



4 September 2023

Tēnā koe

On 12 July 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Under the Official Information Act, I would like to please request any business case prepared by MSD, including any provided to the Minister or Cabinet, as well as any associated Cabinet papers, that informed Budget 2022's decisions around MSD's Driver Licence funding.*

On 8 August 2023 the Ministry emailed you noting that the consultations necessary to make a decision on your request were such that more time was needed, with a new due date of 6 September 2023.

In Budget 2022 it was announced that Government is investing \$86.486 million over four years to support up to 64,000 people to gain a driver licence. This multi-agency initiative will support people most disadvantaged by barriers to driver licences to progress through the driver licensing system.

For more information on this announcement see: [www.msd.govt.nz/about-msd-and-our-work/newsroom/budget/2022/factsheets/driver-licences-access.html](http://www.msd.govt.nz/about-msd-and-our-work/newsroom/budget/2022/factsheets/driver-licences-access.html)

In regard to your request for a business case and any associated papers that informed Budget 2022's decisions around driver licence funding, please find attached eight documents. **Appendix One** at the end of this letter provides a list of these papers. You will note that information regarding some individuals is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,

- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding decisions around the Ministry's Driver Licence funding, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui,



Harriet Miller  
**Policy Manager**  
**Employment and Housing**

## **Appendix One – List of documents for release**

1. Report - An update on cross-agency work to improve access to driver licenses, dated 1 July 2021.
2. Appendix A – Equitable access to driver licenses: improving economic wellbeing outcomes PROPOSALS, dated 18 August 2021.
3. Annex B – Briefings on sub-workstreams/working groups on improving access to driver licenses, dated 18 August 2021.
4. Appendix C – Equity in driver licensing: summary results from an IDI study – July 2021, dated 18 August 2021.
5. Report – Scoping report to EETMG on driver licenses, dated 29 July 2020.
6. Report – Improving access to driver licenses, dated 25 February 2020.
7. Budget 2022 Initiative Summary – Main Budget Process: Diver licence support - equitable access to driver licences to improve employment, wellbeing and safety outcomes, dated December 2021.
8. Report - Advice on a framework for investing in driver licence support, dated 2 September 2021.



# Report

**Date:** 1 July 2021

**Security Level:** IN CONFIDENCE

**To:** Employment, Education and Training (EET) Ministers Group

## An update on cross-agency work to improve access to driver licences

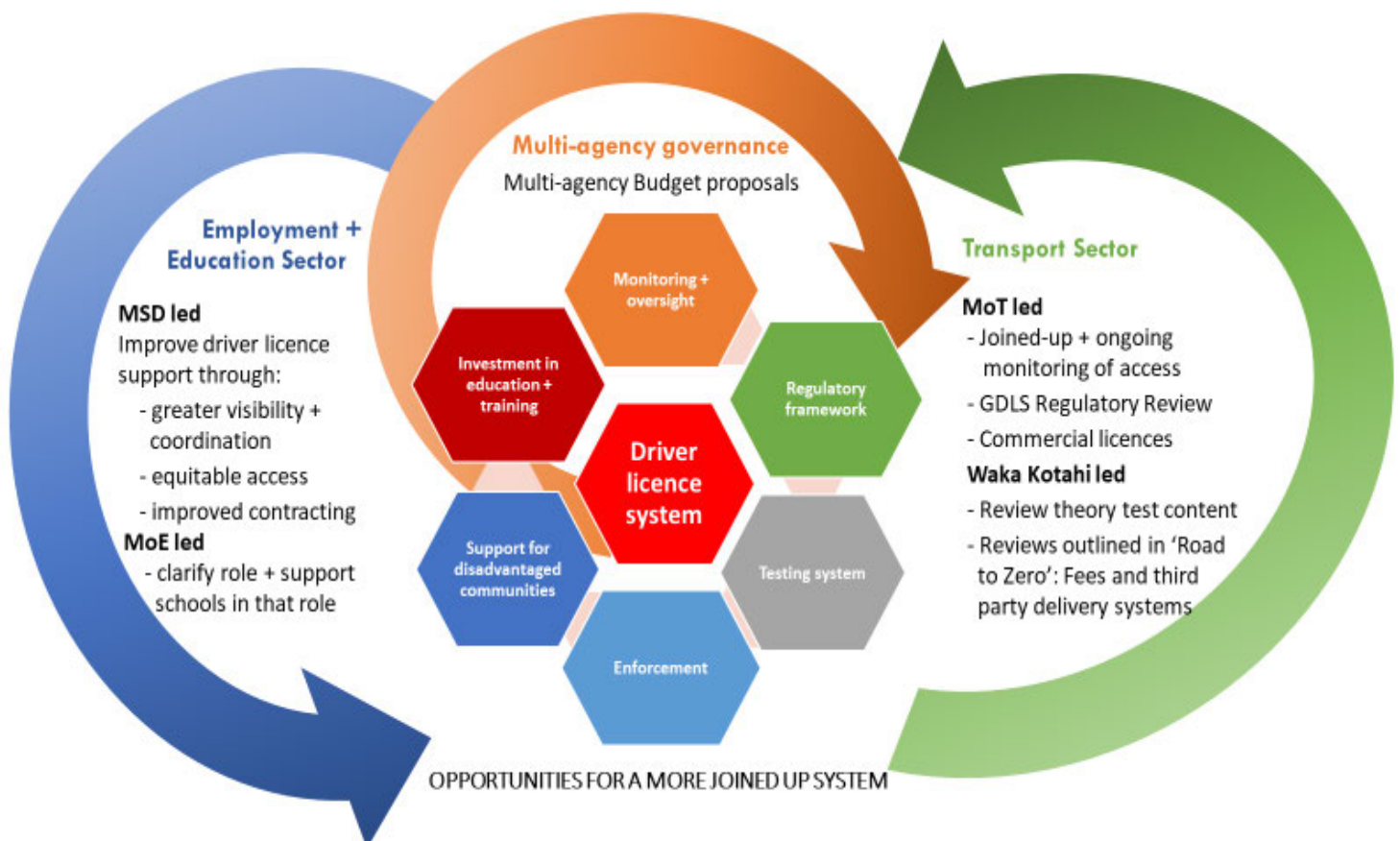
### Purpose of this report

- 1 This report provides an update on the work programme to improve access to driver licences and seeks guidance on key parameters for a future contracting framework to support equity.

### Key points

- 2 In February 2021 EET Ministers agreed to a cross agency-work programme addressing interrelated and systemic issues in the driver licence system (see Figure A).

**Figure A: A multi-faceted work programme addresses long-standing and system-wide challenges**



- 3 The Ministry for Transport (MoT), Waka Kotahi and Ministry of Social Development (MSD) worked jointly on sector engagement for their various work streams. This was received positively by stakeholders and enabled a coherent and common view of the opportunities for change across the whole system. This view has helped to inform preliminary proposals for improving the Graduated Driver Licence System as outlined in the companion paper from MoT. This momentum and collaboration will need to be sustained as multiple system improvements to testing, investment in training and regulation are established.



- 4 MSD has been working on some short-term solutions at the same time as developing a framework for how the system should work in the future. Officials are due to report back to the EETMG in August 2021 with advice on:
- a framework for the provision of driver licence support to support equity (led by MSD)
  - proposals to inform a multi-agency Budget 2022 package that improves access to driver licences (led by MSD with contributions from Waka Kotahi, Education and MBIE)
  - further progress on the regulatory and operation reviews in the transport sector (led by MoT and Waka Kotahi).

### It is recommended that you:

#### Note progress on improving access to driver licence training and support in the shorter term

1. **note** MSD is developing a public facing directory of driver licence support to improve coordination and visibility of support and enhance referrals, that is expected to be in place before the end of the year
2. **note** a secondary use of the directory is to map the current sector including gaps, overlaps and inconsistencies which will inform future investment
3. **note** that the Howard League Driver Licence initiative may be at risk due to lack of funds and Waka Kotahi's Community Road Safety Fund will provide interim funding as a stop-gap measure if needed, pending consideration of longer-term solutions as part of the Budget 22 process

#### Consider parameters for a framework to support equity and guide future investment

4. **note** that MSD will report in August 2021 on a contracting framework to support equity and we seek your guidance, in principle, to the following two components:
  - 4.1. **indicate** that you are comfortable with the development of a targeted approach to the provision of government funded driver licence support enabling resources to be directed to those most in need, rather than open access to funded support (see Appendix A)
 

Yes/ No
  - 4.2. **indicate** that you are comfortable with one agency taking the lead as funder and purchaser of most targeted driver licence support to better streamline and coordinate contracting and funding of assistance (with details and which agency yet to be determined)
 

Yes/ No
5. **agree** to refer this report to relevant Ministers not represented on the EETMG, including the Minister of Transport, Minister of Police, Minister of Corrections, Minister of Justice and the Minister for Pacific People.

Agree/ Disagree

### Progress on shorter-term improvements

- 5 MSD has been working on shorter-term improvements with the provision of driver licence training and support. This work also forms key building blocks for developing a framework for how the system should work in the longer-term, as discussed in paragraphs 15-25.

