

REGULATORY IMPACT STATEMENT

COMPLETING THE IMPLEMENTATION OF THE ROAD SAFETY TO 2010 STRATEGY: Young and novice drivers

EXECUTIVE SUMMARY

Several problems have been identified that contribute to the high crash risk of young and novice drivers. The following are being proposed to reduce the crash risk to young and novice drivers and enhance the integrity of the Graduated Driver Licensing System (GDLS):

- increasing the minimum driving age from 15 years to 16 years
- extending the minimum period under 25 year olds spend on a learner licence from six months to 12 months
- rebalancing sanctions for breaches of GDLS conditions
- providing Police with the power to issue '*licence compliance*' orders to drivers in breach of their GDLS conditions
- agreement in principle is being sought to place greater emphasis on the restricted practical test component of the GDLS, through the development of a more robust and difficult restricted test (subject to a technical review of the current tests)
- bringing forward approved training courses, such as *Street Talk* and the Defensive Driving Course, so that they are undertaken in the learner phase of the GDLS
- examining the mechanisms available to exclude those who have committed traffic offences from qualifying for the time reduction offered on the completion of an approved training course.

ADEQUACY STATEMENT

This regulatory impact statement has been reviewed by the Ministry of Transport and is consistent with the adequacy criteria set out in the Ministry of Economic Development's Regulatory Impact Analysis Guidelines.

STATUS QUO AND PROBLEM

The following specific problems related to class 1 (car) and class 6 (motorcycle) young and novice drivers and riders have been identified in relation to the GDLS:

1) The first six months of solo driving (which correlates with the entry into New Zealand's restricted phase) have been found to be an extremely high risk period. This increase in risk is evident regardless of age. However, it is most pronounced for those aged 15-16 years old.

2) A study commissioned by the Ministry of Justice identified that young people are deterred from infringing behaviour more by the threat of loss of licence than by the threat of fines. Officials consider the \$400 infringement fee excessive and that it contributes to non-payment, particularly when fees accumulate.

3) Ministry of Transport data shows that over 40 percent of licence holders who obtained a restricted licence in 2000 were still on a restricted licence in 2005. If a person remains indefinitely on a restricted licence, there is a possibility they will breach licence conditions and potentially incur fines and demerit points. In addition, because they do not sit the full licence practical test, their ability to detect hazards and respond to them is examined to a lesser degree than those who sit it.

4) There are few incentives for learner drivers to undertake high levels of supervised practice or training prior to commencing solo driving. Self-reported levels of supervised practice are generally low.

Status Quo

The status quo was rejected because while New Zealand's GDLS is generally sound, several key problems have been identified. Table one summarises the status quo for each phase of the GDLS for class 1 drivers.

Table one: Current licensing requirements and conditions by licence type

| | Learner licence | Restricted licence | Full licence |
|--|---|--|---|
| Application/Test | Application + eye test + theory test | Application + eye test + practical test | Application + eye test + practical test |
| L plates | Must display L plates | N/A | N/A |
| Supervision | Must be supervised at all time | Must be supervised during 10pm to 5am. | N/A |
| Time requirement to the next stage | | | N/A |
| ▪ Drivers < 25 years | 6 months | ▪ 18 months (note 1) | |
| ▪ Drivers ≥ 25 years | 6 months | ▪ 6 months (note 2) | |
| Passengers | Not allowed other than mandatory supervisor | Only allow to carry exempted passengers (e.g. spouse) unless accompanied by a supervisor | N/A |
| Carriage of licence | Must carry | Must carry | Must carry |
| Road rules, including alcohol limits (note 3) | Must comply | Must comply | Must comply |
| Other licence conditions, if applies | Must comply | Must comply | Must comply |

Notes:

1. Or 12 months if the driver successfully completes an approved driving skills course.
2. Or 3 months if the driver successfully completes an approved driving skills course.
3. The blood alcohol limit for drivers under 20 is 30mg/100ml. For drivers of 20 years of age and above, the limit is 80mg/100ml.

The GDLS for class 6 licences also has additional motorcycle-specific conditions, such as a requirement to pass a basic skills handling test before being able to apply for a learner licence, and a prohibition from carrying pillion passengers during the learner and restricted phases.

OBJECTIVE

The key objective of the package of proposed measures is to reduce the crash risk for young and novice drivers. It is expected the proposals will enhance safety culture and the integrity of the driver licensing system.

ALTERNATIVE OPTIONS

Other options considered and rejected early on in the policy process were as follows:

Mandatory driver training

Despite the intuitive appeal of driver training, there is little evidence of clear safety benefits resulting from compulsory formal pre-licence training. It is therefore difficult to justify mandatory pre-licence training courses. In addition, this could provide a cost disincentive to individuals to enter the GDLS, and therefore an incentive to drive unlicensed. Australia is piloting a mandatory training system. Officials are awaiting the outcome of the pilot and will advise if it yields significant benefits.

