MINISTRY OF TRANSPORT
TE MANATŪ WAKA

Regulatory Impact Statement: Graduated Driver Licensing System

Decision sought	Cabinet decisions on changes to the Graduated Driver Licensing System
Agency responsible	Ministry of Transport
Proposing Ministers	Minister of Transport
Date finalised	13 August 2025

Briefly describe the Minister's regulatory proposal

This Regulatory Impact Statement (RIS) supports Cabinet decisions on potential changes to New Zealand's Graduated Driver Licensing System. The Minister of Transport's objective is to make getting a licence cheaper and easier while ensuring drivers have the skills to drive safely. The Minister proposes to:

- remove the full licence test and move hazard perception testing to the restricted licence test
- extend the learner licence stage from six to 12 months for under 25s
- introduce a clean driving record requirement for restricted drivers
- introduce a zero-alcohol limit for learner and restricted drivers
- reduce eyesight screenings to the first licence application and each licence renewal (typically every 10 years)
- improve New Zealand Transport Agency's (NZTA) oversight of approved course providers.

These changes will be supported by operational improvements by NZTA:

- review the existing learner and restricted licence tests to ensure they are fit-for-purpose
- encourage uptake of Drive, a free driver education programme funded jointly by NZTA and Accident Compensation Corporation (ACC).

This Ministry recommends the above changes (option 3). The Cabinet paper also includes an option to reduce the 12-month learner period back to six months if learner drivers log up to 60 supervised practice hours or complete a practical course approved by the Director of Land Transport. As this option was introduced at a later stage, it is not analysed as a separate package from option 3. The effects of introducing minimum supervised practice hours are detailed under option 4. This option would have safety benefits and accessibility costs similar to option 3, and implementation and efficiency costs similar to option 4.

Summary: Problem definition and options

What is the policy problem?

The Minister of Transport asked officials to prepare options to improve access to the full driver licence to unlock wider economic benefits, while also supporting drivers to drive safely. Driver licences help people to access jobs, education, healthcare, their community, and other services. Some people face barriers to getting a driver licence.

More than one million people over the age of 16 in New Zealand do not have a full driver licence, and nearly half of this group have no licence at all.[1]

To get a full driver licence, applicants must pass one theory and two practical tests. Applicants must visit a driver licensing agent to sit each test and must have an eyesight screening at each step of the process. In most cases, they must also provide a registered and warranted vehicle to sit the practical tests in. On top of the financial cost, it takes time to book, travel to, and sit the tests. Many people may have to take time off work or school to do this.

A study commissioned by NZTA found that three in 10 novice drivers become stuck on a learner or restricted licence or are slow to progress to their full licence. The study identified that cost (car ownership and licence costs), access (to a car and testing stations), and test anxiety are significant barriers to progressing through the system.[2]

On 8 July 2025, there were 265,476 drivers on their learner licence and 291,752 drivers on their restricted licence. These numbers have been largely consistent for the past eight years and are expected to remain so, subject to population demographic changes. Cumulatively, this is around 557,000 drivers who would benefit from improvements to the licensing system.

What is the policy objective?

In April 2024, Cabinet invited the Minister of Transport to report back with options to make getting a driver licence cheaper and easier, and support drivers to have the skill set to drive safely [CBC-24-MIN-0016 refers].

What policy options have been considered, including any alternatives to regulation?

The focus of these proposals is on reducing regulatory burden, while maintaining safety outcomes.

The following options have been considered:

- **option 1:** status quo
- **option 2:** proposed changes as consulted on
- **option 3:** proposals amended post consultation ***(this is the Ministry's and Minister's preferred option)***
- **option 4:** option 3, plus mandatory minimum driving hours for learner licence holders.

The preferred option balances regulatory change with operational improvements by NZTA, including reviewing (and strengthening if necessary) the learner and restricted tests and encouraging uptake of the Drive programme. NZTA is separately considering other operational changes under its digitisation programme that may benefit the policy objective.

What consultation has been undertaken?

The Ministry ran an eight-week public consultation period from 14 April to 9 June 2025. The Ministry published a consultation document, interim RIS and Cabinet paper. We received 4,134 submissions from individuals and a range of organisations. Consultation feedback was used to refine the proposed options discussed in this RIS.

