensed drivers, the evaluation found that there was no significant difference in crash rates between those who took an advanced driver training course and took the time discount, and those who did not take the course.
- 16 The evaluation went on to model that crash rates were significantly lower for trained drivers who had not accepted the time discount when other driver characteristics are controlled for.<sup>19</sup> The author also recognised that since drivers choose whether to obtain an advanced certificate and whether to get a time discount, it is not clear if the lower crash rates modelled are caused by the advanced driver training itself or whether it reflects underlying characteristics of those drivers (or both).
- 17 Overall, the report suggested a relationship between the choice to obtain an advanced certificate and a person's motivation to drive, either due to desire or necessity. For example, the report found people who start learning to drive at a younger age or who live in a less urbanised region are more likely to do an advanced

<sup>17</sup> Schiff Consulting (2019). [Evaluation of the graduated driver licensing system](#) – Transport Evidence Base report 19/1 A. Wellington: Ministry of Transport.

<sup>18</sup> Who were under 30 years old at the end of 2017.

<sup>19</sup> Modelling looked at the relationships between holding an advanced certificate and crash involvements using data on individual drivers to control for differences in driver age, gender, and region of residence.

driver training course. The high uptake of time discounts suggests that their availability appears to be a strong motivation for obtaining an advanced certificate. These findings have also been reflected in previous studies.<sup>20</sup>

*Our data analysis findings show that drivers who take the time discount do not have a higher crash risk*

- 18 A World Bank report found the post-licence driver education and training was not effective in reducing crash risk, and that some result in increased risks. It also noted that no sound evidence exists for road safety benefits from school-based driver training, explaining that any possible benefits are overcome by increased driver over-confidence and possibly the earlier age of beginning to drive.<sup>21</sup> However, the report does not specifically review the effect of time discounts.
- 19 We are not aware of any studies or reports indicating positive safety outcomes from time discounts.
- 20 Despite this, when we looked at the crash rates for drivers under 25 who took a time discount and compared this to drivers under 25 who progressed normally, we found that there was a 16% decrease in the odds of any crash for drivers who took the time discount and no significant difference in the odds of a DSI crash.

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<sup>20</sup> Begg, D. and Brookland, R. (2015) Participation in driver education/training courses during graduated driver licensing, and the effect of a time-discount on subsequent traffic offenses: Findings from the New Zealand Drivers Study. *Journal of Safety Research* 55: 13–20.

<sup>21</sup> Global Road Safety Facility – World Bank (2021). *Guide for Road Safety Interventions: Evidence of What works and What Does Not Work*. 37-39.

## **ANNEX 2**

### **FULL VERSION: CRASH RISK ASSOCIATED WITH PACE OF PROGRESSION THROUGH THE GRADUATED DRIVER LICENCE SCHEME**

**Prepared by Assoc Prof Darren Walton, Director, Crow's Nest Research Ltd**

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## Graduated Driver Licensing System Regulatory Review

**To:** Employment, Education and Training (EET) Ministers Group

**From:** Ministry of Transport

**Date:** 24 June 2021

**OC Number:** OC210464

### Purpose

1. This report provides an update on the Graduated Driver Licensing System (GDLS) Regulatory Review currently underway. Officials recommend that EET Ministers discuss and provide feedback on the indicative proposals, particularly regarding the possibility of removing the full licence test from the GDLS.
2. Further analysis and refinement of options will take place over the next 2–3 months, ahead of final advice being provided to the Minister of Transport and then Cabinet. A focus of this further work is to incorporate further quantitative analysis of the options under consideration and their impacts on users.

### Executive Summary

3. The GDLS regulatory review (GDLS Review), is focused on Class 1 (car) licensing<sup>1</sup>. It aims to ensure the driver licensing regulatory system is achieving the safety outcomes it is designed for, in an equitable and accessible way.
4. The six key issues identified by the Review are:
  - a. Driver licences are essential to enabling social and economic opportunity for many
  - b. The structure, delivery and costs of the GDLS create barriers for some groups to access and progress through the GDLS
  - c. Some elements of the GDLS do not appear to contribute to improved safety outcomes
  - d. Changes to the GDLS can help improve outcomes for Māori, and other disadvantaged groups
  - e. Driving unlicensed and breaching learner and restricted licensing conditions is a common and frequent behaviour
  - f. There is currently no way to monitor access and equity of the GDLS or wider driver licensing system.
5. The Review identified three areas where regulatory changes to the GDLS could be considered, that would directly or indirectly to improve access and equity outcomes.

