

Proposal 2:

Changes to driver licence and driver testing fees

NOTE: This is a summary of Proposal 2. To read the full proposal in the consultation document, go to our website www.nzta.govt.nz/funding-and-fees

Who this affects

All drivers and anyone wanting to get a driver licence.

What we're proposing

- The average amount paid for each stage of a driver licence (learner, restricted, full) goes down. Note the current price of each stage of a driver licence has been averaged because most people have to sit a driver test more than once.
- The amount paid to renew a driver licence goes down.
- Removing re-sit fees for driver licence tests.
- Increasing the cost to apply for an exemption (DL4).
- Removing automatic entitlement to refunds or part refunds for driver licence class endorsements.
- The cost of 1-year P (passenger), V (vehicle recovery), I (driving instructor), and O (testing officer) endorsements goes up.
- The cost of 5-year P, V, I, and O endorsements goes down.

Why we're proposing this

- The current fee for driver licensing is set too high.
- Reducing the fee and removing re-sit fees should help people get their driver licence and move through the system quicker.
- To recover the administration costs for issuing, monitoring and renewing driver licence endorsements (P, V, I and O).

What does Waka Kotahi have to do with driver licensing?

Waka Kotahi has agents who are contracted to provide services and compliance activities on our behalf. We monitor and audit their performance to make sure they're meeting regulatory standards.

For driver licensing, Waka Kotahi contracts agents

like AA and VTNZ to provide services like driver licence applications, scheduling tests, driver theory tests, eyesight tests, and driver licence renewals.

Waka Kotahi provides all online services through its customer service centre in Palmerston North.

Why are driver licences important?

New Zealand has a driver licensing system to make sure everyone who drives on our roads has the skills and knowledge needed to be a safe driver. The safer drivers are, the safer our roads will be.

Driver licences do more than allow people to drive legally. They're also used to prove identity or age, can help people get work, and are key to enabling other services, like opening a bank account.

Reducing the average cost for each stage of a driver licence (learner, restricted, full) not only makes sure the fees reflect what it costs us to provide the service, it also makes driver licences more affordable. Removing re-sit fees and making the driver test fee part of the driver licensing fee will also bring down the cost of learning to drive. It should also lead to fewer people driving without the correct licence.

Proposal 2: Driver licensing fees

These tables only cover some of the most common fees. For all fees, see the consultation document or our website, www.nzta.govt.nz/funding-and-fees

Proposed driver licensing and testing fees that go **DOWN** (GST inclusive)

Service	Forecasted Annual Volumes	Current fee	Proposed fee	Change %	Estimated fee if Proposal 1 unsuccessful	Change %
New license classes or stages						
New class 1 learner – average Cost if you: - Pass test first time - Fail test once	77,635	\$117.36 \$93.90 \$139.60	\$93.38 \$93.38 \$93.38	-20% -1% -33%	\$96.56 \$96.56 \$96.56	-18% 3% -31%
New class 1 restricted – average Cost if you: - Pass test first time - Fail test once	66,398	\$203.02 \$134.80 \$221.40	\$162.77 \$162.77 \$162.77	-20% 21% -26%	\$165.96 \$165.96 \$165.96	-18% 23% -25%
New class 1 full – average Cost if you: - Pass test first time - Fail test once	62,329	\$129.85 \$109.50 \$169.40	\$96.04 \$96.04 \$96.04	-26% -12% -43%	\$99.23 \$99.23 \$99.23	-24% -9% -41%
New class 2-5 learner – average Cost if you: - Pass test first time - Fail test once	18,633	\$112.96 \$93.90 \$139.60	\$75.24 \$75.24 \$75.24	-33% -20% -46%	\$78.43 \$78.43 \$78.43	-31% -16% -44%
New class 2-5 full – average Cost if you: - Pass test first time - Fail test once	16,856	\$112.16 \$109.50 \$169.40	\$38.59 \$38.59 \$38.59	-66% -65% -77%	\$41.78 \$41.78 \$41.78	-63% -62% -75%
New class 6 learner – average* Cost if you: - Pass test first time - Fail test once	7,636	\$103.95 \$93.90 \$139.60	\$88.01 \$88.01 \$88.01	-15% -6% -37%	\$91.20 \$91.20 \$91.20	-12% -3% -35%
New class 6 restricted – average* Cost if you: - Pass test first time - Fail test once	3,914	\$138.31 \$134.80 \$221.40	\$52.60 \$52.60 \$52.60	-62% -61% -76%	\$55.78 \$55.78 \$55.78	-60% -59% -75%
New class 6 full – average* Cost if you: - Pass test first time - Fail test once	2,974	\$102.28 \$109.50 \$169.40	\$46.02 \$46.02 \$46.02	-55% -58% -73%	\$49.21 \$49.21 \$49.21	-52% -55% -71%