Officials engaged with Driving Change Network, Youth Inspire, Students Against Dangerous Driving, Greg Murphy, Vehicle Testing New Zealand (VTNZ), NZ Police (Police), Accident

[1] Sin, I. (2018). *Rates of Driver Licence holding in Aotearoa NZ.* Stats NZ. https://catalogue.data.govt.nz/dataset/rates-of-driver-licence-holding-in-aotearoa-nz

[2] Thomas, J.A, Frith, B., Malcolm, L.A, & Cooper, D., (2024). *Differences in drivers accessing and progressing through the Graduated Driver Licensing System in New Zealand*.

Compensation Corporation, Ministry for Primary Industries and Ministry of Social Development throughout the consultation period. The Ministry has worked with New Zealand Transport Agency (NZTA) throughout the process. NZTA, the Ministry of Justice, the Ministry of Business, Innovation, and Employment, the Ministry for Regulation, the Treasury and the Department of the Prime Minister and Cabinet were consulted on this RIS.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Costs to drivers

- For most drivers (who already have full licences) the proposed changes would have no direct costs.
- NZTA advises that in 2023, 72,246 people under age 25 were granted a new Class 1 (car) learner licence. 62 percent of these people did not progress to their restricted licence within 12 months. On the assumption that this rate remains relatively steady, most learner licence holders would not be materially affected by extending the learner licence stage to 12 months for drivers under age 25.
- For restricted drivers, the clean driving record requirement would create a potential time cost by imposing a six-month delay to getting a full licence if they commit an offence that carries demerit points. NZTA driver licensing figures show around 20 percent of current restricted licence holders have demerit points.

Costs to licensing agents

- s 9(2)(b)(ii) VTNZ is NZTA's current provider for the full licence test.

Costs to NZTA

- NZTA will incur additional costs to develop and implement the changes to the driver licensing system. NZTA's early estimate to implement the preferred option is $5.1 million, including costs of business change, digital system changes and communications.[3]
- s 9(2)(b)(ii)

Benefits (Core information)

Benefits to drivers

- The proposed changes will reduce the fees that drivers pay to progress through the driver licensing system. Final savings to drivers will be confirmed through new regulations and are discussed in the Cost Recovery Impact Statement.
- Drivers would save time by not having to book, travel to and sit the full test.
- Easier access to driver licensing may improve economic and educational opportunities for drivers and reduce social exclusion.
- Extending the learner licence period for under 25s and bringing forward the hazard perception test are both expected to improve road safety outcomes, as based on overseas experience. It is important to note the benefits of a longer learner licence period would be best realised if learner drivers use that time for more supervised practice. The clean

[3] This early estimate has been developed by NZTA as part of the internal business planning process to prepare for the recommended proposed changes and will be refined once the policy is confirmed by Cabinet.

driving record requirement is expected to encourage safe driving by those on their restricted licence.

- Increasing use of Drive is expected to improve safety outcomes. ACC data shows drivers who use Drive are 24 percent less likely to make an ACC injury claim.
- Improving NZTA's oversight of approved course providers would enable it to ensure that providers are 'fit and proper' to provide approved driver training courses and may improve safety outcomes.

Benefits to NZTA

- Removing eyesight screening from the restricted and full licence stages would support future digitisation of the licence application process.

Benefits to Police

- The clean driving record requirement in the restricted licence stage is expected to deter offending.

Benefits to ACC and health

- Improving road safety outcomes would also reduce costs to ACC and the health system. ACC advises that in 2023, young road users (15-24 years) accounted for 23 percent of ACC road injury claims. This is the highest proportion of any age group and the highest claim rate at 12.4 claims per 1,000 people. In 2024, this cohort made up approximately $213 million in ACC road injury claims.

Balance of benefits and costs (Core information)

Most of the costs and benefits cannot be modelled. However, the Ministry expects that the benefits of the proposed changes would exceed costs. The proposed changes are designed to work together to benefit accessibility and efficiency, and improve safety outcomes. Benefits from the proposed safety measures are expected to offset any possible negative effects on safety of removing the full licence test.