#### Plan to build on other coordination and referral focused initiatives

- 6 The first step is to develop a directory of the sector that provides visibility of driving licence support options at a regional level. The primary purpose of this directory is client-focused and it will be used for referrals (including self-referrals) for those who need support.

- 7 The plan is to populate the existing public facing [Family Services Directory](#) with information on driver licence training and support. The content in this directory enables referrals and is kept up to date (by providers and assisted by MSD).
- 8 The digital format of this directory allows it to be linked to the Connected infrastructure (including a website, 0800 number and 35 employment centres) and promoted to improve visibility. Many calls to the Connected phonenumber request driver licence support, and the directory will help the contact centre, case managers employment liaison advisers, schools, Primary Industry Advisers and employers know what services may be available locally.
- 9 The digital format of the directory may also help enable the Police to make 'road-side' referrals using the AWHI phone app. Alternative Ways of Helping Intervention (AWHI) gives Police officers the ability to make on-the-spot referrals to social services for people in need. It has been piloted and is being further developed to enable expansion to all police districts by October 2021. This innovation is strongly endorsed by many in the sector including MSD regional staff. Key to the success of AWHI is reliable information about what support is available and funding for that support. Driver licence support has been seen as particularly important as a community building tool when Police come across unlicensed drivers and to avoid a criminalisation journey. Police also note that there is a strong investment case as driver licence support is cheaper than prison and produces safer drivers.

#### **The challenge to map the sector illustrates the current ad-hoc approach to investment**

- 10 To build the directory MSD is mapping the sector at a regional level, based on the 15 Regional Skills Leadership Group (RSLG) areas. It uses information gathered about existing initiatives from the 'Driving Change' provider network and from funders (i.e. the 2020 stocktake of investment, where we identified over 300 initiatives of varying sizes that were funded by more than 11 government agencies). MSD are currently seeking to further augment and confirm the information through advice from MSD regional staff, the regional Public Sector Leads, RSLGs and Waka Kotahi prior to populating and promoting the digital directory.
- 11 The deeper MSD dives into mapping the sector the more churn and inconsistencies are uncovered in the funding, referral and delivery approaches. In addition, difficulties navigating the system are increasingly apparent for people seeking support (even when it is available) and for services aiming to secure ongoing funding or partnership arrangements.
- 12 The deeper dive has also confirmed some initiatives are working well, and it is important that future arrangements do not undermine their key success factors. However, many of these initiatives do not have secure ongoing funding so new future arrangements are essential.

#### **Interim support for the Howard League prior to a future system being implemented**

- 13 The Howard League supports young offenders, mostly Māori and NEET (people who are not in employment, education or training) to obtain a driver licence to increase their employability and social participation. To date it has helped more than 7472 participants and represents a value for money investment. However, there is a risk of a funding gap from January 2022 because aspects of their piecemeal funding, involving the Provincial Growth Fund and Waka Kotahi's Community Road Safety Fund (CRSF), are due to expire.
- 14 This risk was brought to the attention of the EET DCEs group who agreed that stop-gap funding should be provided, if needed, prior to longer term decisions through the Budget 22 process. This can be achieved through reallocating \$1.5 million of unspent funds held by the CRSF to the Howard League. \$5 million had been earmarked for a partnership initiative between Waka Kotahi and the MSD Youth Service driver licence programme but will not be fully required until after the end of 2022 as various factors (including COVID-19) slowed the roll out. The CRSF has the independent authority to make this adjustment.

## Developing a framework to support equitable access to driver licences in the future

- 15 Officials have been considering the core components of a framework to support equitable access to driver licences, including:
- options for who should access government funded driver licence support
  - designing a contracting approach that optimises provision of equitable access to driver licence support and which can build on current sector strengths.

### **We recommend targeted support to remedy system inequities will be more effective than investment in open access to funded driver licence support (such as though all schools)**

- 16 The high levels of inequity evident in the current driver licence system (as noted in the February 2021 paper to EET Ministers) suggest that a targeted approach to government funded driver licence support is warranted. This approach would direct support to those for whom the system does not currently work well. It would also get the greatest return on investment as it would assist people who are seeking work, at risk of driving fines and/or transport disadvantaged, to come off benefits and access services (such as maternity or education services) and it could increase much needed workforce supply in rural areas.
- 17 Alternatively, investment in an open access approach would have a high opportunity cost as resources would be spread more thinly to people who may not need support. As noted in the companion paper from MoT the current 'GDLS system work's for most but not all'. Many families do have access to resources that provide, or pay for, driver training, mentoring, suitable vehicles and testing costs. Government funding of driver licence support is not necessary for everyone.

### **Work to identify which groups would benefit most from targeted support is underway**

- 18 Officials have identified options for the distribution of driver licence support resources based on evidence about which groups are most negatively impacted (see Appendix A). Implications of targeting resources will be further explored for the following overlapping groups:
- young people (under 25 years of age) at risk of limited employment and who live in a household below a particular income threshold
  - all MSD clients (including those who only receive supplementary support such as the Accommodation Allowance) who could benefit (e.g. do not have a licence)
  - groups of people over 25 years of age who experience disproportionately low licence rates including Māori and Pacific peoples, sole parents, rural communities, offenders, and former refugees, and who live in a household below a particular income threshold.
- 19 We aim to determine the size of these groups and an approximate cost of support in the report back on options for a contracting framework in August 2021.

### **What we have learned from stakeholder engagement on contracting for driver licence support**

- 20 Officials engaged with industry providers and other stakeholders to better understand how a contracting framework can ensure more equitable access to driver licences. The following recurring themes emerged from these workshops and hui:
- a 'one-agency approach' would streamline contracting and funding systems and minimise the risk of 'post-code lotteries'
  - sustainability is key to effective driver training provision - if providers have secure funding arrangements, they are better able to meet the needs of their client base
  - outcome indicators need to account for a broad range of success (more than just pass rates) having clients engaged in the learning phases is good progress for some clients

- Whānau approaches which are by Māori, for Māori are crucial to targeted and culturally appropriate support - a number of these services are being piloted (e.g. by Te Puni Kōkiri and the NZ Police) and many operate without secure ongoing funding
- there needs to be a balance between a consistent national framework and the ability to address particular regional or population group challenges.

21 Providers and contractors have also consistently advised that most effective services contain some wrap-around and/or mentoring support alongside driving lessons to help people progress through the system, access to a suitable car, help with test costs and support with gaining personal identification for the initial engagement with the testing services.

**We recommend that one agency is tasked with funding and contracting the majority of targeted driver licence training and support**

22 Adopting a one-agency approach for contracting would address many issues in the current ad hoc funding arrangements involving multiple agencies. However, the details of this approach (such as which agency) are still being explored. Options will be outlined in the August report that take into account the need to build on what works well now. For example, it may be sensible for some other agencies to continue to include driver licencing support as a component of holistic services addressing a particular population or regional challenge – such as refugee settlement or an industry partnership programme.

**Work on the design of the contracting framework which builds on sector strengths is underway**

23 In addition to a ‘one-agency’ approach, other parameters guiding the design of the framework include that the contracting approach:

- facilitates support that is by Māori, for Māori
- uses transparent outcomes-focused and learner-centred contract models and monitoring developed in partnership with the sector
- ensures the procurement and delivery systems can sustain positive sector innovation and partnerships at a national, regional and local level and accommodate diverse needs
- supports a sustainable sector (through appropriate contract durations) and provides for sector and workforce development.

**Implementation will need to be phased and align with broader change**

24 Advice on how the contracting framework is implemented will follow decisions on the approach. However, it is important to note that it will require a phased approach with initial work focused on stabilising and sustaining effective services. It may require investment in sector development such as a standards framework and training for the trainers.

25 There may also be opportunities to align the contracting framework with other system changes in the regulatory and operational parts of the system. This could include cooperation between driver licence support providers and Waka Kotahi contracted driver licensing service providers to improve testing environments, wait-times and cultural responsiveness.

**Joined-up investment and monitoring across the whole system**

26 The work to improve access to driver licences across the various sectors should be progressed together and monitored as a whole, to avoid unintended consequences and enable complementary benefits. This could be enabled through a multi-agency package for Budget 2022 guided by the framework to support equity, and alongside ongoing monitoring.

27 The various workstreams are interrelated. For example, changing the driving condition assessment in the Class 1 Restricted Test in 2012 resulted in significantly fewer testing sites,

which reduced access to testing in many regions. This in turn reduces the effectiveness of some investment in driver training and negatively impacts rural workforce supply, employment and wellbeing outcomes. It may have contributed to increased numbers of people driving without licences in rural areas, which increased penalties and related criminalisation. This is an example of why it will be critical to invest in ongoing and joined up monitoring of the changes made in the system.

- 28 Similarly, testing wait times in some regions have been identified as a major barrier to the success of investment in driver licence support. It is therefore important to ensure ongoing sharing of information across agencies so that future investment in driver licence support is aligned with changes to operational system that impact on wait times. We understand that Waka Kotahi has work underway to improve the testing system, including wait times, and changes arising from the regulatory review have potential to release pressure on the system.

