



# Land Transport (Driver Licensing) Amendment Rule (No 2) 2021

Summary of Submissions

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# INTRODUCTION

New Zealand introduced a Graduated Driver Licence System (GDLS) in 1987. The GDLS has three progression stages – learner, restricted and full licences. The GDLS has been designed to manage the crash risk of novice drivers as they learn to drive, with minimum time periods to be carried out prior to a driver being allowed to apply to progress through to the next stage.

The *Land Transport (Driver Licensing) Rule 1999* (the Driver Licensing Rule) is the legislation governing the GDLS and in 2014 it was amended, via the *Land Transport (Driver Licensing) Amendment Rule 2014* (the 2014 Amendment Rule), to introduce the time-limited licence policy for learner and restricted Class 1 (car) and Class 6 (motorcycle) licences. This reduced the validity period of newly issued learner and restricted licences from ten years to five years. The 2014 Amendment Rule also introduced restrictions on renewal, including that a time-limited licence could not be renewed prior to the expiry date, and the licence holder had to re-sit and pass the relevant theory test as a mandatory renewal requirement. A learner or restricted licence holder could apply for and obtain the next licence stage (restricted or full) at any time, provided the minimum time pre-requisites were complied with and all application requirements met (including passing the relevant practical test).

The 2014 Amendment Rule aimed to alleviate a perceived issue known as ‘pooling’ (staying on a learner or restricted licence for an extended period of time). The Rule change was primarily pursued to encourage progression through the driver licensing system within five years.

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 the time-limited licence holder was still current in their driving knowledge, and to incentivise graduating to the next licence stage.

In 2019, it was identified that 144,000 time-limited licence holders had not progressed as intended by the 2014 Amendment Rule and their licences were due to expire between 1 December 2019 and 1 December 2021. 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.

The driver licensing system did not have the capacity to progress all those drivers through the system, so all time-limited licences were extended by two years via the *Land Transport (Driver Licensing) Amendment Rule (No 2) 2019* (the 2019 Amendment Rule). The 2019 Amendment Rule also gave time-limited licence holders, who wanted to remain at their current licence stage, the ability to renew their licence up to 90 days prior to the expiry date.

Despite the efforts of Waka Kotahi to encourage progression through the system, implementing the time-limited licence policy has not supported the progression of drivers through the GDLS as intended. As at 12 July 2021, 103,880 time-limited licences that were automatically extended by two years (by the 2019 Rule Amendment), will begin to expire from 1 December 2021.

Projections show between now and late 2023, approximately 3,000-5,000 licence holders a month will have their time-limited licence expire. These licence holders will then be ineligible to drive and will need to renew their licence for a fee, pass a theory test and be issued with another five-year time-limited licence.

Alongside this group, there is also a large group of learner and restricted licence holders (321,087) still on a ten-year licence, obtained before the 2014 Amendment rule changes took effect, who have not yet progressed to a higher class. When these licences are renewed, they will be issued a five-year time-limited licence.

Despite increasing testing officer numbers, the practical driver testing system does not have the capacity to test all of these licence-holders before they expire. The impact of COVID-19 lockdowns during 2020

and into 2021 (and potentially beyond) has compounded existing capacity issues within the driver licensing system and will continue to negatively affect the driver licensing system for some time.

There is also no clear safety rationale or data available to demonstrate the time-limited licence policy has had any impact on road safety outcomes. A 2019 evaluation of the GDLS found no evidence that the amount of time taken to progress had an impact on crash rates.<sup>1</sup> There is also no clear evidence to show that requiring a theory test when learner or restricted licence holders renew their licence improves safety.

The *Land Transport (Driver Licensing) Amendment Rule (No 2) 2021* (the Rule) proposes the following changes to the Driver Licensing Rule and GDLS:

- Revert the Class 1 and 6 learner and restricted licences back to a standard 10-year validity period (the same as the Class 1 and 6 full licence) for those with a current time-limited licence this will be when a licence-holder renews their time-limited licence.
- 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.

These changes will effectively remove all of the 2014 and 2019 amendments to the Driver Licensing Rule.