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<sup>1</sup> A Class 1 licence learner, restricted or full licence also enables the holder to ride a moped. Moped and motorcycle licensing is being reviewed separately and is not contemplated in this paper.

6. These are:
- a. Remove components of the GDLS that may create perverse safety outcomes by:
    - i. removing the time discount for completing an advanced driver training course
    - ii. renaming the Learner Licence to Learner Permit
  - b. Ease conditions within the restrictive licence stage to enable legal driving in some circumstances by:
    - i. allowing night time driving to support employment opportunity
    - ii. allowing restricted licence holders to carry adult passengers
  - c. Remove barriers to progression through the GDLS by;
    - i. making driver licensing affordable (outcomes from Fees and Funding Review and MSD led cross-agency work on funding driver licensing support)
    - ii. removing the full licence practical test from the GDLS
7. Further analysis is required to assess the impacts of proposed regulatory changes, including safety impacts, before final options are presented to Ministers.
8. Although aimed at supporting access and equity for those currently not fully accessing the GDLS, the proposed changes would provide benefits to all participants in the GDLS.
9. Subject to completion of the additional work and Ministerial decisions, officials will prepare a Cabinet paper, Regulatory Impact Statement and material to support public consultation, which could commence in late 2021 or early 2022.

### **Objectives of the Review**

10. The Ministry of Transport and Waka Kotahi launched a Regulatory Review of the GDLS on 1 March 2021. The key objectives of this work are to:
- a. assess the extent to which the graduated driver licensing system is achieving road safety, access and equity outcomes
  - b. determine whether any regulatory, operational and/or funding changes need to be made to improve entry into and progression through the system while still maintaining road safety outcomes
  - c. provide advice on how proposed changes could be progressed and implemented.
11. The Review is focused on Class 1 (car) licensing. It aims to ensure the driver licensing regulatory system is achieving the safety outcomes it is designed for, in an equitable and accessible way.

## Our approach

12. During this initial phase of the Review, officials have focussed on identifying key issues in the system and therefore areas for improvement. To identify key issues, officials have:
  - a. completed an environmental scan of national and international literature, studies and publicly available data
  - b. carried out a range of engagement with stakeholders, including but not limited to:
    - i. working with and seeking to include the views of Māori as part of honouring the Treaty of Waitangi and the Ministry of Transport's commitment to its policy and advice delivering improved transport sector outcomes for Māori. This included local hui with Tairāwhiti Rural Education Activities Programme (REAP) at Wharekahika and Manaaki Tangata e Rua (Mter) at Te Paea Memorial Marae, Mangere and participating in the Ministry of Transport's Te Ao Māori Transport Knowledge hub
    - ii. hosting a cross-agency and non-government workshop, which included representatives of driver licensing providers (e.g. AA)
    - iii. a panel presentation and discussion at the Driving Change Network conference (May 2021)
  - c. considered previous policy analysis and advice, including the last safety review of the GDLS, completed in 2014.

### *Key limitations of the advice at this time*

13. To date, the GDLS Review has been well informed by stakeholder feedback and available research. Officials are still working to assess feedback and findings against available quantitative data and incorporate this into our advice. Specifically, further analysis is required to assess the impacts of regulatory changes options, including safety impacts, before final recommendations are presented to Ministers.
14. There has been a strong focus on engagement during this early phase of the Review and many of the findings and possible recommendations have originated from these engagements. It is important to note, however, that further engagement will be carried out over the coming two months in the process of refining options. Following this, public consultation will occur on any proposed Rule changes Ministers wish to proceed with.

## Key Issues

15. The six key issues identified by the Review are discussed further below.

### ***Driver licences are essential to enabling social and economic opportunity for many***

16. Most stakeholders understand that the original and primary purpose of a driver licence is ensuring the safety of the holder to access the public road network. A driver licence is also used by many as an official identity document.
17. Consistent feedback highlighted that in many communities, holding a valid driver licence and having access to a vehicle is important for personal and community mobility, access to employment, education and training, and access to social connections for individuals,



family and whānau. This is especially true in areas where other transport options are not available and people have greater distances to travel. Driving a car will continue to be a necessity for many<sup>2</sup>. Illustrating this, being transport disadvantaged is closely associated with a lack of access to, and the ability to legally drive, a private vehicle<sup>3</sup>.