#### **Project underway to update data which will provide a baseline for monitoring**

- 29 Various agencies led by the Ministry of Women and Statistics New Zealand have partnered to work with the Integrated Data Infrastructure (IDI) to make use of the latest census data and update our understanding of access to driver licence and its impact.
- 30 This work could provide a baseline for monitoring the impact of any changes implemented to the driver licensing system. For this to occur it will be important that Waka Kotahi and MoT are engaged in the work and able to integrate IDI research findings as one component of joined-up and ongoing monitoring of access to driver licensing.

#### **Further cross-agency priority opportunities have been identified**

- 31 The sector engagement and review processes identified further opportunities for ensuring more equitable outcomes from the overall driver licensing system that have not yet been adopted in a work programme. In particular, there may be scope to enhance supported resolutions instigated by the Police with offenders driving without a licence. For example, by amending the 56-day window for a fine to be paid, which is often not long enough for someone to gain a licence and have their fine waived. As noted in the February 2021 report to EET Ministers unpaid fines and demerit points related to driver licence offending inevitably lead to court sanctions and contribute to the disproportionate criminalisation rates of Māori.
- 32 Officials will consider future work that could improve policing of driver licence offences to help reduce any potential criminalisation impact. Cross agency involvement will be required to determine robust solutions, including from the transport, justice and social sectors.

#### **Next steps**

- 33 Consistent with directions in February 2021 officials will report back in August 2021 with:
- a framework for the provision of driver licence support to support equity (MSD)
  - proposals to inform a multi-agency Budget 2022 package that improve access to driver licences (led by MSD with contributions from Waka Kotahi, Education and MBIE)
  - progress on the regulatory and operational reviews in the transport sector including on the 2019 Land Transport (Driver Licensing) Amendment Rule to improve access to Commercial Driver licences (Classes 2-5 and endorsements) (MoT)
  - scope to enable better resolutions for policing of driver licence offending with a view to reduce pathways to criminalisation (MoT, MSD and Ministry of Justice).

File ref: A13219086

Author: Tessa Thompson,

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## Appendix A: Options for who should access driver licence support funded by the government (including driver licence training, mentoring, support with costs and access to a suitable vehicle)

### Status Quo

Inconsistent and ad hoc access dependent on location. Comprising about 300 initiatives funded across 11 government agencies. Some MSD clients access a recoverable assistance payment and there is a wide range of disparate services with differing eligibility criteria across different locations.

Advantages of maintaining the status quo are limited. Disadvantages are considerable and outlined in the February 2021 report to EET Ministers, including that: support is not accessible or culturally responsive for everyone who needs it; and disruptive sector churn.

We do not know how many people currently receive funded driver licence support. We do know about 3000 people per annum received variable MSD funded support in 2019 and 2020. MSD data also shows about 6,700 recoverable grants for driver licence costs were paid over the 12 months up to 30 April 2021. Of the estimated \$17m per annum spent in 2019 and 2020, about \$6.9m (over 40%) came from MSD, \$5.6m from Waka Kotahi managed funds and \$3.2m from the Provincial Growth Fund. Philanthropy and local government partnerships also provide some support.

The following options overlap in who they cater for:

Option 1: <b>All MSD Clients</b> (who could benefit e.g. do not have a full driver licence). Anyone who receives support from MSD (including supplementary assistance) would be eligible for some level of driver licence support, including cost of the tests, training and pastoral support for those who need it.	<b>Advantages:</b> Supporting MSD clients to gain a driver licence will increase opportunities for employment and apprenticeships, support their employability, address transport disadvantage and reduce people driving without a licence. This can help people to come off a benefit, access services, provide more support to their family and community and reduce fines and potential criminalisation. Eligibility is easier to confirm for this group.	<b>Disadvantages:</b> Limits the outreach of support as it would not include groups of people who may face financial and social barriers to gaining a driver licence but who are not receiving support directly from MSD.	<b>Estimate numbers of people who might benefit:</b> <b>At least 80,000*</b> current MSD clients would likely benefit from driver licence support. This is based on an assumption that those with learners or restricted licences have ambitions to drive and could safely drive. Administrative data from June 2021 indicates of all Job Seeker (JS) and Sole Parent Support (SPS) recipients, about: <ul style="list-style-type: none"> <li>17% (44,136) have their Learners licence</li> <li>15% (37,512) have their Restricted Licence</li> <li>33% (84,367) have a full driver licence</li> </ul> We are yet to analyse what other MSD client groups could benefit including the 25% of JS and SPS clients with no licence.	<b>&amp; other considerations:</b> MSD clients could benefit from a range of support including with the cost of tests and training, literacy support, mentoring. Current support costs average between \$1,000 to \$2,000 per client.
<p><b>Option 2:</b> <b>Option 1 plus youth at risk of limited employment</b> (defined in Ministry of Education research <a href="http://educationcounts.govt.nz">educationcounts.govt.nz</a>) This option includes the MSD clients noted above and also extends support to non-MSD clients who are under 25 years of age and may be NEET and /or at risk of coming onto a benefit when they leave school including, some young people in rural areas, some Māori and Pacific young people who live in a household below a particular income threshold.</p>	<p>This option targets support to the most at risk young people including those who not directly receiving support from MSD (such as those under 18 years of age). Younger people tend to have more barriers to gaining driver licences and to becoming safe drivers and are at higher risk of road accidents. This option would assist young Māori who show a high NEET rate for non-licenced young people of 34.6%. This option will also assist 45% of young mothers that do not have a full driver licence. (<a href="#">MoW insights on motherhood</a>).</p>	<p>Does not include people over the age of 25 who face financial and social barriers to gaining driver licences and who are not currently MSD clients. This option could for example exclude some people exiting prison, recent migrants, and some people with working partners on low incomes.</p>	<p><b>Another 30,000 young people</b> at risk of limited employment could possibly benefit from driver licence support, who are not direct MSD clients. This includes those with no licence as well as those with learners and restricted licences. It is estimated that approximately 12.4% of 15-24 year olds are NEET (about 74,000 people). Māori and Pacific youth make up 18% of NEET (<a href="#">MBIE NEET report</a>) and less than 5% of NEET youth hold full licences. We have subtracted the approximate 40,000 young people receiving JS or SPS, who do not have a full licence as this group is already covered in Option 1. A 2017 IDI study indicated only 32% of Māori aged 16-24 can legally drive, and only 18% of young Pacific people</p>	<p>Many young people get a learner licence but do not progress. Advice from providers is that support for this group needs to include wrap around support, mentoring and incentives to progress through the system. Some effective support is provided in partnership with schools.</p>
<p><b>Option 3:</b> <b>Option 2 plus some targeted groups over 25</b> This option includes the groups described above and additionally targets services at specific groups (of all ages) that are indicated as at high risk of experiencing disadvantage as a result of barriers to gaining a driver licence. These groups include some intersections between the following groups: Māori and Pacific communities, parents (including sole parents) people who live rurally, people engaged in the -corrections system, former refugees, other recent migrants and people with literacy challenges.</p>	<p>This option will help break intergenerational cycles of deprivation and enable older whānau to teach their family about how to be safe on the roads. It will also help to reduce the disproportionate numbers of Māori in court cases for fines related to traffic offending which can lead to criminalisation. Increasing driver licences amongst all ages in rural communities would support the labour shortage in primary industries that are pivotal to COVID-19 recovery.</p>	<p>Does not provide open access to government funded support and could exclude some people who are transport disadvantaged and could benefit from support to access driver licences.</p>	<p>We have not yet estimated the number of people who may require additional support not covered by Options 1 and 2. We aim to draw on the Integrated Data Infrastructure (IDI) investigations to gain a better picture of how many people are transport disadvantaged and do not currently receive MSD support. We also want to better understand the nature of those support requirements, some will have literacy needs, whilst others experience low confidence and cultural barriers. For example, sole parents might need support in the form of someone caring for their dependent children while they go for training and testing.</p>	<p>Effective driver licence supports for some groups may be part of broader holistic services. Providers say that access to driver licence support can form 'the carrot' that helps participants to engage in work towards other wellbeing goals and build confidence.</p>
<p><b>Option 4:</b> <b>Open access to government funded driver licence support</b> where all New Zealanders can access free driver licence support for tests and driver training – such as through the school system or by eliminating fees. Sub-options for achieving this have not been developed and would differ considerably from the delivery of more targeted support outlined in options 1-3.</p>	<p><u>Advantages</u> of this option include increased legally licenced people and less administration costs associated with determining eligibility for support. <u>Disadvantages</u> include a very high opportunity cost, as resources could be better allocated based on need. The current informal approach to driver licence support works well for many families that have required personal and financial resources. It is therefore not necessary to provide extra funded support to all families. Administering an open access system would not easily fit with MSD or Education national funding structures.</p>	<p><b>About 418,000 young people</b> could immediately benefit based on the estimate in the 2017 IDI report that 70% of people aged 16-24 do not have a full licence. Of this group about 29% have already gained a learner or restricted licence. This figure would likely grow in future years to include all young people as families that previously provided paid for their own support would opt into free support. There are also many older people who would benefit.</p>	<p>There are universally provided education and training products available through <a href="http://drive.govt.nz">drive.govt.nz</a> and these could be enhanced through integrating them with some school curriculum resources.</p>	

\*Potential changes to the regulatory framework could impact this number. E.g. there would be 30,000 less people needing support if the restricted licence converted to a full licence for people over 25 years of age, under prescribed circumstances.