The Rule will help:

- alleviate pressure on the driver licensing system
- allow counter-based transactions and testing services to operate at a manageable level
- allow drivers on time-limited licences to stay at their stage of licence if they choose to, or provide more time for them to obtain the necessary skills and confidence to progress to the next licence stage
- remove unnecessary barriers to renewing a time-limited licence that were applied as part of this policy i.e. the theory test and associated time window.

On behalf of the Minister of Transport, Waka Kotahi undertook consultation on the Rule, commencing on 13 September 2021 and closing on 8 October 2021. A total of 554 submissions were received from the following categories of submitters:

<b>Submitter type</b>	<b>Number of submitters</b>
Individuals	494
Businesses and special interest groups	50
Industry Associations	10

See **Appendix 1** for a full list of submitters.

Please note all submissions received were recorded, read, and analysed by a review team comprising policy, legal and subject matter experts from Waka Kotahi. This document is a summary of that work. Any views contained in this document, other than a submitter's, are the review team's.

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<sup>1</sup> Schiff Consulting, 2019. *Evaluation of the graduated driver licensing system – Transport Evidence Base report 19/1 A*. Wellington: Ministry of Transport.

## ANALYSIS BY QUESTION

This section analyses submissions made on the Rule – under each of the questions posed in the consultation. Feedback through submissions is summarised and analysed, with recommendations for change made on the proposal, if and where appropriate.

### Consultation Question 1: Proposal to revoke the time-limited licence policy

	Agree	Disagree	Unsure/ Unclear/ partial support
<b>Do you support revoking the time-limited licence policy? Please outline your reasons.</b>	307	234	13

#### *Summary of submitter views*

A total of 554 submitters commented on Proposal 1.

Industry Association submissions, including the New Zealand Automobile Association (NZAA), New Zealand Institute of Driver Educators Incorporated (NZIDE), la Ara Aotearoa Transporting New Zealand (IAA), and the New Zealand Local Authority Traffic Institute (TRAFINZ), all submitted in support of the proposal.

NZAA support revoking the time-limited licence policy because its “introduction didn’t address the pooling of drivers and riders on learner and restricted licences. If left as it currently is, 104,000 learner and restricted licence holders will become unlicensed from 1 December.” They stated this would be a “highly undesirable and damaging outcome.”

Another submitter, TRAFINZ, which was in support of the proposal, stated “the five-year license adds no value at all to road safety goals and objectives.” They also stated the 90-day restriction on renewals and requirement to re-sit a theory test were probably counterproductive as they deterred people wishing to continue to have a valid license.

NZIDE submitted that given between now and late 2023, approximately 3,000-5,000 licence holders a month will have their time-limited licence expire, they take a pragmatic view that allowing these people to continue to hold a current driver licence is preferred.

Businesses and special interest groups, which included Youth Inspire, the Howard League, Manurewa Youth Council, and the Wellington City Youth Council, all submitted in support of the proposal.

The Howard League, which was in support of the proposal, stated the Rule change will alleviate pressure on the driving licensing system, will remove the additional cost and stress of paying for another licence simply to remain at their status quo and of resitting the learners test, and will allow drivers on time-limited licences to stay at their stage of licence if they choose to, or provide them more time to move to the next stage of licence.

The Wellington Youth Council submitted that many young people only require their licence for limited travel needs, such as the family car on weekends or a moped for getting to and from school/work. They also note that some young people seek a learner or restricted licence while at home to make progression

to their full licence later in life, e.g. after tertiary study. They believe the revocation of the time-limited licence policy will reduce barriers and make licensing more accessible.

Many individuals submitted in favour of the proposal. They cited reasons for wanting the time-limited licence policy to be revoked, such as:

- feeling anxiety and pressure to progress in five years
- that everyone learns and gains confidence at their own pace
- the current policy has not worked as intended
- the current policy is too punitive
- the current policy risks people exiting the GDLS altogether.