***The structure, delivery and costs of the GDLS create barriers for some groups to access and progress through the GDLS***

18. The cost of accessing and progressing through the GDLS can be a significant constraint for some groups, particularly those in higher levels of socioeconomic deprivation in society. This can include: women, Māori whānau, Pacific people, other ethnic minorities/groups, those on benefits and those not in employment education or training (NEET)<sup>4</sup>.
19. The number of young people facing barriers to completing the GDLS in the two most deprived areas in New Zealand was estimated in 2016 to be between 70,000 and 90,000. Some people living outside the most deprived areas will also face barriers to progressing through the GDLS and will stop before obtaining their full licence.
20. In addition to creating transport disadvantage as described above, not holding a valid driver licence can contribute to a range of other negative outcomes for the individuals involved, and New Zealand overall. For example, driver licence offending (driving without a licence, breaching licence conditions etc) can result in financial penalties and loss of licence, which in turn may hinder an individual's ability to access or retain employment. Nationally, the aggregation of driver licence related offending puts pressure on the justice pipeline.
21. Not all those who are stalled in the GDLS are part of the vulnerable groups identified. There is a clear correlation between the reintroduction of the full licence practical test in 1999 and the increase in the numbers remaining on the restricted licence for significantly more time than the minimum period<sup>5</sup>. At present around 165,000 restricted licence holders 25 years and over have been on their restricted licence for between 1 – 22 years. Policy efforts to address this (e.g. time-limited restricted licences) have to date proved ineffective in addressing this issue.

***Some elements of the GDLS do not appear to contribute to improved safety outcomes***

22. Some changes to the GDLS have been based on a solid body of evidence on road safety outcomes, nationally and internationally, for example; the 2011 increase to the minimum age to 16 years and reducing blood alcohol concentration to zero for drivers under 20 years. Other changes have not been supported by such strong road safety evidence, for

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<sup>2</sup> Rose, E., Witten, K., & McCreanor, T. (2009). Transport related social exclusion in New Zealand: evidence and challenges. *Kōtuitui: New Zealand Journal of Social Sciences Online*, 4(3), 191-203

<sup>3</sup> NZIER, 2016. The driver licensing challenge, Report to the Ministry of Business, Innovation and Employment. <https://www.mtfi.co.nz/assets/Uploads/Drivers-Licensing/be7a67c16d/The-driver-licensing-challenge-NZIER.pdf>

<sup>4</sup> Vandenbroucke, B, 2017. Driver Licensing and Employment Descriptive analysis report, Ministry of Social Development & Ministry of Business, Innovation and Employment (unpublished)

<sup>5</sup> Lewis-Evans, B., 2010. Crash involvement during the different phases of the New Zealand Graduated Licensing system (GDLS) *Journal of Safety Research*, vol. 41, pp. 359-365.

example; reintroducing the full licence test in 1999 and allowing for time discounts for attending an approved advanced driver licensing course.

23. Available research and data provides little indication that these regulatory requirements are delivering improved road safety outcomes. Officials will undertake further assessment of this during the next phase of the review.

***Changes to the GDLS can help improve outcomes for Māori***

24. Road safety outcomes for Māori are generally poor. Although ethnicity data collected at crashes is incomplete, figures suggest that:
- 41% of high-risk drivers are Māori
  - 40% of Māori at-fault drivers are under 25 years old
  - 23% of fatal crashes and 20% of serious injury crashes involve Māori.
25. Through our limited direct engagement with Māori communities, we heard about the challenges some Māori face to be able to legally drive, even when driving is the only mode of transport available to them.
26. Young Māori are more likely to have driven pre-licensed and less likely to progress through GDLS stages. Young Māori also have a high rate of 'not in education, employment or training' (NEET) and of that group there is also a very high level of no licence or a learner licence (34.6% and 25.9% respectively) which stays above the average at every licence stage.
27. Access to driver licensing opportunities was also a specific focus for Māori in the Ministry's wider engagement to date. Finding ways to help Māori obtain and retain their driver's licence so that they can access social and economic opportunities without incurring fines or ongoing interaction with the justice system is an important part of the Ministry's ongoing work.
28. For Māori, obtaining a driver licence is not only about supporting young people through the system. Sometimes the whole whānau (across multiple generations) need support to become licensed drivers. Driver licence success in these communities leads to success in other areas of whānau lives, especially employment.