**Equitable access  
to driver licences**  
improving economic and  
wellbeing outcomes

**PROPOSALS**

Helping people to get a driver licence has made an **extraordinary difference** to the wellbeing and economic outlook for some people – plus improve road safety.

“I got a job because I got my licence”

“I feel part of society now because I got my licence”

“it means I can get a bank account”

“Make getting a driver licence a priority for all MSD clients – it makes sense”

## What we heard

Broad engagement across agencies and key sector stakeholders confirmed the

### opportunities

to improve access and outcomes consistent with our analysis and what the data tells us

When the Police offer driver licence offenders support/awhi, instead of a fee, it has built better relationships, reduced the accumulation of fee debt, and in some cases helped turn people away from a pathway to criminalisation.

These **supported resolutions** require funded support to be available, sufficient time for people to gain a licence and strong relationships between Police and providers.

“Nana doesn't understand that I shouldn't drive with just a learners license”

“I'm not worried about the police anymore now I have my licence”

“Some nights it would be \$800 worth of fines just driving home from work”

“Where I live you have to drive”

**Extra challenges in some rural communities** create vicious cycles of disadvantage and there are opportunities to reverse these cycles. Driver licences for people who experience significant transport disadvantage will help families to access services and education, gain employment, reduce the impact of fees and **assist with primary industry labour market skill shortages** – positive change will require innovation, investment and outreach

Create **high trust partnerships** between providers, the Justice sector, MSD, schools, local government and testers

**Scale up** and fund what works well

**Providers need certainty** with longer-term contracts



# A package of proposals across the driver licence system

Investment and policy across agencies needs to be considered together as there are many interdependencies

For example, the following matters under consideration will impact the level of funds MSD will require for driver licence support :

- the level of testing fees which will potentially be reduced in 2023
- the requirement for a full practical test which will potentially be removed
- the level of driver licence support provided through existing Votes including within 'whole of life' services such as refugee settlement or corrections



## Stabilise and expand access to driver licence support

A contracting framework and investment proposals for MSD to provide coherent, consistent and sustainable approach to driver licence support across NZ. Draws on data to target support where it is most needed.

**Ongoing monitoring of access and impact**  
(using regular IDI inquiries so we know the current impact of investment and regulatory settings)

## Regulatory changes

Regulatory proposals expected to have the largest impact will be provided to the Minister of Transport in October 2021.

## Coordinate access

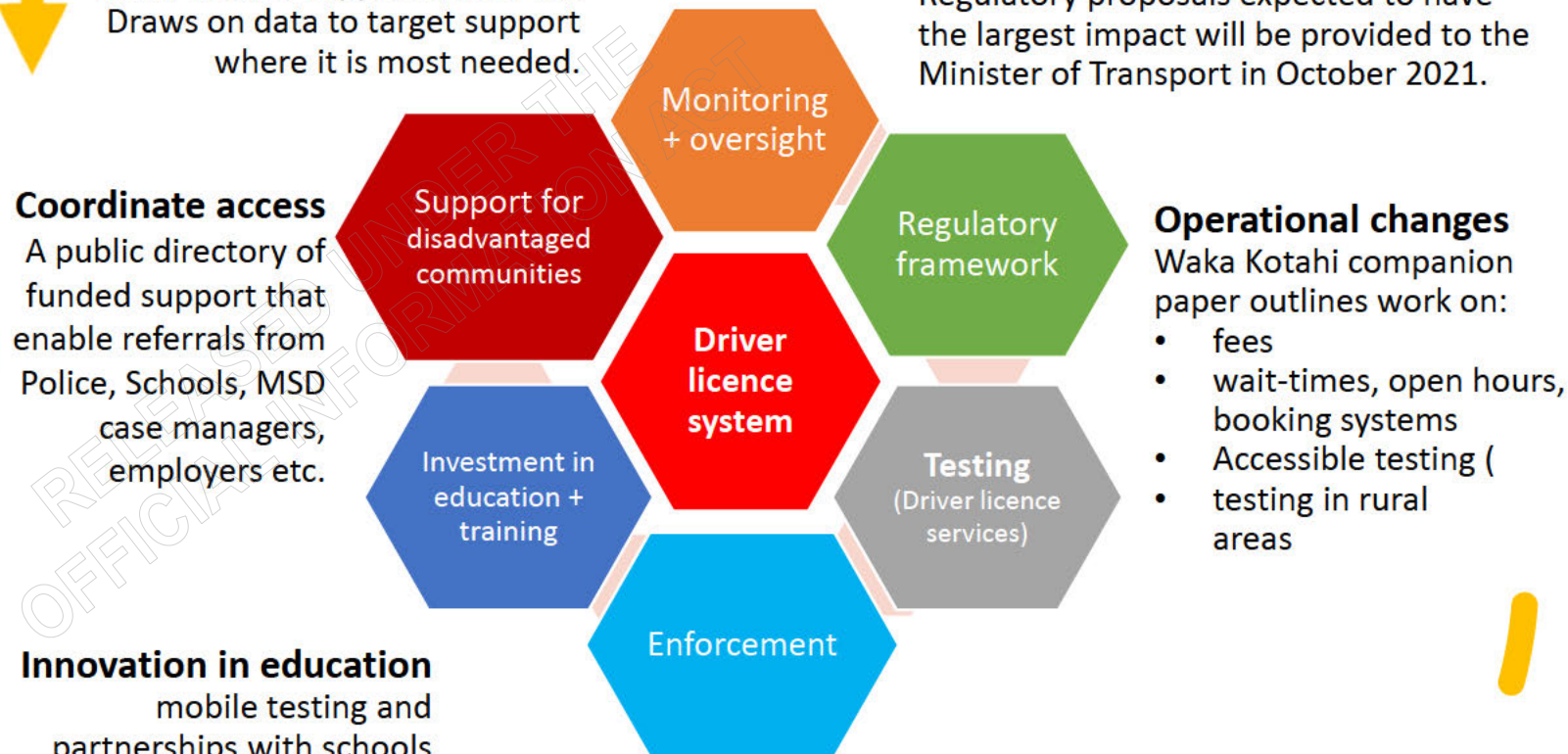
A public directory of funded support that enable referrals from Police, Schools, MSD case managers, employers etc.

## Innovation in education

mobile testing and partnerships with schools including education curriculum resources

## Improve take up of Police supported resolutions

due to increased availability of effective driver licence support -which helps to reduce fines and related pathways to criminalisation





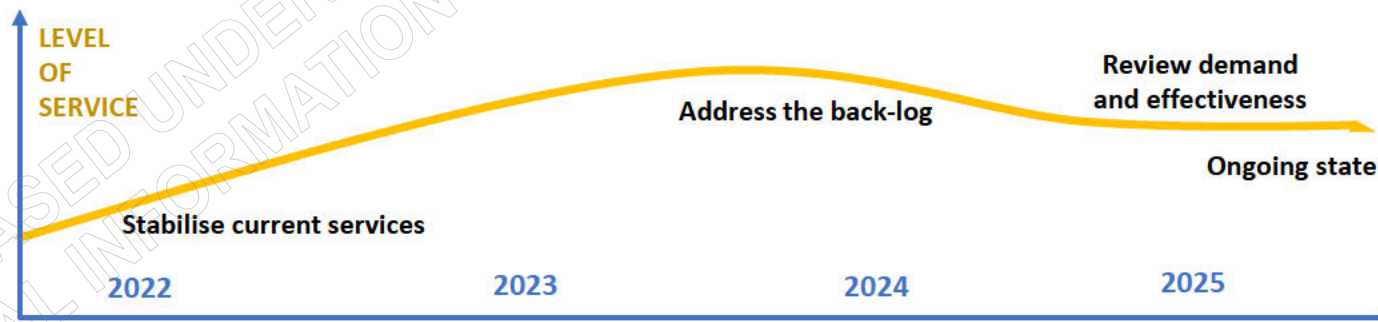
# Proposed Budget 22 Package

Including:

## 1 Sector development and innovation

- development of school curriculum resources
- ‘train the trainer’ support (drawing on employment service resources)
- outreach innovations such as mobile services and partnerships

## 2 Stabilise and expand access to driver licence support



- Initial funding is **time critical** as many current effective services have short-term funding (drawn from the PDF, CRF, WK). If funding is not stabilised there is a risk of loss of infrastructure and skills.
- Address the back-log prior to arriving at a stable state addressing ongoing demand.
- Implementation to be phased alongside sector growth and informed by data on demand and effectiveness

# Ball-park

\$ 0.3 M → year 1  
**up-front** Implementation costs, including: sector consultation on the procurement approach; development of effective referral pathways with Police and others; and IT work

\$10-20 M → over 2 -4 years  
sector development and innovation

\$ 10- 30 M → phased in  
**ongoing** nationwide contracting for driver licence support (capped places per year)

\$0.3 M → per year  
**ongoing** monitoring and coordination functions including: managing the IDI output on driver licences; regular review of take up, coverage and effectiveness; and maintaining a public directory

**Total range = \$51 -101 M  
Over 4 years**

\*Determining the precise amount required to stabilise the sector requires further analysis of how much of the current expenditure is from temporary/ unsustainable sources

### Scaled options and phasing for rolling out driver licence support\*:

- 1) About \$10-15 M for year one and ongoing, supporting about 10,000 people to gain driver licences each year- subject to a take-up and demand review
- 2) Year one as above plus build up to \$20 M in year 3 to support about 20,000 people each year
- 3) As above but build up to \$30 M in year 4 to support about 30,000 people each year

\* Determining the precise amount required for driver licence support is also dependent on testing costs (under review) and whether a practical test is required to acquire a full licence.