Engine size restrictions

Concerns about young and novice drivers having access to high-powered cars have been raised. However, firstly, smaller cars are still capable of rapid acceleration and high speeds. Secondly, a smaller car generally provides less protection to a young driver than a larger car in a crash. Thirdly, if a family car was large, a learner driver would be severely limited in their ability to learn to drive. Fourthly, such a restriction has proved very difficult to enforce in those jurisdictions that have introduced it. Police are often unable to tell the engine size by sight. Younger driver crash rates also indicate that a young driver is likely to be driving a smaller car if they are involved in a crash.

Reducing curfew hours and easing passenger restrictions

Young drivers tend to be disproportionately represented in fatal crashes at night. Reducing the curfew hours for restricted licence holders by one to two hours may increase the level of night-time drink driving behaviour. American studies have indicated that the fatality rates for drivers aged 16-17 years old carrying passengers younger than 20 years can increase by up to four times, when compared with fatality rates when solo driving.¹ They have shown that for 16 and 17 year old drivers, the driver death rate increases steadily with each passenger carried.²

Mandatory 'R' plates during the restricted phase

This would indicate to other road users that they are novice solo drivers, and to the Police that a particular driver is required to drive under certain conditions. However, this requirement would be easy for drivers to violate, and could result in increased breaches of the GDLS. Furthermore, the multiple demerit points and fines from a single incident could be too severe and disproportionate to the offence.

¹ Allan F. Williams, Insurance Institute for Highway Safety (December 2001). *Teenage Passengers in Motor Vehicle Crashes: A Summary of Current Research*.

² Joint OECD/ECMT Research Centre, *Counting the Cost of Inexperience*, (June 2005), p. 16.

PREFERRED OPTIONS

Officials recommend the proposals below for class 1 (car) and, unless otherwise specified, class 6 (motorcycle) learners.

1) Increasing the minimum age at which a learner licence can be obtained

At present a learner licence can be obtained at 15 years of age. It is proposed that this be increased to 16 years. New Zealand's experience is consistent with other developed countries in that, particularly before the age of 18, crash risk is inversely correlated with the age at which a driver starts solo driving. That is, the lower the age for beginning solo driving, the higher the crash risk. A benefit of increasing the minimum age of access to 16 would therefore be in delaying the minimum age that drivers commence solo driving by 12 months.

It is estimated that if the proposals to increase the minimum driving age, and to extend the minimum period that under 25 year olds must hold a learner licence, are introduced concurrently, there will be a total annual social cost saving of \$87 million.

2) Extending the minimum period under 25 year olds spend on a learner licence from six months to 12 months

At present, learners must spend a minimum of six months in the learner phase of the GDLS. It is proposed that this be extended to a minimum of 12 months. Under this proposal, and the proposal to increase the minimum driving age, the earliest possible age at which an individual will be able to drive solo will be 17 years. An extension of the learner phase would allow time for greater levels of supervised practice before solo driving, when the crash risk is highest. The Ministry of Transport's economic evaluation of proposals for young and novice drivers notes that this proposal is likely to improve the safety for drivers of all ages.

The improvement in safety of learner drivers will depend on the level of additional supervised driving to be carried out by learners. It is estimated that this proposal (if it were to be introduced on its own) would equate to a total annual social cost saving of \$23 million.

3) Increasing demerit points, reducing fines for breaches of GDLS conditions

It is proposed to reduce the infringement fee for breaching the GDLS conditions from the current \$400 to \$100. A Ministry of Justice-commissioned³ study found that participants do not consider that infringement fees and their resulting fines are a strong deterrent for infringing behaviour. However, the participants considered the accumulation of demerit points, which ultimately results in a loss of licence, a stronger deterrent. It is proposed to increase the demerit points from 25 to 35 for breaches to the GDLS passenger, supervisor and curfew conditions. The Ministry of Transport's economic evaluation of proposals for young and novice drivers notes that the threat of loss of licence from increased demerit points would result in some small safety benefits from more careful driving. While no definite conclusion could be drawn, there would be likely to be an increase in costs to Land Transport NZ's Transport Registry Centre if there is an increase in the number of suspension notices and

³ Litmus Limited Report, *Young People and Infringement Fines: A Qualitative Study*, October 2005.

warning letters sent out. It is, however, expected there will be a deterrent effect to offending.

4) Providing Police with the power to issue 'licence compliance' orders when drivers are in breach of their GDLS conditions

A *licence compliance* order would specify that a driver is prohibited from driving in breach of the GDLS conditions for 90 days. This would not prohibit the driver from driving. However, if the driver continues to breach the conditions of the GDLS while the order is in force, the Police would have the discretionary ability to impound their car for 28 days. This measure aims to reinforce the integrity of the GDLS by ensuring that young and novice drivers comply with the conditions of their licence.