Implementation

Dependent on final Cabinet decisions, NZTA would implement the package by 1 July 2026. This will include:

- developing the required changes to digital systems
- developing a communications and engagement plan to support effective implementation
- providing regular progress updates to the Minister of Transport
- s 9(2)(b)(ii)

The Ministry will work with NZTA to:

- provide advice to the Minister and Cabinet on the approach to transitioning current novice drivers to the new system
- engage with organisations including testing agents, community providers, advocacy groups, and government agencies, including Police, MSD, and ACC.

Introducing a zero-alcohol limit for drivers on learner and restricted licences would require an amendment to the Land Transport Act 1998. Depending on the legislative vehicle used to progress this change, it may take longer to come into force.

Limitations and Constraints on Analysis

The analysis in this RIS is based largely on Ministry of Transport (the Ministry), NZTA and ACC data. Due to time constraints this has been supplemented by a desktop review of publicly available research on Graduated Driver Licensing Systems in New Zealand and overseas.

The Ministry drew strongly from the Australian licensing systems due to the similar (at times) driving environment, and a similar culture which can influence and affect driver behaviour. However, differences in how overseas jurisdictions have designed, implemented and reported on driver licensing reforms mean that, in practice, it is difficult to compare across jurisdictions or to assess the effect of specific changes.

The proposed changes contain several components designed to complement each other and each option was analysed as a package, rather than detailed analysis of individual components.

I have read the Regulatory Impact Statement, and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Joanna Heard
Manager, Safety, Ministry of Transport Date: 13/8/2025

Quality Assurance Statement	
Reviewing Agency: Ministry of Transport	**QA rating:** Meets
Panel Comment: *A Regulatory Impact Statement has been reviewed by the Ministry of Transport's Regulatory Impact Assessment Panel (the Panel) and given a 'meets' rating under the quality assurance criteria. The Panel confirms that the minimum level of information needed for Ministers to make informed decisions is included. The Panel notes that a Cost Recovery Impact Statement will also be provided.*	

Section 1: Diagnosing the policy problem

What is the policy problem or opportunity?

More than one million people over the age of 16 in New Zealand do not have a full driver licence, and nearly half of this group have no driver licence at all.[4]

A study commissioned by NZTA found that three in 10 novice drivers become stuck on a learner or restricted licence or are slow to progress to their full licence. The study identified that cost (car ownership and licence costs), access (to a car and testing stations), and test anxiety are significant barriers to progressing through the system.[5]

As of 8 July 2025, 265,476 drivers had a learner licence, and 291,752 drivers had a restricted licence. Cumulatively, this is around 557,000 drivers who would benefit from improvements to the licensing system currently.

In New Zealand, 16–24-year-olds have more than twice the rate of road deaths per 100,000 licence holders than those aged over 25. There is an opportunity to improve road safety outcomes for young drivers through strengthening the driver licensing system.

Novice drivers applying for Class 1 (car) licences are required to sit several tests



From age 16, novice drivers can sit a digital theory test to gain a learner licence. This occurs at an Automobile Association (AA) or VTNZ office and costs $96.10 for two attempts (if needed). On passing the test, novices can learn to drive on the road on their learner licence. Learner drivers must be accompanied by a supervisor who has held their full licence for at least two years. After six months, learner drivers are eligible to sit the restricted licence test.

[4] Sin, I. (2018). *Rates of Driver Licence holding in Aotearoa NZ.* Stats NZ. https://catalogue.data.govt.nz/dataset/rates-of-driver-licence-holding-in-aotearoa-nz

[5] Thomas, J.A, Frith, B., Malcolm, L.A, & Cooper, D., (2024). *Differences in drivers accessing and progressing through the Graduated Driver Licensing System in New Zealand*.

The restricted licence test is a practical test of approximately 60 minutes, carried out by a testing officer. This is provided through VTNZ and costs $167.50 for two attempts. On passing the test, drivers can drive on their own. They cannot drive between 10pm and 5am, or with passengers (except any dependents, their spouse, or their parent or guardian), unless they have a supervisor who has held a full licence for two years.

After 18 months, drivers can sit the full licence test. The time spent on a restricted licence can be shortened to 12 months upon completion of an approved driving course (the time-discount).

The full licence test is approximately 30 minutes. It contains a hazard perception test, where drivers must describe any hazards they see and how they will react to them. This is a practical test and is provided by VTNZ. The test costs $98.90 for up to two attempts.

Fully licensed drivers can drive without restrictions.