Who gets access to MSD contracted driver licence support?

How should we prioritise or target access?

Key components:

- Eligibility outlined in contracts is informed by local knowledge, priorities and data
- Prioritised referrals (within capped places)
- Regular monitoring of take-up, demand and effectiveness, including through engagement with the sector, will inform a continuous improvement approach to contract management and referrals
- The operational approach to this programme will be developed following budget and policy decisions

## Proposed Eligibility + Prioritisation

- We propose that overarching eligibility for the MSD driver licence support programme is broad enough to include all people that the data tells us are significantly impacted by barriers to getting a licence in particular :



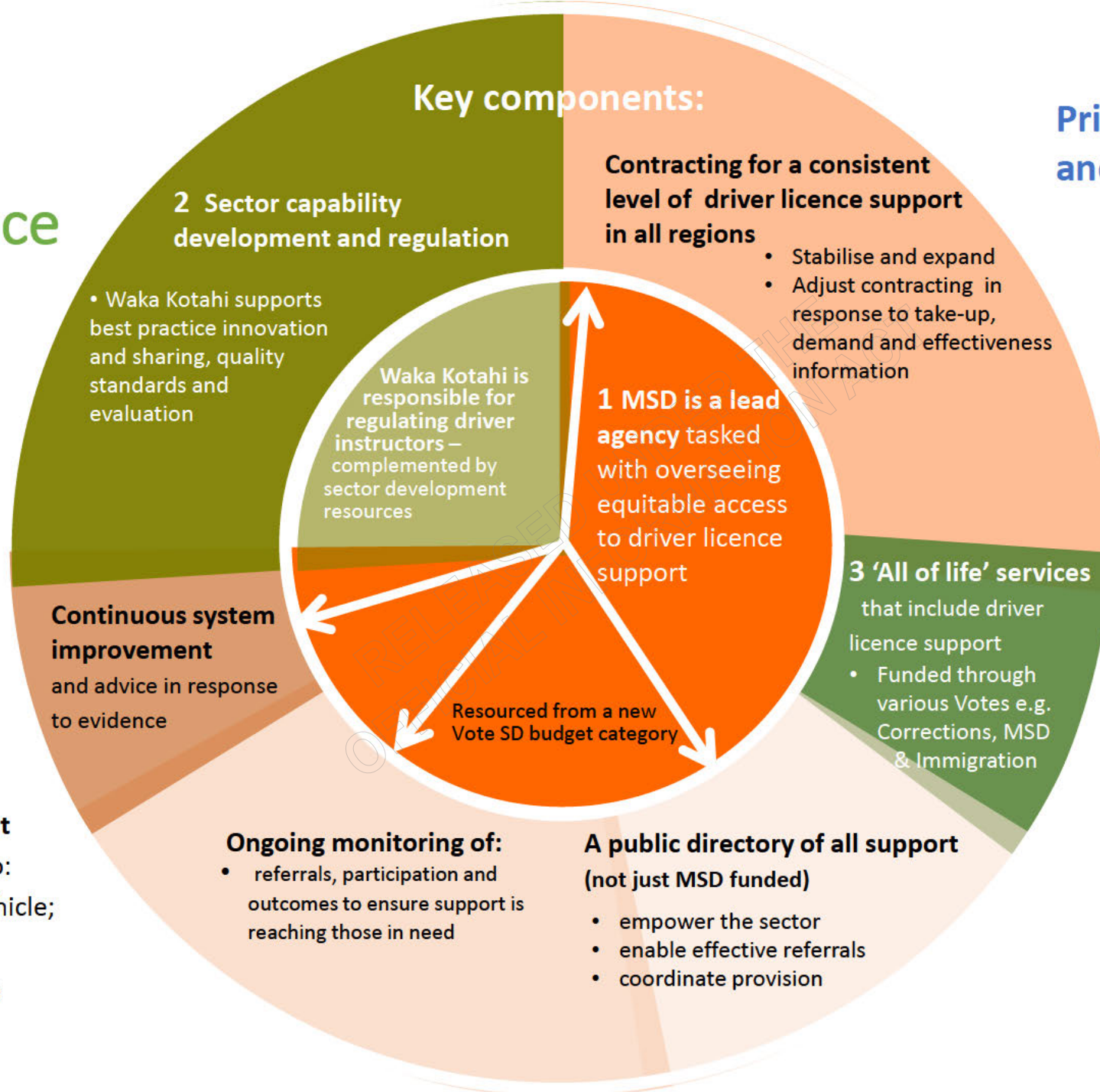
### Targeting resources through regional level contracting and place-based knowledge

- We propose that the mix of contracts at a regional level will include targeted client groups informed by local knowledge, detailed data and the principles outlined in the contracting framework
- We propose that regions will be required to ensure a certain number of places are available in each year and each region (depending on the funding allocated)
- We propose that referrals from the Police and Courts (that fit within the overarching eligibility criteria) are prioritized to enable supported resolutions and improve road safety
  - Cost risks can be managed by capping the number of client outcome payments per year that can be paid through MSD contracts
  - Providers will manage acceptance of clients referred (including self referrals within eligibility criteria and capped places)



# Proposed

## Driver Licence Support Contracting Framework



## Principles for implementation and investment:

- **Sustain existing success** – engage with the sector, including Māori providers to design effective contract and procurement models, draw on regional intelligence and provider relationships
- **Build stable ongoing contracting relationships** - phase change to allow growth in sector capacity and longer term contracts
- **Provide a consistent national outcomes focus with local flexibility** that addresses local diversity and enables partnerships with local testing centres, police, courts, councils and schools etc
- **Direct support to people most significantly impacted by barriers to gaining driver licences** as identified through the detailed IDI monitoring and local knowledge and relationships

- **Driver licence support may include** access to: lessons; a suitable vehicle; mentoring; literacy support; and funds to cover test costs

## Annex B: Briefings on sub-workstreams/ working groups on improving access to driver licences

### 1) Proposed driver licence support contracting framework

To	Education, Employment and Training (EET) DCEs Steering Group
Prepared by	s9(2)(a) [redacted], Policy Analyst, Ministry of Social Development (MSD)

#### Background

1. In February 2021 Ministers directed officials to provide advice on a:
  - *unified and nationwide funding framework for outcome-based contracting at a regional level to improve current investment, maintain effective programmes and partnerships and address gaps, which may require additional funding*
2. In July 2021 agreed that the framework should target support to remedy system inequities and that one agency should be tasked with funding and contracting the majority of targeted driver licence training and support.
3. The design of this framework has been informed by stakeholder engagement, including with NGO's, private providers, Iwi and Māori led programmes, young learners and government agencies. The scope of framework includes support for learners and sector development.

#### Key components

4. An overview of the proposed framework is provided in Appendix A (Slide 5). It includes the following three key components:

#### **1 Establish MSD as lead agency tasked with overseeing equitable access to driver licence support**

##### *Discussion / rationale:*

5. Although there is merit in the transport sector being responsible for contracting for driver training, on balance, officials consider MSD is more suitable:
  - MSD is closest to the main target groups for driver licence support.
  - MSD is well set up to manage multiple contracts at a national and regional level.
  - MSD is already the largest funder of driver licencing support. The stocktake in 2020 found that of the estimated \$17m per annum spent in 2019 and 2020, about:
    - \$6.9m (over 40%) came from MSD (which provided variable support to about 3000 people per annum)
    - \$5.6m from Waka Kotahi managed funds
    - \$3.2m from the Provincial Growth Fund.
  - MSD regularly connects with people who require driver licence support we estimate about 6,700 recoverable grants for driver licence costs were paid in the 12 months to April 2021.
  - MSD already has close working relationships with many of the providers, or potential providers of driver licence support.

##### *Proposed functions for MSD as the lead agency include:*

- contracting for a consistent level of driver licence support in all regions
- managing a public directory of support (not just MSD funded)
- enabling and monitoring referrals for support to those in need
- continuous system improvement and advice in response to evidence.

### *Fund MSD's responsibilities from a new MSD budget category*

6. Many current contracts for driver licence support are made within budget appropriations focused on a broader purpose (such as employment). This constrains referral pathways.
7. Implementation of a dedicated budget appropriation for driver licence support managed by MSD, would allow contract and data management focused on the range of government priorities that are addressed. It would help us to understand how effective the overall expenditure is. The detailed operational approach is yet to be designed, however, it may use existing MSD regional contract management structures and a similar approach to the 'Food Secure Communities' initiative which created a new Multi Category Appropriation (MCA).

