

In Confidence

Office of the Minister of Transport
Cabinet Economic Policy Committee

Approval to consult on Graduated Driver Licensing System improvements

Proposal

- 1 This paper seeks agreement to release a consultation document with proposed improvements to the Graduated Driver Licensing System (GDLS).

Relation to Government priorities

- 2 This paper delivers on the commitment in the Government's Road Safety Objectives to identify opportunities to improve the GDLS, taking into account road safety outcomes, alongside making a licence cheaper and easier to obtain.

Executive Summary

- 3 In April 2024, Cabinet invited the Minister of Transport to report back with options to make a driver licence cheaper and easier to obtain, and support drivers to have the skill set to drive safely. These actions are reflected in the Government's Road Safety Objectives.
- 4 I am seeking agreement to release a consultation document (Annex 1) which proposes to achieve the Government's objectives by removing the full licence test and introducing mitigations to maintain safety outcomes.
- 5 The proposed mitigations include a clean driving record requirement for the restricted licence, and a reduced demerit threshold and zero-alcohol limit for learner and restricted licence holders (novice drivers). It also proposes changes to the frequency of vision screening tests to improve the efficiency of the GDLS.
- 6 Pending Cabinet approval, the Ministry of Transport will publish the consultation document on its website for a period of eight to ten weeks. I intend to have the amended Land Transport (Driver Licensing) Rule (the Rule) 1999 in place by November 2025 with changes implemented by 1 July 2026.

Background

- 7 In April 2024, Cabinet agreed to reintroduce resit test fees for Class 1 (car) licences [CAB-24-MIN-0135 refers]. As part of that decision, Cabinet invited the Minister of Transport to report back to the Cabinet Economic Policy Committee on:

Out of scope

- 7.2 Options on how to make getting a driver licence cheaper and easier, and support drivers to have the skill set to drive safely.

8 In October 2024, Cabinet agreed to release the Road Safety Objectives document which said the Government would:

8.1 Identify opportunities to improve the GDLS, taking into account road safety (for example, ensuring drivers are adequately trained) alongside making a licence cheaper and easier to obtain.

9 This paper primarily focuses on changes to make it cheaper and easier to obtain a Class 1 (car) driver licence, and support drivers to have the skill set to drive safely.

Out of scope

The New Zealand Graduated Driver Licensing System

10 The New Zealand GDLS consists of the learner, restricted and full stages. To get a learner licence an applicant must pass a theory test. Learner drivers must be accompanied by a licensed driver and hold their learner licence for at least six months before applying for their restricted licence.

11 The restricted licence test is a 60-minute practical driving test. Drivers under 25 years must hold their restricted for 18 months, with an option to reduce it to 12 months if they complete an approved advanced driver course (six and three months respectively for drivers 25 and over). Restricted licence holders must not drive on their own at night or carry passengers (with exceptions).

12 The full licence test (full test) is a 30-minute practical driving test where applicants must also describe potential hazards while driving. Hazard perception is a key element of the full test as applicants have already been assessed on their practical driving skills in the restricted test.

Improving the performance of the system has wider benefits for New Zealand

13 There are wide economic benefits to New Zealand from more people having a full licence by improving access to jobs, education, healthcare or other services. Unlicensed drivers, or inexperienced drivers in breach of licence conditions, pose a safety risk to themselves and other road users. There are also impacts on the justice system if people are referred to the court for unpaid traffic offence fines.

14 There have not been any substantial changes to the GDLS since 2011 when the minimum age for getting a learner licence was raised from 15 to 16 years. I propose to consult on changes that will make it easier to progress through the system and help realise the safety and economic benefits of more people gaining a full licence.

I propose to remove the full test and introduce measures to maintain safety outcomes

15 New Zealand is one of few jurisdictions to require a practical test to gain a full licence. Other jurisdictions instead impose stricter requirements on novice drivers, such as longer learner and restricted stages or a lower demerit threshold. To help mitigate any potential safety impacts of removing the full test, I propose to consult on requiring novice drivers to:

15.1 maintain a clean driving record on their restricted licence before being able to progress to a full licence.