***Driving unlicensed and breaching learner and restricted licensing conditions is a common and frequent behaviour<sup>6</sup>***

29. A substantial number of people, young and older, are currently driving without the proper licence. They might not have a licence at all, or they have gained a learner or restricted licence and don't progress further. Though levels of licensing are lower in some communities, the normalisation of breaching licence conditions (estimated in one study to be around 84%) is not restricted to a particular location, or specific socio-economic

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<sup>6</sup> for example, Rees, D., & Field, A. P. 2014. Exploring the Potential of Improving the Progression of Young People through the Graduated Driver Licensing Scheme: Interim Report. Auckland: Synergia [oia-1462-hurley-attachment.pdf \(nzta.govt.nz\)](#)

and ethnic groups<sup>7</sup>. Driving unlicensed is not only a safety risk it also leads to a downward spiral of unpaid fines, impounded cars, court appearances and entering the criminal justice system.

30. Repeat driving offences (e.g. driving unlicensed or outside of conditions) can and does lead to criminalisation of Māori, disproportionately to the wider population<sup>8</sup>.

***There is currently no way to monitor access and equity of the GDLS or wider driver licensing system.***

31. For the purposes of assessing safety the GDLS relies on well-established crash rates and associated deaths and injury data. Waka Kotahi collects data related to entry into and progression through the GDLS and crash reports completed by the NZ Police, while the Ministry undertakes data analysis.
32. If access and equity outcomes across the GDLS and wider driver licensing system are to be measured as well, then other measures will need to be developed and used by an appropriately resourced and mandated organisation.
33. MSD has highlighted the need for a joined-up monitoring approach, which we support. An integrated and coordinated monitoring approach would provide a clear line of sight from investment and legislative changes to outcomes, thus supporting future evidenced-based decision making. This would have a cost impact for the agencies responsible, which has not yet been assessed.

**Indicative areas for regulatory change**

34. The indicative areas for regulatory change discussed below are based on the key issues identified from the Review to date. They have also taken into consideration preliminary proposals from the Fees and Funding Review, the Time-limited Licences Review, Advanced Driver Training Review, operational changes owned by Waka Kotahi (underway and planned), and the cross-agency work programme led by the Ministry of Social Development.
35. There are three specific areas where changes to the GDLS could be made to improve access and equity outcomes. These are:
  - a. Remove components of the GDLS that may create perverse safety outcomes
  - b. Ease conditions within the restrictive licence stage to enable legal driving in some circumstances
  - c. Remove barriers to progression through the GDLS

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<sup>7</sup> Brookland and Begg (2014) Testing Risk Segmentation Model for Young Drivers with the New Zealand Drivers Study Dataset, Final Report 16th December, 2014. Report prepared under contract to the New Zealand Transport Agency and Accident Compensation Corporation cited in Auckland Co-design Lab, 2016.

<sup>8</sup> For example: Vinnell, A., 2017. A Safer Journey for Māori, A dissertation submitted in partial fulfilment of the requirements for the Master of Public Policy, University of Auckland (unpublished). Plus MSD, 2021 Report.



## **Remove components of the GDLS that may create perverse safety outcomes**

### ***Remove time discount for completing an advanced driver training course.***

36. We are considering removing the time discount associated with completing an advanced driver training course because available evidence shows that:
  - a. completing an advanced driver training course has little or no on-road safety benefit
  - b. time discounts can reduce road safety by exposing drivers to higher risk driving conditions at an earlier age.
37. A restricted licence holder under age 25 must hold a restricted licence for at least 18 months, and those over 25 years at least six months, before being eligible to sit a practical driving test to obtain a full licence. The GDLS allows a time discount of six months for under 25 year olds and three months for over 25 year olds if they complete an approved advanced driver training course (commonly called a defensive driving course) and present the certificate of completion to the driver licensing agent as part of their full licence application.
38. Advanced driver training courses are primarily theory based, have no assessment requirement (you cannot fail as long as you attend the required sessions), and attendance is the only requirement to attain a certificate. The certificate entitles the recipient to the time discount.
39. About 20% of restricted licence holders who apply for a full licence receive a time discount on their restricted licence driver phase. During 2012 to 2014, 92% of these drivers were aged between 16 and 20 years old.
40. The advanced driver training courses are provided on a commercial basis. They create a cost to individuals (\$230-\$300) which creates an inequity in the GDLS for those who are unable to afford this.
41. A 2019 evaluation of the GDLS found that crash rates for fully licensed drivers who completed advanced driver training courses are similar to those who did not do an advanced driver training course. A recent (yet to be released) study of the international literature on advanced driver training programmes, commissioned by Waka Kotahi, found advanced driver training courses have a neutral or negative effect on safety if it results in earlier licensure, with nearly all experts recommending against time discounts.
42. Overall, the potential benefits of advanced driver training courses appear to be outweighed by the safety risks associated with a time discount and early licensure for young people, and the creation of inequities in the licensing system.