There are barriers to progress through the licensing system

The direct cost to become fully licensed is currently $362.50, which can increase if the applicant needs more than one resit at any testing stage. Indirect costs are variable but significant. Applicants spend time booking, getting to and undertaking testing. Where applicants fail, these costs can be incurred more than once. Applicants must provide a registered and warranted car to sit tests in and incur financial and time costs to travel to a testing station. Opportunity costs can include missing work or school, for the applicant and a supervisor if they need to accompany them to the testing station.

The full test may not be the best option for safety

New Zealand's double practical test approach is uncommon. Most overseas jurisdictions have never featured a second test. The only overseas jurisdictions (that we are aware of) that require such a test are the Canadian provinces of Ontario and British Columbia. The Canadian province of Alberta and New South Wales, Australia have both recently removed their practical full licence test.

The full licence test currently features a hazard perception component. This is a key driving skill evidenced to reduce crash risk. Moving the hazard perception component earlier in the system could mitigate any potential safety risks from removing the full licence test and potentially improve safety outcomes by having it earlier in the learning process.

There is an opportunity to introduce new licensing measures in place of the full test, to improve safety while reducing cost and access barriers in the driver licensing system.

What objectives are sought in relation to the policy problem?

The objective is to make getting a licence cheaper and easier while ensuring that drivers have the skills to drive safely.

What consultation has been undertaken?

This RIS has been updated following public consultation. The Ministry published an interim RIS and Cabinet paper alongside a consultation document with draft proposals. The eight-week public consultation period ran from 14 April to 9 June 2025. There was a total of 4,134 responses through the online survey and email inbox. Officials engaged with the Driving Change Network, Youth Inspire Naenae, Students Against Dangerous Driving, Greg Murphy, VTNZ, Police, ACC, the Ministry for Primary Industries (MPI) and MSD.

Support for each proposal was between 66 to 91 percent, except for the proposed changes to eyesight screening. The Ministry recommends progressing the zero-alcohol limit for learner and restricted licence holders and improvements to NZTA's oversight of course providers as consulted on. Consultation feedback was used to refine the remaining proposals:

- The preferred option has been amended to extend the six-month learner period to 12 months. Driver licensing and road safety organisations supported some proposals but advocated for stronger safety measures including a longer learner period, which has been evidenced to support road safety outcomes overseas.
- The proposed changes to eyesight screenings were amended to only remove screenings at restricted and full licence applications. This was the only proposal to not receive overall support. Both organisations and individuals were concerned that it could diminish safety.
- The clean driving record requirement has been amended to a 6-month extension for any demerit offence. Some organisations and individuals felt restarting the restricted period for any offence was too harsh.
- The halved demerit threshold has been removed from the preferred option. NZTA advised the Ministry that it would create operational challenges. Some individual submitters and organisations felt that the proposal was too harsh and could result in an increase in unlicensed driving. The Ministry is undertaking a separate review of the infringements and demerits system.
- NZTA agreed to consider feedback on operational improvements to the driver licensing system. This includes a review the existing learner and restricted tests to ensure they are fit-for-purpose, and to encourage uptake of Drive, a free driver education programme funded jointly by NZTA and ACC.

NZTA supported the development of this RIS. The Ministry of Justice, Ministry of Business, Innovation, and Employment, Ministry for Regulation, the Treasury, and the Department of the Prime Minister and Cabinet were also consulted on this RIS.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

The Government sets standards for gaining a driver licence, to improve road safety outcomes and reduce the economic and social costs of road trauma. This includes the significant costs of road crashes on ACC and the health system each year. The Graduated Driver Licensing System is designed to ensure those learning to drive have the skills they need to drive safely once fully licensed.

A full driver licence enables independent and unrestricted travel to health and community services, educational opportunities, and is a requirement for some jobs. This means it needs to be accessible to drivers from all backgrounds. While changes can be made to improve efficiency and accessibility, it is not appropriate that they worsen road safety outcomes. The Minister has requested that changes be implemented in a timely manner by 1 July 2026.

These factors have shaped the assessment criteria:

1. Safety – the effect on road safety outcomes
2. Efficiency – the effect on the efficiency and cost of delivering the driver licensing system
3. Accessibility – the ability of applicants to access and progress through the driver licensing system
4. Implementation – whether changes can be implemented by 1 July 2026.