IN CONFIDENCE

15.2 be subject to a lower demerit threshold that would result in them having their licences suspended more quickly than drivers with a full licence.

15.3 face a zero-alcohol limit, regardless of their age.

16 The proposed requirements would apply to New Zealand driver licence holders progressing through the GDLS but not overseas conversions or other situations where a full test is required.

Clean driving record requirement for drivers on their restricted licences

17 The restricted time periods would be unchanged but would be measured as the time period without any offences. If a driver committed an offence while in the restricted stage, they would restart their restricted period from the date of offence. They would not need to retake the restricted licence test and would remain eligible for time discounts if they completed an advanced driver course.

Reduced demerit threshold for drivers on their learner and restricted licence

18 Currently, if a driver accumulates 100 or more demerit points within two years, their licence will be suspended for three months.

19 I propose to halve the threshold for novice drivers to 50 demerit points, at which point their licence would be suspended. For example, exceeding the speed limit by more than 35km/h carries a penalty of 50 demerit points, which would result in instant suspension. One breach of GDLS restrictions (35 demerits) and one lower-level speeding fine (20 demerits) would also reach the threshold.

Zero-alcohol limit for all novice drivers

20 New Zealand has a zero-alcohol limit for all drivers under the age of 20. Drivers 20 years and over on any licence are subject to the usual limits.

21 There is evidence that even small amounts of alcohol result in increased crash risk, which can particularly affect inexperienced drivers. Every Australian jurisdiction has a zero-alcohol limit for all novice drivers.

22 I propose to extend the zero-alcohol limit to all drivers on their learner and restricted licences, as well as all drivers under 20. Any novice driver caught with alcohol in their breath or blood would be subject to the standard penalties – which, under the proposed reduced demerit threshold, would result in their licence being suspended.

As a package these changes would improve access to driver licensing while maintaining road safety

23 I consider a new clean driving record requirement, a lower demerit threshold, and a comprehensive zero-alcohol limit for novice drivers would be a reasonable deterrent to unsafe driving by young and inexperienced drivers.

24 While the Rule requires the three tests, the content of each test is approved by the Director of Land Transport. If the full test is removed, NZTA may consider moving components of the full test to other parts of the system. For example, it could move the hazard perception test to the learner stage, as is common in Australia.

I propose changes to improve oversight of approved advanced driver courses

- 25 NZTA can approve advanced driver courses for most driver licensing classes and endorsements, either as a requirement of gaining a licence or endorsement, or as an alternative to minimum time requirements. For example, there are two approved courses that can reduce the time spent in the restricted licence stage.
- 26 The current provisions provide limited scope for NZTA to ensure that courses are being delivered to the required standards. I propose changes to give NZTA more scope to consider whether an organisation or person is fit and proper to be approved as a course provider, impose conditions on providers, or suspend or revoke a provider if necessary. These changes will affect all classes of licences and will help to improve the quality of courses and make sure new drivers are taught the skills they need to be safe drivers.

Increased digitisation of the GDLS will improve the efficiency of services

Changes to vision screening test requirements

- 27 The GDLS requires several face-to-face interactions and paper documents. Moving processes online would create significant efficiencies.
- 28 One barrier to further digitisation is the requirement for applicants to sit several in-person vision screening tests. Applicants must have their vision checked by a driver licensing agent or provide a certificate from an appropriate professional at each step of the GDLS and when renewing their licence.
- 29 I propose to reduce the number of vision screening tests for people applying for car and motorcycle licences. A screening test will be required when someone applies for their first New Zealand licence and when they first renew their licence after age 45, but will no longer required for other renewals or reinstatements (for example, the 10-yearly renewals or a reinstatement after loss of licence).
- 30 In place of a screening test, NZTA will require people to declare that their vision has not deteriorated since their last vision test. Vision testing for those aged over 75, licence endorsements, and heavy vehicle licences would not change.
- 31 This change would support future implementation of online licence applications and renewals, and in most cases, reduce the time it takes to apply for licences. For example, applicants would no longer need their vision checked when applying for their restricted licence.

s 9(2)(f)(iv) [Redacted]

[Redacted]

[Redacted]

Cost-of-living Implications

- 34 I have not identified any direct cost-of-living implications from releasing the consultation document. I will discuss details of cost-of-living implications when I return to Cabinet with final proposals post-consultation.