### *Driver licence support will vary depending on individual need*

8. Funded driver licence support may include access to training; mentoring; literacy support; support with test costs and access to a suitable vehicle.

## **2 Support sector capability development and regulation**

### *It is proposed that sector capability and regulation is supported by Waka Kotahi*

9. The Community Road Safety Fund (CSRF), which is funded from the proceeds of personalised number plates and managed by Waka Kotahi, is charged with supporting road safety. It is not able to fund ongoing programmes, infrastructure, research or any activity that is the responsibility of an agency. However, the CSRF is well placed to support community initiatives and groups that develop capability within the driver licence support sector.
10. Waka Kotahi is also responsible for regulation of driver instructors and funds the development of driver licence support sector resources.
11. Investment in 'train the trainer' schemes could also help to build the sector. This could be supported through MSD employment services such as the flexi-wage (for eligible people).

### *A sector investment strategy would complement the proposals to expand access to driver licences*

12. With increased demand for driver training there will be an inevitable strain on the reach and quality of provision. Short-term ad hoc funding has led to a fractured sector and complications for staffing and continuity among providers. It is envisaged that sustainable contracting (and consequent job security) will entice more people to driver testing and training roles and that this should happen alongside investment to develop and monitor the sector.
13. As sector development requires expertise from agencies responsible for road safety and regulation, we recommend Waka Kotahi take a lead role in implementing this objective.

## **3 Recognise that some driver licence support will be provided through 'all of life' services**

### *'All of life' support, where driver licence support is one factor, will be funded by range of Votes*

14. It is necessary to maintain some driver licence support within 'all of life' services, for specific cohorts or objectives, for example corrections-based services, refugee resettlement or industry skills partnerships aiming at recruitment into particular sectors. However, it will be important for MSD as the lead agency to have knowledge of these services to assist with monitoring the effectiveness of the complete cross government investment.

## **Principles guiding implementation and investment**

### **Sustain existing success - especially for Māori clients**

15. Leveraging off what works is key to effective implementation. This means engaging with the sector, including iwi, hapu and Māori providers to design effective contract and procurement models, drawing on regional intelligence and provider relationships.



*...this must include consultation with Māori providers.*

16. It has become evident through stakeholder engagement and assessment of pass rates coming from Māori providers in the Tairāwhiti and Greater Wellington region, as well as lessons learned from the He Tāngata programme run by the Police that culturally responsive programmes are effective for Māori (who are overrepresented in unlicensed driver statistics).
17. We recommend that procurement approaches and contract standards are designed in consultation with key Māori providers to ensure they can continue to meet the needs of their clients. This includes considering information these providers have already shared with us.
18. Contract design needs to ensure that providers with a whānau centred approach are not excluded by default through contractual standards. We consider that consultation with expert Māori driver licence support providers on the design of quality standards is a requirement of Crown partnership with Māori under Te Tiriti o Waitangi.

### **Build stable ongoing contracting relationships**

19. A phased implementation will allow growth in sector capability and capacity. Longer term contracts consistent with the recently developed proposals on social commissioning\* will also enable stronger contracting relationships that support sector development.

### **Provide a consistent, national outcomes focus with local flexibility**

20. To ensure an equitable level of support is available in all areas we propose maintaining national oversight and consistent contracting parameters. However, this does not mean all areas should have the same contracting approaches since not all areas have the same needs.

#### *Leverage MSD regional contracting structures and relationships in procurement processes*

21. We know that the specific barriers to driver licences can vary from region to region, so too can the population group most in need. We also know that many local providers and partnership arrangements are best placed to respond to these challenges and offer appropriate support.
22. Regionally informed contracting, and flexibility within contracts, will enhance responsiveness and the scope for innovation, collaboration and cost saving that makes contextual sense. It will also allow regional governance (including Regional Public Sector Leads and Regional Skills Leadership Groups) to address local diversity and support local partnerships with testing centres, police, courts, councils and schools.

### **Direct support to people most significantly impacted by barriers to gaining driver licences**

*The overarching eligibility criteria will be set nationally to accommodate people most disadvantaged by barriers to driver licences*

23. The proposed approach to eligibility and prioritisation is summarised in Slide 4. While the broad eligibility will be clear for the whole programme local contracts may target specific groups, such as, Pacific solo mums in Auckland or parents in more deprived rural districts.
24. Detailed operational advice on eligibility and targeting will be provided to the Minister of Social Development after high level decisions are made. It is likely that household income will be a key criteria measure for determining overarching eligibility to ensure support is not only available to beneficiaries. This can be measured through determining eligibility for supplementary support such as the accommodation supplement or student allowance.

*Effective referral pathways will require ongoing investment in a Public directory*

25. A diverse range of driver licence support options will continue to be delivered across regions to reflect different needs and place-based opportunities. A well-managed and public directory of driver licence support options will make it easier for all stakeholders to navigate the sector. This

is particularly important for referral partners including: MSD staff (case managers and work brokers), the Police or courts, schools, employers and other primary industry stakeholders.

26. Other benefits of the directory include helping MSD to maintain an overview of available funded support (including a view of eligibility criteria and capacity) at a regional and national level, and empowering providers to build partnerships with other providers.
27. While the directory is already under development and builds on an existing platform it will require dedicated resources to be maintained.

*Effective referral pathways will be critical to ensure support is well targeted*

28. Strengthening referral pathways for target groups will be a key strategy for ensuring support gets to where it is needed most. This will involve investment in service design to clarify contractual obligations and to develop appropriate referral tools including IT systems that address privacy concerns.
29. A key priority for this investment will be for MSD staff to work with the Police to ensure the national roll out of AWHI (a prevention first model for road policing) has effective referrals to MSD funded driver licence support.

#### **Next steps**

30. If proposals are agreed, further work will be required to develop the detailed operational model for the contracting framework and a phased implementation approach. We would expect to provide this advice direct to the Minister of Social Development for agreement copied to EET Ministers.
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**\*Social Sector Commissioning**, co-led by Oranga Tamariki and MSD, is a cross-government initiative to reset the relationship between government funders and NGO providers of health and social services. It intends to promote a more relationship based, collaborative approach to commissioning, which reflects the need to work together to achieve increased intergenerational wellbeing for individuals, families, whānau, and communities in the longer term. Following sector engagement, proposals are being developed for Cabinet consideration later in 2021 that propose a change programme to embed a relational approach to commissioning, which is enabled and sustained by a range of system changes, commitments and guidance. Key changes intended to government systems include:

- Guidance for full funding of social services, including moving away from competitive funding practices and partial funding, with a longer term view supporting sustainability of NGO providers
- Simplifying contractual arrangements, and reporting, including allowing for flexibility and adaptability of providers
- Supporting shared accountabilities for parties involved in commissioning, including on quality assurance and on data to be collected
- Building the capability to sustain commissioning for wellbeing in the longer term, including recognising the need for diversity of providers so that support and services can be responsive to different communities of ethnicity, interest, and place around the country.



## 2) Assumptions for investment in driver licence support (quantum, phasing, targeting)

To	Education, Employment and Training (EET) DCEs Steering Group
Prepared by	s9(2)(a) , MSD, informed by MSD Contracting, MoE

1. An overview of the proposed Budget 22 Package is provided in Appendix A (Slide 3 and 4). This paper outlines some underlying assumptions that will inform the development of the bid.

### Assumption/ objectives of proposed additional investment in driver licence support:

2. Proposed new funding will not displace / replace existing investment in driver licence support. In particular, it is anticipated arrangements for communities that don't experience significant disadvantage will continue (such as driver licence support currently available in some schools or some council initiatives funded by Waka Kotahi).
3. Proposed new funding will also not include / displace driver licence support that is provided as part of a broader 'all of life' or integrated services such as refugee settlement programmes funded by MBIE and MSD, some industry partnership programmes and support for offenders that we anticipate will be funded by the Department of Corrections in future.
4. Proposed new funding will, as a first priority, stabilise current service provision. This is time critical as many current effective services have short-term funding (drawn from the Provincial Development Fund, COVID Relief Fund and Waka Kotahi managed funds). If funding is not stabilised there is a risk of loss of infrastructure, skills and momentum.
5. Over time it is proposed that new investment will expand access to driver licence support, consistent with the proposed contracting framework and in particular to ensure equitable access to driver licences across New Zealand
6. New investment will support sector development and innovation and complement other investment and activities undertaken by Waka Kotahi and MSD. This will include:
  - development of school curriculum resources (see role of schools on the next page)
  - 'train the trainer' support (complementing employment service resources such as flexi-wage self-employment)
  - outreach innovations such as mobile services and partnerships.