What scope will options be considered within?

Most changes relate to Class 1 (car) licences. Changes to eyesight screenings would also affect Class 6 (motorcycle) licences. Changes to NZTA's ability to monitor and oversee course providers would affect all licence classes. The regulatory proposals are largely limited to changes that can be made through amendments to the Land Transport (Driver Licensing) Rule 1999. Following consultation, NZTA agreed to review the existing learner and restricted licence tests, and to encourage uptake of Drive.

What regulatory options are being considered?

	Learner	Restricted	Full
Option 1 status quo	Minimum age 16 Theory test 6 months, with a supervisor Licence suspended at 100 demerits	Minimum age 16.5 Practical driving test 18 months, or 12 months with approved driving course	Minimum age 17.5 Practical driving test including hazard perception
Option 2 consultation	Minimum age 16 Theory test **Hazard perception test** 6 months, with a supervisor Licence suspended at **50 demerits**	Minimum age 16.5 Practical driving test Restricted period unchanged, but **restarts for any offence**	Minimum age 17.5 No test If clean record in restricted stage, can progress to full licence
Option 3 recommended	Minimum age 16 Theory test **12 months** with a supervisor for under 25s, 6 months for over 25s Licence suspended at **100 demerits**	**Minimum age 17** Practical driving test with hazard perception Restricted period unchanged, but **6 months' extension for a demerit offence**	**Minimum age 18** No test If clean record in restricted stage, can progress to full licence
Option 4 mandatory hours	Same as option 3, plus **minimum logged driving hours.**	Same as option 3	Same as option 3
Additional changes included in all options: • Zero-alcohol limit for learner and restricted driver licences • Improved NZTA oversight of approved course providers • Reduced eyesight screening requirements to enable online licence applications.			

Option 1 is the status quo and would see no changes to the system.

Option 2 would reallocate the hazard perception test to take place before independent driving on the restricted licence. It would halve the demerit threshold for licence suspension for drivers on their restricted licence. Restricted drivers who attract any offence would also see their restricted licence period restart.

Option 3 would include the hazard perception test in the restricted licence test. The learner period would be extended from six months to 12 months to allow drivers more time to practice driving. Restricted drivers who attract a demerit offence would have their restricted licence period extended by six months.

Option 4 is supplementary to Option 3 and would introduce mandatory logged driving hours.

All options would introduce a zero-alcohol limit for learner and restricted drivers, improve NZTA's oversight of approved course providers, and reduce eyesight screening requirements to enable online licence applications.

How do the options compare to the status quo?

	Option 1 Status quo	**Option 2** Consultation	**Option 3** Recommended	**Option 4** Mandatory hours
Safety	0	+	++	+++
Efficiency	0	+	++	+
Accessibility	0	++	+	–
Implementation	0	0	+	–
Overall	**0**	**4**	**6**	**2**

The following table shows a more detailed breakdown of how each option meets the criteria.