Multiple submitters discussed how the current policy has created access barriers for vulnerable people, in particular Māori, Pasifika, people with learning disabilities, people for whom English is a second or other language, and those living in isolated rural communities. They highlighted the time and cost of training and tests, and how some people do not have easy access to a suitable vehicle. Some submitters holding motorcycle licences noted it is harder to drive in winter months due to the weather conditions, and this restricts the amount of time learner riders have to practice. Some submitters stated they were comfortable on their learner or restricted licence and had no need to progress, as they do not drive very often and were complying with the conditions of their licences. For instance, one submitter said their 78-year-old Grandmother has had her restricted for a long time and complies with conditions as she only drives by herself. Various submitters also felt they should not be required to retake a theory test upon renewal for a licence they have already passed.

Multiple individual submitters in favour of revoking the time-limited licence policy, also raised COVID-19 and the multiple lockdowns as a barrier to their progression. They noted they were unable to practice with driving instructors under various COVID-19 Alert level iterations, and that there is a backlog for applying for licence tests.

Other Industry Association submissions, including the Driving Change Network (DCN) and Bus and Coach Association NZ, and business and special interest groups, including Living Streets Aotearoa, Brake, Insurance Council New Zealand (ICNZ), and the Salvation Army, submitted against the proposal.

DCN agreed the 2014 amendment rule was a policy failure, but stated that legislating another change without addressing systemic driver licensing issues is not a solution they want to see. They stated that any legislative change should be considered as part of the broader GDLS review. They believe the Rule change will have a “negative effect and may even result in a continued growth in the number of users who do not progress to full licence.”

The Salvation Army submitted the Rule change will “disproportionately impact marginalised kiwis and provides no incentive or encouragement for people to progress to obtain a full licence which is an important document unlocking employment opportunities.” The Salvation Army state the proposed changes are “a band aid to temporarily fix a poorly evaluated amendment.... the 2014 amendment did not grasp the number of individuals struggling to progress the GDLS.” They state that revoking the time-limited policy is not the solution to address pooling as it will compromise safety, will compound system issues, and will not improve nor address the barriers to access and mobility. They also state there is no or little economic benefit to an individual or whanau in having just a learner licence. They note that the current time-limited licence policy is consistent with validity periods internationally.

ICNZ submitted that reverting back to 10-year licences for learner and restricted licence holders will degrade the driver licensing system and will effect road safety.

Of the individual submitters who disagreed with the proposal, comments included concerns over:

- driving standards and road safety
- a belief licence holders should progress in a timely manner
- that the Rule will reduce incentive and motivation to progress
- sitting on a learner or restricted licence ingrains bad driving habits
- more people will breach their licence conditions.

Some submitters who disagreed with revoking the 5-year limit, did support removing the 90-day rule and/or removal of the theory test requirement on renewal. For instance, DCN and Bus and Coach Association NZ supported the removal of both, and the Salvation Army supported the removal of the 90-day rule.

Some submitters also only supported the proposal in part and wanted the time-limited policy revoked for restricted licences only and not learner licences. This is because these submitters believed restricted licence holders have proven through passing the restricted test that they can drive.

## Analysis

There is no evidence or data to show the time-limited licence policy has had any impact on road safety outcomes. This Rule will not change learner and restricted licence conditions; it will just give people more time to progress. Learner and restricted conditions are in place to mitigate the risk posed by novice drivers. If learner and restricted drivers breach their licence conditions, this is and remains an enforcement issue not directly relevant to revoking this policy – a number of submitters advised they are able to drive in compliance with the conditions of their licence and quite comfortable in doing so.

In terms of submitter concern over disincentivising and demotivating people from progressing through the GDLS, the ultimate incentive for progression is the removal of conditions attached to learner and restricted licences. Waka Kotahi wants to encourage drivers to progress through the GDLS but recognise they should be able to do so at different paces. Some people need more time to gain confidence driving or may be unable to progress due to a variety of reasons and circumstances. Waka Kotahi does not consider taking a punitive approach to force such drivers to progress – when they are not ready – or requiring them to undergo additional testing because they were unable to progress is equitable or fair. This pressure is unnecessary and risks novice drivers becoming disengaged from and leaving the system.