### Proposed investment includes

7. The development of costings for the Budget 2022 package requires further investigation of the current complex array of expenditure, including when various existing funds are expected to end. The ballpark estimates based on current knowledge are as follows:

Range	When	What for
TBC \$ 0.3 -0.5 M	year 1	Up-front implementation costs, including: sector consultation on the procurement approach; development of effective referral pathways with Police and others; and IT work (note these estimates are indicative, detailed operational costs will be developed).
\$ 10-20 M	Over 2 -4 years	Sector development and innovation, including support for schools
\$ 10- 30 M*	Each year phased in	Ongoing nationwide contracting for driver licence support (capped places per year)
TBC \$ 0.3- 0.5 M	Each year	Ongoing monitoring and coordination functions including: support for the IDI output on driver licences; regular review of take up, coverage and effectiveness; and maintaining a public directory

\*This is based on an assumption of an average of \$1000 per person/ full licence. The exact costing is dependent on testing costs currently under review and whether two practical tests will be required.



### Scaled options and phasing for rolling out driver licence support

8. The range of total expenditure proposed is approximately \$51 M over four years (comprising \$10.2 M per annum) up to \$101 M over four years.
9. As an illustration, the options can be scaled through changes to the number of people who are supported to gain driver licences and the speed at which the sector is able to grow:

Scaled options	How many people	Comment
1) \$10-15 M* each year and ongoing	Supporting about 10,000 people to gain driver licences each year	This is the minimum funding that will stabilise the current sector and it is anticipated a review of take-up /demand will establish ongoing funding requirements.
2) \$10-15 M year one build to \$20 M in year 3 and ongoing	Building to support about 20,000 people each year	Sector development resources will be also be required for sector growth, including some train the trainer support  We envisage that options 2 and 3 will address the back-log prior to arriving at a stable state addressing ongoing demand (subject to review).
3) \$10-15 M year one build to \$30 M in year 4 and ongoing	Building to support about 30,000 people each year	

\* Determining the precise amount required to stabilise the sector requires further analysis of how much of the current expenditure is from temporary / unsustainable sources.

### Who will be eligible for contracted driver licence support

10. It is proposed that overarching eligibility for the MSD driver licence support programme appropriation is broad enough to include all people that the data tells us are significantly impacted by barriers to getting a licence (see Appendix C). In particular, this includes:
  - All MSD clients and those eligible to be MSD clients (for example including those not on a main benefit who are eligible for accommodation supplement but not receiving it) and who could benefit (e.g. do not have a full licence). Currently there are at least 80,000 MSD clients who have a learners or restricted licence and could benefit from support to get a full licence. This would be reduced to 50,000 people if the practical test for a full licence is removed.
  - Young people (under 25) at risk of limited employment (YARLE) including school students who live in a household below a particular income threshold. This is estimated to include up to 30,000 people who are not currently MSD clients.
  - Targeted communities who experience disproportionately low licence rates and high impacts including Māori and Pacific peoples, some cohorts of women, sole parents and other parents in rural communities, offenders and refugees – who live in a household below a particular income threshold. Many of these targeted groups will already be included in the two groups noted above.
11. While these broad groups would fall under the proposed new budget appropriation for driver licence support, we envisage further targeting of support would be achieved through eligibility outlined in regional level contracts, informed by local knowledge, priorities and data.
12. The quantum of groups that may benefit will be developed in the Budget proposal processes.

### How driver licence support services will be targeted and costs managed

13. We propose that regions will be required to ensure a certain number of places are available in each year and in each region (depending on the funding allocated). They will then target support drawing on place-based knowledge and regular monitoring of take-up, demand and effectiveness, including information gathered through engagement with the sector.

14. We envisage effective targeting will also be achieved through the service design of referral mechanisms. In particular, we propose that referrals from the Police and Courts (that fit within the overarching eligibility criteria) are prioritised to enable supported resolutions and improve road safety as outlined in Paper 3.
15. Cost risks can be managed by capping the number of client outcome payments per year that can be paid through MSD contracts. Providers will manage acceptance of clients referred (including self referrals within eligibility criteria outlined in their and capped places.
16. The detailed operational approach will be developed following EET Minister and Budget 2022 decisions.

### **The role of schools and additional funding support for education sector development**

17. Schools are largely independent when it comes to setting of local curriculum and extracurricular programmes. Where driver education exists in schools it reflects a local need with support from within the school's management or board of trustees.
18. Many current school-based programmes are community based and usually in low-mid decile schools in rural towns. These programmes are often small scale and highly targeted at students with the highest need. These are usually managed out of the careers departments.
19. Schools usually only play a co-ordination role for practical driver education with the actual lessons carried out by private instructors or volunteers from a community-based programme. Instructors are usually not teachers.
20. Programmes are funded through various means – usually a community funding source, often school funding (either from the operational grant or from STAR or Gateway funding) and sometimes government funding (local government usually but MSD, the Police, MBIE and Te Puni Kōkiri have all contributed to the funding of programmes previously either directly or indirectly)
21. NCEA credits are available for licensing via three unit standards but these are often only applied for by schools when students need the credits to gain a qualification rather than as the result of a programme of learning.
22. The Ministry of Education developed detailed Budget proposals in previous years for curriculum and other resources to enhance partnerships between schools, driver licence support providers and testing services. This will inform the Budget 2022 proposals. It is envisaged that additional funding and innovation in this space will target low decile schools.

### **Other budget elements to be developed**

23. As noted in paper 4 it is envisaged that the Budget 2022 proposals will also ensure MSD has sufficient resources to establish an interim 'IDI driver licence data hub', prior to further decisions on the ongoing responsibility for cross-government monitoring.

**Note to CEs:** This paper has been developed since the DCEs meeting and the content has not yet been re-checked across all impacted agencies or areas of MSD.

We anticipate a complete paper in time for Ministers to discuss on 9 September 2021.



### 3) Opportunities to improve supported resolutions in policing of driver licences

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<b>To</b>	Education, Employment and Training (EET) CEs Employment Group
<b>Prepared by</b>	s9(2)(a) [redacted], MSD, informed by a working group of officials from the justice, transport and social sectors

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**Breaching driver licence conditions is not uncommon, and while it is not on its own a pathway towards entering the criminal justice system, it can contribute to criminalisation for some people**

1. Sector engagement and research considered in phase one of the GDLS regulatory review, found evidence of “normalisation of breaching licence conditions” for some groups. This contributes to a downward spiral of: unpaid infringement fees leading to larger court fines; impounded cars; accumulating demerit points; court appearances; community sentences in the criminal justice system and being disqualified. In the case of an indefinite disqualification (which means disqualified for more than one year), this is not subject to the NZ Clean Slate scheme so will create a permanent record and reduce employability. There can also be detrimental impacts when a court suspends a driver licence for overdue fines from traffic offences. Potentially leading to people losing their job and acquiring more fines for driving without a licence.
2. Key observations include that:
  - half of infringement fees are referred to court unpaid and therefore become fines.
  - there can be low motivation to pay fees where it is unaffordable especially with multiple fees /fines - which may occur over time or in one stop e.g. fees for breaching licence conditions, no Warrant of Fitness and speeding could be over \$800.00 from one event
  - the pathway to criminalisation is long and indirect potentially involving accumulated fines and breaches of community sentences. Current available data is indeterminant about the role driver licence offences play, however, the IDI could provide a clearer picture in future if fee data can be added.

**There are a range of initiatives that may reduce the risk of down-stream criminalisation impacts from enforcement of driver licence offending**

3. The Department of Corrections supports offenders to get driver licences as this opens up employment opportunities and breaks the cycle of reoffending. Typically, offenders have low literacy skills but are usually confident drivers.
4. Currently the Police offer compliance (a supported resolution) in around 80% of eligible cases which includes driver licence offending (i.e. an option to gain a licence and not have to pay the fine). However, there is only 15% take up of this support.
5. There is work underway to improve supported resolution take-up and, in particular, to roll the AWHI (Alternative Ways to Help Interventions) approach out nationally. This involves district level partnerships (between Police designated Kaiawhi and providers) as well as further development of referral mechanics. Success depends on good relationships with providers; sufficient and effective funded driver licence support being available; sufficient time for offenders to gain licences (which is partly determined by licence testing centre wait times) and the motivation of the offenders.
6. A Tāmaki Makaurau driver licence partnership established in 2018 has involved the justice sector, MSD, schools, Waka Kotahi, the Auckland Business Chamber and more. This model has helped services and officials work together at a local level with young people (including offenders who are identified by the Police or courts) to receive driver licence support rather than start on pathways to criminalisation. Learning from this partnership provides valuable insights about what works well and has potential to support similar efforts in other regions.

7. An amendment to the Clean Slate scheme could be considered to enable indefinite disqualification to be subject to the scheme, if the disqualification is revoked and criteria met.
8. The road safety penalties review led by MoT will primarily look at high-risk offences and consider equity issues and alternatives to infringement fees and demerits as part of that. Driver licence offences are currently not in scope. The GDLS review is looking at improving access and equity, and the penalties for GDLS offences could possibly be considered. MoT do not have a work program around non-GDLS driver licence offences and penalties; however, they recognise equity issues around driver licencing, suspensions/disqualifications, and the consequences of unpaid fines, and there is opportunity to scope work around those issues.