Analysis of options				
	Safety	Efficiency	Accessibility	Implementation
Option 1 - Status quo	No change			
Option 2 - Consultation	**Removing the full test** is not expected to significantly affect safety with the introduction of other measures. Drivers who are eligible to sit the full test have already sat the longer and more thorough restricted test and are already driving on the road independently. A 2019 report commissioned by the Ministry evaluated New Zealand's driver licensing system. It found fully licensed drivers are 23 percent less likely to crash than restricted licence holders.[6] This could be explained by factors such as time spent driving or driver personality and cannot be directly attributed to passing the full licence test. An Austroads report reviewed international literature on licensing system components (the Austroads report)[7]. It cites a New South Wales evaluation that found a two-year clean driving record was a better predictor of crash reductions than an exit test (although both together were the strongest predictor). Moving **hazard perception testing** to the restricted licence test could prevent those with poor hazard perception skills from getting their restricted licence. A Queensland study found drivers who failed a hazard perception test were 25 percent more likely to crash in the year following.[8] **Introducing a clean driving record requirement on the restricted licence** is expected to deter offending and prevent high-risk drivers from progressing to their full licence. **Halving the demerit threshold** is expected to deter offending and encourage safe driving as novice drivers would be at risk of having their licence suspended more quickly. Many other comparable countries have reduced demerit thresholds for novice drivers.	**Removing the full test** for New Zealanders progressing through the system is expected to reduce the number of tests delivered by approximately 100,000 tests yearly (100,889 full tests were taken in 2024). **Halving the demerit threshold** would likely increase administrative burden for NZTA, through issuing demerit warning letters and licence suspensions more frequently. Drivers having their licence suspended more quickly could increase unlicensed driving. Enforcing this could burden Police and the justice system. The **clean driving record requirement** that includes any offence would require NZTA to check a driver's record before processing their full licence. Demerit points are held in the driver licensing register, but it would require additional systems and process for NZTA to track non-demerit offences.	**Removing the full test** would mean drivers would not have to book, travel to, and sit a second practical driving test. This would especially benefit people who live far from a testing centre or who need to take time off work or study. It would also remove a barrier for drivers who have test anxiety. Drivers would only have to pay a (lower) application fee for the full licence. **Halving the demerit threshold** and the **clean driving record requirement** would increase the risk of licence suspension, and the time spent on the restricted licence, respectively. The clean driving requirement would mean a driver has to restart their restricted stage and could spend up to another 18 months on their restricted. This would delay their ability to get a restricted licence and may in turn affect their ability to access jobs and education. Through consultation we heard this could result in people being very slow to progress to their full licence and risks people disengaging from the system entirely.	**NZTA advises this option could be implemented by 1 July 2026.** However, it notes a separate demerit threshold for novice drivers would be challenging to deliver and administer and recommends a different approach to achieve the same outcome – for example, introducing new, higher demerit points for novice drivers, instead of halving the threshold.
Option 3 - Recommended	**Similar to Option 2, but with increased safety due to additional measures:** **Extending the minimum learner period for under 25s from six months to 12 months.** This would allow more time for	**Similar to Option 2, but with a further increase in efficiency.** This option does not include any change to the demerit threshold, avoiding any extra	**Similar benefits to Option 2, except learner drivers under age 25 would need to spend at least 12 months on their learner licence.**	**NZTA advises this option could be implemented by 1 July 2026.** Does not include the demerit threshold as consulted on.

[6] Schiff Consulting. (2019). *Evaluation of the graduated driver licensing system – Transport Evidence Base report 19/1 A*. Wellington: Ministry of Transport.

[7] Senserrick, T. & Williams, A. (2015) *Summary of Literature of the Effective Components of Graduated Driver Licensing Systems*. Austroads.

[8] Wetton, M.A., Hill, A., & Horswill, M.S. *Can a video-based hazard perception test used for driver licensing predict crash involvement*? Accident Analysis & Prevention, Volume 82, 2015, Pages 213-219, ISSN 0001-4575, https://doi.org/10.1016/j.aap.2015.05.019.