### ***Rename Learner licence to Learner permit***

43. Gaining a learner licence is the first stage of the GDLS. Applicants must be at least 16 years of age.
44. A learner licence entitles the holder to drive under supervision while displaying an L plate. The supervisor must hold a current full licence and have held it for at least the past two years. Despite the conditions attached to the learner licence, breach of learner licensing conditions is widespread.

45. Feedback from stakeholders suggests some young people and their families think they are 'licensed to drive' upon gaining their learner licences i.e. without condition. This assumption is based on the word 'licence' in the name and low levels of awareness of the GDLS stages in some communities, especially where English may be a second language.
46. Renaming the learner licence to 'learner permit' may better reflect the status of the conditions of the licence. This proposal is aimed at changing perception of what the learner stage allows, i.e. a learner permit gives the permit holder permission to gain driving experience under appropriate supervision. It would need to be supported with information and education and has yet to be costed.

### **Ease restrictions within the restricted licence stage to enable legal driving in some circumstances**

47. The restricted licence conditions aim to minimise the two main risk of young drivers; night time driving and carrying peer passengers.

#### ***Allow night time driving to support employment***

48. Currently, one of the conditions of the restricted driver licence requires that the driver not drive unsupervised between the hours of 10pm and 5am. Exemptions are available after three months on a restricted licence to enable the restricted driver to travel to and from work between 10pm and 5am. There is a cost of \$27.20 per application which is non-refundable if the application is unsuccessful.
49. Although restricted licence holders can seek an exemption, the exemption opportunity is not well known and/or the process creates an administrative barrier. The night time driving condition may lead to deliberate non-compliance, risking the possibility of accumulating driver licensing offences through fines and demerit points, potentially leading to entry into the criminal justice system.
50. One option is to allow night time driving for restricted licence holders who have held their restricted licence for at least nine months, to enable legal driving to and from paid employment during the hours of 10pm and 5am. The impact of this proposal on road safety outcomes is unknown and more investigation and analysis is required.
51. The nine-month period in the proposal relates to the young restricted licence holder having moved through the high-risk period of driving solo (the first six months) and into a lower risk period which remains relatively stable. The current exemption provisions would continue to apply for those who have held a restricted licence for three to nine months.
52. This proposal would potentially open up employment opportunities for young people without access to transport in sectors, such as those in service and hospitality, which require working shifts between 10pm and 5am.
53. Other benefits may include; eliminating the costs of applying for an exemption for night time driving for work purposes (for those who have held a restricted licence for nine months or more), reducing licence breaches and impacts on the justice pipeline.

### ***Allow restricted licence holders to carry adult passengers***

54. The proposal is that:
- restricted licence holders under 25 years with nine months experience (i.e. past the highest solo driving risk phase) on their restricted licence be allowed to carry passengers over 25 years who are outside the current approved list
  - restricted licence holders over 25 years be allowed to carry passengers of any age, regardless of length of experience on restricted licence.
55. Restricted licence holders must not carry passengers (except for their partner, parent, guardian, dependent children or someone for whom they are a caregiver) unless there is an appropriate supervisor with them. The condition applies to all restricted licence holders and all passengers (apart from those stated). The all-encompassing nature of the passenger restrictions is not directly linked with road safety outcomes and some changes could be made to support broader access outcomes and reduce breaches of licence conditions.
56. There is consistent evidence that peer passenger restrictions are effective in reducing crashes for young drivers<sup>9</sup>. The risk with carrying passengers relates to evidence that specifically identifies novice young drivers (16 -24 years) and the increase in risk for them with each additional passenger in their peer group.
57. The broad passenger restriction in New Zealand's restricted licence stage limits exposure to a known high risk in the restricted licensing stage. However, it also captures situations where the road safety risk is relatively lower. Consistent findings across studies show particular driver-passenger combinations increase driver crash risk while other combinations have either no effect or reduce the risk. A 2001 international literature review found that the crash risk of young drivers is elevated further when carrying their peers as passengers, but is reduced when carrying an adult or a child as a passenger compared with carrying no passengers<sup>10</sup>. There is also some evidence that carrying older passengers improves safety outcomes risk for young drivers<sup>11</sup>.
58. Removing the restriction on carrying adult passengers would ensure the licensing regime is closely connected to the safety outcomes it is seeking to achieve, while