In terms of employment, not all employers require a full licence as a requisite for employing a person. This is demonstrated in the Impact Lab 2020 report commissioned by the Howard League.<sup>2</sup> This report found 80 percent of jobs in New Zealand required some form of drivers' licence, but not necessarily a full licence.

Waka Kotahi also acknowledges there are multiple other barriers to access and equity in the GDLS. However, there are other opportunities to address these barriers, and the government is seeking advice from Waka Kotahi and other government and non-government entities on options about how best to do so.

The review team also considered the alternative proposal of retaining time-limited licences for learner licences only but concluded this was not viable due to both the administrative costs of implementing such a proposal and the lack of any clear identifiable benefit.

**Recommendation:** No change to proposal required.

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<sup>2</sup> <https://www.nzhowardleague.org.nz/wp-content/uploads/2020/05/Good-Measure-2.pdf> date accessed: 22/10/2021



## Consultation Question 2 – Any additional risks in the proposal to revoke the time-limited licence policy?

	Yes	No	Unsure/ Unclear	No response
<b>Do you see any additional risks in revoking the time-limited licence policy?</b>	248	260	7	39

### Summary of submitter views

A total of 515 submitters commented on consultation question 2.

Industry Association submissions, including the NZIDE and TRAFINZ saw no risk in revoking the time-limited licence policy.

The NZIDE noted that “road safety risk with the current system has a low likelihood of significant change with the time-limited licence revoked.” They also note “for those who did act on the time-limited policy as an incentive to graduate through the full licence system, the change may remove an opportunity to refresh driving skills and road user rules”. However, NZIDE are unaware of research that proves an additional test to renew such knowledge significantly reduces risk.

Students Against Dangerous Driving (SADD) saw risks in revoking the time-limited licence policy but also in retaining it. They submitted that “a limit of 10-years will not encourage and support L and R drivers to progress through the GDLS in a safe and effective manner”, but also noted that a 10-year licence “may help assist people who do have access and equity issues and give them more time to progress through, therefore aiding mobility by keeping them licenced”. SADD noted the importance of a holistic approach to improving access to the GDLS, with safety as the top priority.

Several individual submitters saw no risk associated with revoking the time-limited licence policy. One submitter noted that drivers would “still be driving to the conditions of their licences”. Another individual submitted that there is a “need to ensure drivers are meeting conditions” but also that there are “bad drivers on all licences”. An anonymous submitter noted that “people will self-regulate”. Another submitter indicated that revoking the time-limited licence policy “may help drivers to perform better and to a safer standard” due to “less stress and pressure on [learner and restricted] drivers”. One submitter noted that a risk of retaining the time-limited licence policy is that drivers may fall out of the GDLS system entirely.

Industry Association submissions, including the NZAA and IAA noted certain risks in revoking the time-limited licence policy.

NZAA submitted that “without evidence to contrary, people not progressing through the GDLS will result in poorer road safety outcomes”. NZAA also noted that revoking the time limited policy without addressing other barriers to progression through the GDLS has safety, enforcement and insurance risks. However, NZAA also noted there is on-going work to address these issues.

IAA indicated there may be a risk that revoking the time-limited licence policy will have a flow on effect whereby drivers do not subsequently progress to their classes 2 – 5.

Businesses, and community interest groups, including DCN, Living Streets Aotearoa, Got Drive Community Trust and the Salvation Army saw some risk in revoking the time-limited licence policy.

The Cycling Action Network submitted that “extending the validity of learner and restricted licences will put other road users at risk, particularly people on foot and on bikes”.

The Salvation Army submitted there may be a risk of increased licensing offences, and that these have been trending downward since 2014.

Living Streets Aotearoa and Got Drive Community Trust submitted that revoking the policy would lead to a decrease in road safety outcomes and additionally would disincentivise progression through the GDLS.

Several driving instructors, including Bethel Enterprises Ltd and Premier Driving School saw a risk that revoking the time-limited licence policy would result in a lower standard of driving.