	supervised learning as well as neurobiological development that can reduce crash risk. A 12-month learner period is common overseas. The Austroads report notes evaluations of learner periods consistently show safety benefits of 12 months over six months. The study concluded the optimal learner period to be 12 months, provided the time was used practising with a supervisor. The Schiff report suggests more could be done in the learner stage to reduce the risks associated with young drivers in New Zealand once on their restricted licence, and points to several studies that found benefits of a longer learner period, including evaluations of driver licensing systems in the United States and the Australian states of Victoria and Queensland. **Increasing uptake of Drive** is expected to improve safety outcomes. ACC data shows drivers who use the Drive programme are 24 percent less likely to make a motor vehicle injury claim. **Reviewing the learner and restricted test** to ensure they are fit-for-purpose and testing relevant skills and knowledge is expected to improve safety over time.	administrative or other burdens for NZTA, Police and the justice system. **The clean driving record requirement for any demerit offence** in the restricted period would increase the complexity of administering the licensing system compared to status quo. However, as demerit points are held in the driver licensing register, NZTA has access to the information so it would be less burdensome than Option 2.	Some drivers stay on their learner licence for longer than is required, for a variety of reasons. NZTA advises that in 2023, 72,246 people under age 25 were granted a new Class 1 (car) learner licence. 62 percent of these people did not progress to their restricted licence within 12 months. On the assumption that this rate remains relatively steady, most learner licence holders would not be materially affected by extending the learner licence stage to 12 months. **The clean driving record requirement** would extend time in the restricted stage by six months for any demerit offence. This may delay people's ability to get a restricted licence, and in turn may affect their access to jobs and education. NZTA advises that currently, approximately 20 percent of restricted licence holders have demerit points. Option 2 proposed an 18-month extension for committing any offence. This option balances deterrence without pushing out the time excessively or risk drivers disengaging from the system entirely.	
Option 4 – option 3 plus introducing mandatory practice hours	**Same benefits as Option 3, plus increased safety benefits because learner drivers would be required to do a minimum number of supervised hours before sitting their restricted.** More hours spent practicing generally allows more varied and complex driving experience which can protect against crashes. Research shows that introducing a minimum number of supervised driving hours has safety benefits. However, the requirement is often one component of a broad licensing system, and it is difficult to assess the effect of the requirement on its own. For example, in 2007, Victoria, Australia introduced new components to its licensing system, including extending the learner period from six to 12 months and requiring minimum 120 hours of logged supervised learner driving practice. A 2017 study[9] evaluating the effect of the strengthened system found significant reduction in crash involvement for 18-23-year-olds. For example, in drivers aged 18 to 23-years-old in their first year of driving unsupervised (the highest risk group), it found a 19 percent reduction in death and serious injury crashes.	**Similar to Option 3, but less efficient as NZTA would be required to check a driver's mandatory driving hours.** This would require NZTA to check logged hours. Verifying this information is expected to increase administrative burden for NZTA. The Drive app could potentially be used to log hours. If this became mandatory, NZTA and ACC would need to invest to ensure the app can be scaled and is fit-for-purpose.	**Similar to Option 3, but less accessible as learner drivers would be required to drive a minimum number of hours before progressing.** This would make a licence less accessible for some drivers, due to the money and time required to gain the required driving hours. Requiring people to use the Drive app could also be a barrier for some people. However, we expect there would be a paper-based solution available as well. Most Australian jurisdictions require logged practice hours, but most have driver licensing support programmes to support disadvantaged drivers to achieve their hours and get a licence.[10]	**This option would be more complex and costly to deliver** The level of design and delivery work required to do this is unclear and has not been fully explored by officials at this time. NZTA has advised that the system and operational changes required to implement this proposal may push the implementation date beyond 1 July 2026.

[9] Vicroads (2017). *Examination of the Impact of the Graduated Licensing System on Young Novice Driver Safety.*

[10] Wundersitz, L., Bailey, T., & Baldock, M. (2024). *CASR236 Novice Driver Licensing in New Zealand*. University of Adelaide Centre for Automotive Safety Research.

Impacts of regulatory changes included in all options

A zero-alcohol limit for novice drivers is expected to improve safety. New Zealand's Crash Analysis System shows that, for drivers over 20 years old, there is a significant increase in the odds of an alcohol-related crash for those who are on a learner or restricted licence when compared to those on a full licence. The Austroads report found even very low blood alcohol content affects eyesight, psychomotor skills, information processing, attention, vigilance, and drowsiness. 91 percent of submitters supported or strongly supported the proposal. As of January 2025, there were 168,389 learner licence holders and 213,888 restricted licence holders aged 20 years and over who would be affected by the change.

Reducing eyesight screening may have a minimal effect on safety. Previous analysis by the Ministry and NZTA found limited evidence of a relationship between driving safety and the measures of vision that are tested in most international jurisdictions and New Zealand.[11] We note the concerns of the submitters through consultation who felt eyesight is important for safety or were concerned about gradual eyesight deterioration. A key assumption is that drivers with poor eyesight will seek testing and treatment independently, in between licence applications.

This proposal was driven by a move towards online licence applications and renewals. Given NZTA is not ready to implement online renewals at this time, we recommend removing the eyesight screening at the restricted and full licence stages, but retaining screenings at renewals. This will enable full licences to be issued online. The Ministry expects that NZTA will consider further whether eyesight screenings are needed at each renewal stage as it undertakes further work to digitise the renewals process.

Improving NZTA's **oversight of approved course providers** is expected to improve safety outcomes by maintaining high standards across the industry. The change would ensure that providers are 'fit and proper' to provide approved driver training courses and give NZTA more scope to revoke a provider's approved status. Requiring course providers to reapply every five years would ensure only those consistently delivering compliant and high-quality training remain approved.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

Option 3 would best address the policy problem and objectives. The package reduces cost and access barriers by removing the full test, while introducing measures to support road safety outcomes. The benefit of a longer learner licence period assumes drivers use the time for more supervised practice, preferably in different conditions. The clean driving record requirement assumes that extending the restricted stage will be a strong enough deterrence to offending. This option can also be implemented by 1 July 2026.