Financial Implications

- 35 I have not identified any direct financial implications from releasing the consultation document. I will discuss any financial implications when I return to Cabinet with final proposals post-consultation.

Legislative Implications

- 36 This paper proposes to consult on changes to the Land Transport (Driver Licensing) Rule 1999 and the Land Transport Act 1998.

Impact Analysis

Regulatory Impact Statement

- 37 The Ministry for Regulation's regulatory impact analysis requirements apply to the proposals in this paper. An interim regulatory impact statement (RIS) is attached in Annex 2.
- 38 The pre-consultation RIS has been reviewed by a panel appointed by the Ministry of Transport. It has been given a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.
- 39 The RIS panel confirms that the minimum level of information needed to support public consultation is available and is presented in a clear manner. However, there are areas that could be improved including greater clarity of options, consultation outcomes and evidence of the impacts.

Population Implications

- 40 I have not identified any direct population implications from releasing the consultation document. I will discuss details of population implications when I return to Cabinet with final proposals post-consultation.

Human Rights

- 41 I have not identified any human rights implications from the proposals in this paper.

Consultation

- 42 The New Zealand Transport Agency, Ministry of Social Development, Accident Compensation Corporation, Ministry of Business, Innovation and Employment, New Zealand Police, Ministry for Regulation, Ministry of Justice, Department of the Prime Minister and Cabinet, and the Treasury were consulted on the development of this paper.

Communications

- 43 Pending Cabinet approval, I plan to issue a press release announcing the process and timeline for public consultation on the proposed changes. The Ministry of Transport will publish the consultation document on its website.

Proactive Release

- 44 I intend to publish this paper as part of public consultation.

Recommendations

The Minister of Transport recommends that the Committee:

- 1 **note** in April 2024, Cabinet invited the Minister of Transport to report back with options to make getting a driver licence cheaper and easier [CAB-24-MIN-0135];
- 2 **note** the Minister of Transport proposes to consult the public on the following proposed changes to the Graduated Driver Licensing System for Class 1 (car) licences:
 - 2.1 remove the full licence test;
 - 2.2 introduce a requirement that drivers must maintain a clean driving record while in the restricted stage before progressing to their full licence;
 - 2.3 reduce the demerit threshold for licence suspension for learner and restricted licence holders from 100 to 50 demerit points;
 - 2.4 extend the zero-alcohol limit to all drivers on a learner and restricted licence;
 - 2.5 enable the New Zealand Transport Agency to consider whether a person is fit and proper to be approved as a course provider, impose conditions on approved course providers, or suspend or revoke their approved status; and
 - 2.6 reduce the frequency of vision testing to require testing when someone applies for their first New Zealand licence and when they first renew their licence after age 45.
- 3 **agree** to release the attached consultation document with the proposed changes as set out above for public consultation for a period of eight to ten weeks;
- 4 **authorise** the Minister of Transport to make any necessary amendments to the consultation document prior to its release;
- 5 **agree** to release this Cabinet paper and the Regulatory Impact Statement, with any necessary redactions made under the Official Information Act 1982, as part of the consultation material;
- 6 s 9(2)(f)(iv) [Redacted]
- 7 s 9(2)(f)(iv) [Redacted]

IN CONFIDENCE

- 8 **invite** the Minister of Transport to report back to the Committee in May 2025 with final proposals following public consultation and seek approval to issue drafting instructions to Parliamentary Counsel Office.

Authorised for lodgement

Hon Chris Bishop

Minister of Transport

Annexes

Annex 1 – Graduated Driver Licensing System consultation document

Annex 2 – Interim Regulatory Impact Statement