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<sup>9</sup> Senserrick TM and Williams AF, 2015. Summary of literature of the effective components of graduated driver licensing systems: Austroads Research Report AP-R476-15, <https://austroads.com.au/publications/road-safety/ap-r476-15>

Ouimet MC, et al, 2015. Young Drivers and Their Passengers: A Systematic Review of Epidemiological Studies on Crash Risk. *J Adolesc Health*. 2015 Jul;57(1 Suppl):S24-35.e6. doi: [10.1016/j.jadohealth.2015.03.010](https://doi.org/10.1016/j.jadohealth.2015.03.010). PMID: 26112735

<sup>10</sup> Regan, M. Mitsopoulos, E., 2001, Understanding Passenger Influences on Driver Behaviour: Implications for Road Safety and Recommendations for Countermeasure Development - Accident Research Centre, [Understanding passenger influences on driver behaviour... \(monash.edu\)](http://www.monash.edu.au/arc/research/understanding_passenger_influences_on_driver_behaviour...)

<sup>11</sup> Morton, B., et al., 2011. [The Effect of Passengers and Risk-Taking Friends on Risky Driving and Crashes/Near Crashes Among Novice Teenagers \(nih.gov\)](http://www.nih.gov/pubs/pub11/011001.htm)



providing access benefits and potentially reductions in justice pipeline effects, including for Māori.

## **Remove barriers to progression through the GDLS**

### ***Making driver licensing affordable***

59. Through engagement with stakeholders the cost, for some, of progressing through the GDLS was highlighted as a significant barrier.
60. Regulated fees are set by Waka Kotahi in accordance with Treasury requirements, based on the principle of cost-recovery (commonly known as 'user-pays') and underpinned by the concept of a driver licence being a private good. However, there are broader social and economic benefits to New Zealand when uptake of driver licensing is high, and conversely, there are significant broader costs to bear when people are excluded. The GDLS review did not examine the cost-recovery model itself.
61. Preliminary proposals from the Fees and Funding Review undertaken by Waka Kotahi would see a material reduction in fees, along with increased cost certainty through the removal of test resit fees and a known one off fee for those seeking a licence, thus contributing to more equitable and accessible driver licensing. Following Cabinet approval, Waka Kotahi is aiming to consult with the public on fees and funding by the end of 2021.
62. Regulated fees are only part of the cost of attaining driver licence. There are also costs associated with acquiring the necessary identity documents, learning to drive, owning a registered and warranted car and travelling to the test location.
63. The Ministry of Social Development through the cross-agency programme of work has signalled additional work on how current funding for driver licensing support could be used more effectively.
64. We suggest that cross-agency work includes investigating and modelling the economic and social return of investing into improving access and equity across the GDLS to help unlicensed and partially licensed young drivers (16-24 years) to become fully licensed. Indicative modelling was previously done by NZIER in 2016.

### ***Remove the full licence practical test from the GDLS***

65. We are considering removing the full licence practical test from the GDLS and enabling progression to full licence based on age (as a proxy for safety risk). The full licence test has been identified as a barrier to progression, and with the more challenging restricted licence test, another practical test is no longer a necessary indicator of driver competence.
66. Removing the full licence test would be a substantial change to the GDLS structure. The sole practical testing provider (VTNZ) contracted by Waka Kotahi would be significantly affected.
67. Removing the full licence test from the GDLS would have some significant benefits. It would make progression through the GDLS simpler, ease pressure on testing capacity and thus reduce wait times for learner and restricted licence testing. In addition, there may be social and employment benefits for young (and older) people who progress to a

full licence. A young person with a full or restricted licence is three times more likely to secure employment<sup>12</sup>.