Proposed driver licensing and testing fees that go **DOWN** - cont. (GST inclusive)

Service	Forecasted Annual Volumes	Current fee	Proposed fee	Change %	Estimated fee if Proposal 1 unsuccessful	Change %
Endorsements						
New P (Passenger) endorsement (5-year)**	9,913	\$254.90	\$205.18	-20%	\$212.28	-17%
New V (Vehicle Recovery) endorsement (5-year)**	720	\$254.90	\$190.86	-25%	\$197.85	-22%
New I (Driving Instructor) endorsement (5-year)**		\$254.90	\$190.86	-25%	\$197.85	-22%
New O (Testing Officer) endorsement (5-year)**		\$254.90	\$190.86	-25%	\$197.85	-22%
D (dangerous goods) endorsement	5,272	\$44.00	\$19.92	-55%	\$23.10	-47%
Licence Renewals						
Renew Drivers Licence***	326,178	\$60.02	\$31.45	-48%	\$34.63	-42%
Renew P, V, I or O endorsement (5-year)	9,496	\$254.90	\$98.27	-61%	\$101.45	-60%
Licence Replacement Cards						
Replace licence card (Photo Driver Licence)	130,239	\$38.20	\$25.52	-33%	\$28.71	-25%

*people can choose to do competency-based training and assessment, or a test. Average figure takes into account that those people that sit our test may do so more than once.

**application only

*** for drivers between the ages of 65-75 the fee will be less depending on the number of years from the licence renewal date to the age of 75. Over the age of 75, renewing your driver licence is subsidised by the government. The current over-75 fee is \$18.70 (excluding the \$41.80 cost of on-road safety test). The new over-75 fee would be \$13.40, and if you need an on-road safety test, that would now be free.

Proposed driver licensing and testing fees that go **UP** (GST inclusive)

Service	Forecasted Annual Volumes	Current fee	Proposed fee	Change %	Estimated fee if s9(1A) unsuccessful	Change %
New licence classes or stages						
Limited licence	4,222	\$39.30	\$46.86	19%	\$50.04	27%
Overseas licence conversions – New class 1 restricted (Non-Exempt)	7,199	\$158.12	\$162.77	3%	\$165.96	5%
Endorsements						
New Forklift, Roller, Tractors, Wheel endorsement	17,814	\$44.00	\$61.19	39%	\$68.17	55%
New P (Passenger) endorsement (1-year) – application only	9,913	\$73.00	\$205.18	181%	\$212.28	191%
New V (Vehicle Recovery) endorsement (1-year) – application only	720	\$73.00	\$190.86	161%	\$197.85	171%
New I (Driving Instructor) endorsement (1-year) – application only		\$73.00	\$190.86	161%	\$197.85	171%
New O (Testing officer) endorsement (1-year) – application only, does not include testing fees		\$73.00	\$190.86	161%	\$197.85	171%
Licence Renewals						
Renew P, V, or I endorsement (1-year) – application only	9,496	\$73.00	\$98.27	35%	\$101.45	39%
Renew O endorsement (1-year) – application only, does not include testing fees		\$73.00	\$98.27	35%	\$101.45	39%
Replacement Cards						
Extend expiry date of a licence	2,088	\$38.20	\$83.63	119%	\$86.81	127%
Replace licence card (Identification)	1,884	\$13.70	\$26.94	97%	\$30.12	120%
Exemptions						
Application for an Exemption – DL4	6,170	\$27.20	\$94.95	249%	\$98.14	261%