5) Agreeing in principle to placing greater emphasis on the restricted practical test component of the GDLS, through the development of a more robust and difficult restricted test (subject to a technical review of the current tests) including the design of an appropriate restricted test, and the consideration and resolution of implications for the status of the second practical test

As noted above, the first six months of solo driving has been found to be an extremely high risk period. This increase in risk is evident regardless of age. In addition, Ministry of Transport data does not show that the full licence test, introduced in 1999, has yielded significant safety benefits. The requirement to sit a more onerous test earlier would encourage learners to undertake more supervised practice prior to taking the test and entering the high risk period of solo driving. Supervised practice provides a low risk environment for learner drivers.

It suggested that greater emphasis should be placed on the class 1 restricted practical test, before a person may drive solo. The class 6 (motorcycle) testing regime is being examined separately. Requiring greater levels of competency in hazard detection and response at an earlier stage in the learning process would ensure that learners move through the system with these skills. Initially, it is proposed that a review of the testing regime be conducted. The review, if agreed to, would examine the appropriateness of the tests given the proposals for changes to the GDLS contained in this paper.

The technical review would also consider how greater emphasis could be placed on the restricted test. It would also examine the requirements of the restricted phase, such as penalties for traffic offences, time limits on the restricted phase, and logbook requirements. The implications for the full licence test would then need to be considered.

6) Bringing forward approved training courses which attract a six-month time reduction on a restricted licence to before the commencement of solo driving

If the courses are undertaken earlier, learners will develop the key skills that are required for solo driving before beginning to drive on their own. It is proposed that training be undertaken towards the end of the learner phase so that some driving experience has been gained but before the first six months of solo driving, when an elevated crash risk occurs. This proposal would not apply to class 6 licence holders, as separate work on motorcycle safety and training courses is in progress. The Ministry of Transport's economic

evaluation of proposals for young and novice drivers notes that combined with the extension of the learner period to 12 months, this change is likely to further reduce the crash risk of younger novice drivers (under 25 years). However, the impact on novice drivers of other age groups is likely to be negligible.

Furthermore, it is proposed that the Ministry of Transport and Land Transport NZ examine mechanisms available to preclude drivers with traffic offences who have completed approved training courses from qualifying for a time reduction. The restricted phase provides a lower risk driving environment, therefore any reduction of this time should be based on a proven safety record.

IMPLEMENTATION AND REVIEW

Amendments to the Land Transport Act 1998 and the Land Transport (Driver Licensing) Rule 1999 will be required, if the suggestions proposed are agreed to by Cabinet. It is anticipated that these proposals will be implemented at the end of 2009 following the amendment of legislation in 2008. This will allow Land Transport NZ and driver training providers time to make administrative changes, and review and make changes to training course content.

Targeted industry communications and news media activity will accompany the introduction of the proposals. This will include training helpdesk staff, updating staff and agent manuals, fact sheets and information on the Land Transport New Zealand website, which will be met from Land Transport New Zealand baseline funding.

Following the implementation of the proposals, the Ministry of Transport will continue to gather and analyse statistical information related to crashes to ascertain the effect of changes and whether they contribute to achieving the goal of reducing crash risk for young and novice drivers.

CONSULTATION

Stakeholder Consultation

In July 2006, the National Road Safety Committee⁴ launched a nationwide series of workshops. The workshops and the associated web-based road safety forum were developed to ensure that people at local and community levels had the opportunity to engage in pre-policy discussions. Comments were provided on a variety of matters related to road safety, including young and novice drivers.

The Ministry of Transport consulted with Federated Farmers on the proposals for changes to the GDLS in general terms. Federated Farmers was broadly

⁴ The National Road Safety Committee is comprised of the Chief Executive of the Ministry of Transport (convener), the Commissioner of Police, the Secretary for Education, and the Chief Executives of Land Transport New Zealand, Transit New Zealand, the Accident Compensation Corporation, and Local Government New Zealand. The Secretary of Labour, the Secretary for Justice and the Director-General of Health are associate members of the Committee.

supportive of the majority of the package of proposed changes. However, it strongly opposes increasing the minimum driving age to 16 years.

The Ministry of Transport consulted with the New Zealand Automobile Association on the proposed changes to the placement of the approved training that attracts time reductions within the system. The AA was supportive of this proposal and noted that it would be beneficial to stimulate learning at this earlier stage. It noted that only minimal adjustment to their course would be necessary.

Government departments/agencies consultation

The Ministry of Transport has consulted Land Transport New Zealand, the New Zealand Police, the Ministries of Justice, Health, Agriculture and Forestry, Youth Affairs, Education, Social Development, Pacific Island Affairs, Te Puni Kōkiri, ACC, and the Departments of Labour, and Corrections.