DCN noted some risks around employment opportunities for those who do not progress to a full licence. DCN submitted that “without a licence, employment opportunities are fewer, perpetuating a cycle of inequality”. The submission noted that there are wider implications of not holding a licence, including “social and economic isolation, or if they choose to drive unlicensed or outside their licence conditions, can face fines and often a journey into the judicial system”.

Several of the risks identified by these business and special interest groups linked to risks associated with the GDLS overall, rather than the revocation of the time-limited licence policy specifically.

Many individual submitters saw a risk that revoking the time-limited licence policy will disincentivise progression through the GDLS.

Several individual submitters noted risks that were not directly aligned with the revocation of the time-limited licence policy but with young and novice drivers, the GDLS, and driving generally. The risks these submitters identified included:

- an increase in pooling
- dangerous and/or unskilled driving
- drivers breaching the conditions of their licences
- decrease in positive road safety outcomes.

Some submitters saw risks in revoking the time-limited licence policy for drivers holding learner licences but not for those on their restricted, and vice versa.

## Analysis

Several of the risks identified by submitters are not directly aligned with the intention or nature of the time-limited licence policy.

For example, several submitters raised a risk drivers will remain on their learner or restricted licence and not progress to the next stage. Although drivers are encouraged to progress through the GDLS, they have always been able to renew their licence and choose to not progress to the next stage of licence. The review team considers the revocation of the time-limited licence policy will not be changing anything in this regard.

The suggestion learner and restricted drivers will pose more of a safety risk is also not directly aligned with the time-limited licence policy. Novice drivers do have higher crash risks, but this is linked to them starting the process of learning to drive. Evidence suggests the added crash risk for learner drivers is low, while for Restricted licence holders their greatest risk is at the beginning of holding their Restricted licence. These added risks are mitigated by Learner and Restricted licence conditions.<sup>3</sup> Provided these drivers comply with their licence conditions, this risk is minimised. Where drivers do not comply with their conditions, this becomes an enforcement and education issue.

In terms of the risks to gaining employment, as noted earlier, the Impact Lab 2020 report for the Howard League, stated that “80 percent of jobs in New Zealand required some form of drivers’ licence” – but these licence requirements were not necessarily the holding of full licences.<sup>4</sup>

The suggestion learner and restricted drivers will breach the conditions on their licences is an already present risk. The conditions on these licences are designed to mitigate the risks young and novice drivers pose. As the proposal is not recommending any changes to licence conditions, this risk is not considered relevant to the current proposal.

The review team concluded the time-limited licence policy has not addressed concerns around the perceived problem of licence pooling. Under the current policy, drivers can still renew their licence without progressing. Waka Kotahi does not have evidence to suggest pooling is a risk, or that the time-limited licence policy had any impact on minimising pooling.

The Government is seeking advice from Waka Kotahi and other government and non-government entities on ways to incentivise GDLS progression, as opposed to punitive approaches for those who do not progress. There are a multitude of reasons why licence holders do not progress. The majority of licence holders progress through the GDLS in a timely manner, but people are also encouraged to progress at their own pace. By allowing people longer time to progress, they will have more time to build confidence and experience in a controlled environment (i.e. remaining compliant with their conditions). Revoking the time-

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<sup>3</sup> Lewis-Evans, B. (2010). *Crash involvement during the different phases of the New Zealand Graduated Driver Licensing System (GDLS)*.

<sup>4</sup> <https://www.nzhowardleague.org.nz/wp-content/uploads/2020/05/Good-Measure-2.pdf> date accessed: 22/10/2021

limited licence policy will also alleviate stress and pressure for those who need more time or are under financial constraints.

The time-limited licence policy has incurred a cost on users of the GDLS with no clear discernible benefit. The costs incurred include additional licensing fees and additional stress and anxiety, per the submissions on consultation question one. There is no evidence the time-limited licence policy provides any road safety benefits nor has it substantially encouraged 'pooling' drivers to progress to the next stage of the GDLS.

**Recommendation:** The review team concluded there were no additional unanticipated risks arising from the proposal. No change to the proposal is required.