11 Ministry of Transport. (2019) *Vision and Driver Licensing: Cross-jurisdictional comparison of standards and policies and evidence from international research*.

Affected groups	Comment	Impact	Evidence Certainty
Costs of the preferred option			
Regulated groups – Class 1 drivers	The extended learner stage would create a 6-month time cost to get a restricted licence for drivers under the age of 25. The clean driving record requirement will create a 6-month time cost for drivers who offend by extending the time they spend in the restricted stage.	Medium - this will apply to approximately 75,000 new drivers entering the system each year. However, not everyone progresses to their restricted as soon as they are eligible. NZTA advises that in 2023, 38 percent of new learner licence holders progressed within 12 months. Medium - on 18 May 2025, around 20 percent of restricted licence holders had demerit points.	Medium Medium
Regulators - NZTA	NZTA will face direct costs to implement the chosen option. NZTA may incur additional costs to monitor approved course providers. NZTA may incur additional costs to check driving records before processing full licences.	NZTA's early estimate is $5.1 million. Costs are subject to change following Cabinet decisions on final proposals. Unknown Unknown	Medium Unknown Unknown
Others (Police)	Police will be responsible for enforcing a zero-alcohol limit for learner and restricted licence holders.	Low - this is already in place and funded for drivers under the age of 20. It will be a matter of priorities for Police across its road safety activity, rather than new costs.	Medium
Monetised costs		$5.1 million	Medium
Non-monetised costs		Medium	Medium

Affected Groups	Comment	Impact	Evidence Certainty
Benefits of the preferred option			
Regulated groups- Class 1 drivers	One-off accessibility and cost benefit from removing the costs of the full test and repeated eyesight screening. Reducing eyesight screenings to the first licence application and each renewal will save time and enable the online applications for the full licence in the future. Safety outcomes are expected to improve from the preferred option.	Unknown - final fee savings to drivers will be confirmed through new fee regulations. The Cost Recovery Impact Statement sets out an expected savings range of s 9(2)(b)(ii) Low High - road crashes cost New Zealand approximately $11.92 billion in 2023.	Unknown - new fees are not yet confirmed. High Medium - international research shows safety benefits from the proposed changes.
Regulators - NZTA	Reducing eyesight screenings will enable future digitisation and online licence applications.	Medium - in 2024, around 100,000 full tests were taken by New Zealanders going through the system.	Medium
Others (VTNZ, Police, ACC and health)	Reducing eyesight screenings would save time for AA and VTNZ. Deterring driving offences would benefit Police and the justice system. Improving road safety outcomes would also reduce costs to ACC and the health system.	Medium - eyesight screenings are currently required at all licence applications, renewals, reinstatements, and endorsements. However, the test is relatively quick and easy to administer. Unknown - it is hard to quantify how much enforcement costs would reduce. Medium - ACC advises that in 2023, road users aged 15-24 years had the highest proportion of road injury claims of any age group at 23 percent. In 2024, this group cost ACC approximately $213 million in road injury claims.	Medium Unknown Medium – exact benefits from the changes have not been quantified.
Total monetised benefits		Unknown	Medium
Non-monetised benefits		Unknown	Medium

Section 3: Delivering an option

How will the proposal be implemented?

The proposed changes are expected to be delivered by 1 July 2026. NZTA will be responsible for implementing the changes, including:

- developing the required changes to digital systems
- developing a communications and engagement plan to support effective implementation
- providing regular progress updates to the Minister of Transport
- s 9(2)(b)(ii)

The Ministry will work with NZTA to:

- provide advice to the Minister and Cabinet on the approach to transitioning current novice drivers to the new system
- engage with organisations including testing agents, community providers, advocacy groups, and Government agencies, including Police, MSD, and ACC.

Following implementation, NZTA will monitor the ongoing impacts of the changes, including test pass rates, and the rate of offending for restricted licence holders. The Ministry and NZTA will monitor crash rates for novice drivers.