68. Removing the test should reduce driver licence offences and the downstream effects of that. Remaining on a restricted licence is correlated with non-compliance of licence conditions. Of drivers charged with an infringement offence for breaching their restricted licence conditions, approximately 55% have had their restricted licence for more than 18 months.
69. Before recommending the removal of the full licence practical test, more analysis needs to be done to determine the likely impact on road safety outcomes, the impact to VTNZ's commercial interest and cost recovery calculations for Waka Kotahi. Officials also need to explore whether any components of the full licence test should be incorporated into the restricted licence test, and whether progression to a full licence should be conditional in any way (e.g. require a clean driving record).

## Other changes

### *Improving outcomes for Māori*

70. Improving access to driver licensing is urgent for Māori. Our engagement with Māori identified a need to ensure the Crown's responsibilities through the Treaty of Waitangi, included Uara (values) such as whānaungatanga, manaakitanga and kotahitanga. It was often mentioned that Māori want to see other Māori when they engage with driver licensing services. Māori-led and marae-based driver licensing programmes have very high success rates, due in part to the intensive and culturally responsive wrap around services provided, not too dissimilar from the features of the Howard League driver licensing programme. For example, Manaaki Tangata e Rua (Mter) run By Te Puea Memorial marae, and Taiohi Ararau – Passport to Life is aimed at Māori aged 15 – 24 years who are not in education, employment or training.
71. Māori organisations are also keen to offer learner licence testing services at their own centres, especially when long distances are required to get to a testing site. For example, Tairāwhiti REAP learner drivers leave home (Wharekahika) at 5.30am to be on time for learner licence testing that starts at 8.30am in Gisborne. They do a group booking and everybody stays until the last one is through (circa 4.30pm) before they start the 3 hour return journey. Even with this commitment and the support of the Gisborne testing site, there are only one or two vanloads able to be tested. There are already others still waiting to be tested and the success of that group motivates more still to become licensed to drive legally, including wider whānau members. For Māori, driver licensing is not just a young people issue, it involves two or more generations.
72. The indicative regulatory proposals have taken into consideration the likely impact on Māori. In general the impact is expected to be positive by not only contributing to

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<sup>12</sup> Shaw, N., & Gates, L., 2014. Young Drivers; Licensing and Employability, Traffinz Conference, <https://static1.squarespace.com/static/59920399e58c627dad6742be/t/5aac173f8a922dfb94af7d08/1521227588552/shaw-neil-542de57f3843c.pdf>

improved access and equity but also in supporting Māori to avoid entering the criminal justice system via driver licensing offences. We acknowledge that more needs to be done across the wider driver licensing system and within the cross- agency approach.

73. Our engagement with Māori was not exhaustive and further engagement will be built into the next phase of the review.

#### *Operational work underway by Waka Kotahi*

74. The GDLS Review identified additional operational changes to further improve access and equity that could be progressed alongside any change to the GDLS regulatory framework. In particular, how the provision of driver licensing services could be more culturally responsive and easier to navigate particularly in respect to expanding and improving its current service provision.
75. The Review has identified several operational streams of work related to the GDLS already underway by Waka Kotahi, for example:
- a. making provision of driver licensing services more accessible by enabling the flexibility to provide services to communities e.g. marae, schools, community centres. This work is due to start from July 2021.
  - b. making theory test questions for the learner licence easier to understand by ensuring they focus on key safety risks, use plain language and images are added to assist understanding. Due to be completed by mid-2022.
  - c. reviewing community driver training guidance material in order to provide clear guidance to the driver training sector and investment providers on what best practice delivery looks like. Due to be completed by late 2021.
  - d. working with ACC to continue working on enhancing and communicating the use of DRIVE, a joint educational programme with free tools and information to teach young drivers to be safer.

#### **Next steps**

76. Advice on the Regulatory Review of the GDLS is expected to be provided to the Minister of Transport by the end of August 2021. Subject to EET Ministers feedback, work to inform the August advice will include:
- a. undertaking further analysis of the proposals where the road safety outcomes are not yet well understood
  - b. incorporating quantitative analysis into the proposals where data enables this
  - a. assessing cost and funding options, in conjunction with the Fees and Funding Review and the cross agency work on funding driver licensing support
77. Subject to completion of the additional work and Ministerial decisions, officials will prepare a Cabinet paper, Regulatory Impact Statement and material to support public consultation late 2021 or early 2022.

#### **Contact:**

Helen White, Manager, Mobility and Safety

Phone: s 9(2)(a)



**Appendix 1:**

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THE OFFICIAL INFORMATION ACT 1982