#### **A key opportunity is to improve take-up of supported resolutions and avoid fees becoming fines**

9. There is a clear imperative for MSD, the Police and the broader Justice and transport sectors to keep working together (building on partnerships at local levels) to ensure referrals to driver licence support work better for individuals who have been identified by the Police or courts as breaching driver licence conditions. It will also be important to improve our understanding of why some people who are offered the opportunity do not accept support and training. In particular, the alignment between the work by the Police on AWHI, the Auckland Justice Sector and the national MSD contracting can promote effective district level service relationships and provide a more integrated approach to supported resolutions for driver licence offences.
10. We recommend that MSD makes eligible Police or court referrals a priority for getting driver licence support. MSD should also work with the Police to improve the mechanics of referrals which will involve investment in IT and the protection of client privacy rights. This proposal will help MSD to target resources at the people who most need support and given these individuals are already driving improve road safety as well.
11. Other opportunities to improve take up of supported resolutions may include work between the Justice sector and Waka Kotahi on the timely payment of fees. For example, to ensure there is sufficient time available for either the fee to be paid or resolved prior to being referred to Justice unpaid. Currently the standard time (in Police practice) for referral to court is 72 days. This can be insufficient time for compliance when a driver licence test may not be able to be booked within 72 days. However, MoJ advises that:
  - the Summary Proceedings Act 1957 (s21(5) & (5A)) allows filing for up to 6 months after issue of the infringement notice or up to 12 months if a time payment arrangement was entered into and then breached
  - currently Police do not accept part payment of infringements whereas the Court can however once the matter comes to court it incurs additional costs which adds to the financial burden. One option may be an opportunity to refer the matter to the court system early to enable part payments without incurring additional costs.

**Note to CEs:** The DCEs steering group asked us to seek a Ministry of Justice (MoJ) position on various options including *“carving out driver licence infringements from the provisions that have the potential to lead to criminalisation - i.e. so that driver licence fees cannot become fines or ultimately community sentences if unpaid.”* MoJ received this request late Monday 16 August 21.

MoJ informed the text above. However, they have not had time to develop a ‘MoJ position’. They need to consider the data and to test the clean slate proposal with their Minister before they could commit to an amendment or timeframe. They also note that driver licence offences usually occur alongside other traffic offences. If there is no penalty, it may defeat the purpose of having an offence. Police and MoT have not had a chance to review the changes to this paper. The issues appear complex and there is a need to consider both legislative requirements and practice before providing further advice in time for Ministers to discuss on 9 September 2021.

#### 4) Ongoing monitoring to inform continuous system improvement and advice

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<b>To</b>	Education, Employment and Training (EET) CEs Employment Group
<b>Prepared by</b>	s9(2)(a) (MSD), informed by a working group of officials from Ministry of Women, MBIE, Transport, Waka Kotahi and MSD

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##### **Updated IDI code and data extraction was completed July 2021**

1. The Ministry for Women and Stats NZ in collaboration with other agencies have updated our understanding of access to driver licences and its impact through an output from the Integrated Data Infrastructure (IDI). Stats NZ has undertaken iwi cuts with this data.

##### **The recent data confirms previous analysis but adds more of a gender and regional lens**

2. From age 35 years onwards, over 80 percent of NZ adults hold a full or restricted driver licence but there has been decreasing access over time for younger people and some groups are missing out more. A summary of the recent output is attached as Appendix C.

##### **There is cross-agency, ownership and interest in this IDI data and potential to further enrich the analysis with additional data input and broader collaboration**

3. We consider the IDI the best data platform from which to monitor, research and evaluate the access and outcomes from the driver licence system. The IDI has the ability to:
  - provide regular timeseries monitoring of access to driver licence by key dimensions (ethnicity, age, gender, location, labour market status and benefit receipt).
  - identify gaps in the provision of driver licence support
  - evaluate the impact of regulatory changes and provision of driver licence support on driver license status as well as related outcomes such as safety and social wellbeing outcomes (eg justice, employment, income, education and training).

##### **However, currently we do not have the required data or capability to deliver what is required**

4. **Data:** At present there is no information on police fines, court debts or crash information in the IDI. To evaluate the impact of regulatory changes and provision of driver licence support on safety would currently rely on ACC and hospital data and lack the specificity on injuries related to road crashes. Similarly, justice outcomes would be based on correctional and arrest data that would miss lower level infringements or the financial burden of cumulative debt for fines.

*What is needed:* We need commitment by the relevant data agencies to supply this information into the IDI and support Stats NZ in preparing this data for the IDI.

5. **Capability:** Use of the IDI requires specialist skills and access to a Stats NZ data lab. This constrains the sector's ability to use the information in the IDI for understanding how the driver licence system is working. Access to the IDI capability is a general problem across the social sector.

*What is needed:*

- **IDI code modules:** An inter-agency work programme to provide standardised data business rules to create analysis ready datasets. For driver licences analysis the focus will be on driver licence status, person characteristics, employment and benefit status.
- **Standard monitoring data tables:** Develop time series data tables that enable non-IDI researchers and agencies to access information on driver licence status. For example, regional authorities, iwi, contract providers and population agencies interested in driver license status for their people.
- **IDI analysts for research and evaluation projects:** Not all agencies can support their own IDI analysis capability. Therefore, funding needs to be available to undertake analysis to

answer agency specific questions (eg evaluation of the impact of regulatory changes on both safety and access).

### Proposals for MSD to help

6. MSD is an agency with the largest IDI capability among the agencies involved within the driver licence system. Therefore, we can take a lead role in helping to establish some of the above capability. Here is what we think MSD has responsibility for:

- **Driver licence support (on going):** assuming proposals are agreed for MSD to be the primary agency delivering driver licence support we have responsibility for evaluating the effectiveness of these programmes and helping inform how well these are being targeted.
- **Driver licence access monitoring (establishment):** establish timeseries reports on driver licence access and test their usefulness with stakeholders. Once the IDI code modules and build process is working well, we consider Stats NZ best placed to provide ongoing maintenance and make these data tables available through their infoshare platform (<http://infoshare.stats.govt.nz/>).
- **Evaluation of non-MSD policies and programmes (support):** provide technical support to analyse of the impact of policies or programmes that affect driver licences. Most of this support can be met through IDI code modules for MSD supplied data as well as providing peer review and advice on planned analysis.

7. The following MSD roles and commitments would undertake this work:

- **Evaluation of Driver licence support:** Research and Evaluation (iMSD) include this is part of their regular evaluative monitoring of Employment Assistance programmes and services.
  - **Targeting of Driver licence support:** System performance (LMI) or could be with Data Science and Products (iMSD).
  - **Monitoring of driver licence access:** System performance (LMI), This work will dovetail with understanding the role of driver licence access on employment and benefit outcomes.
- IDI code modules:** all teams work on maintaining and further developing relevant modules.

### MSD is an interim custodian of the data output and monitoring mechanisms

8. MSD has taken interim stewardship of the 'code' that has been developed around driver licence data in the IDI to ensure it is maintained and to use this data to inform MSD contracting and coverage. However, MSD may only be a temporary custodian of all the related monitoring responsibilities. A broader collaboration approach is not yet agreed across agencies and require further explorations. It may also make sense for any broader collaboration on IDI outputs to contribute to wider EET objectives (beyond driver licences).

9. We recommend that the Budget 2022 proposals include sufficient resources for MSD to establish an interim 'driver licence data hub' and to develop a cross-government strategy for future monitoring of access to driver licences, as well as the impact and effectiveness of various Government initiatives.

**Note to CEs:** This paper has been revised since the DCEs meeting and has not yet been re-checked across all impacted agencies. We anticipate a complete paper in time for Ministers to discuss on 9 September 2021.



## 5) Update on the GDLS regulatory review

10 August 2021

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To Education, Employment and Training (EET) DCEs Steering Group

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Prepared by Ministry of Transport

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by

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1. On 1 July 2021, the Minister of Transport provided an update to EET Ministers on the Graduated Driver Licensing System (GDLS) review, to discuss areas where regulatory changes to the GDLS could be made to improve access and equity outcomes. At this time, we noted that further analysis and refinement of options would take place ahead of final advice being provided. A focus of this work is to incorporate quantitative analysis on the safety impacts of the options under consideration.
2. The Ministry of Transport is working to understand what data is required, its availability and the time required to complete the quantitative safety analysis. The Ministry has requested data from Waka Kotahi. Waka Kotahi data alone will not identify all the possible safety impacts, so we are also exploring the possibility of combining data from Waka Kotahi and NZ Police to gain a better picture of possible impacts of the proposed changes.
3. With this data, the Ministry expects to build a picture of how a driver's safety profile changes over time at different ages and stages of their licence.

### Proposed timeline

Milestone	Date
Quantitative safety data received	30 September 2021
Advice provided to the Minister of Transport	19 October 2021
Options discussed with EET Ministers Group	18 November 2021
Consultation and engagement	2022

### Data we have requested includes:

*Crash data separated according to a driver's age, licence stage and how long they have held that licence.*

4. This is to inform consideration of removing the full licence test, to give us an idea of how long a person needs to be on their restricted licence before their crash risk matches that of a fully licensed driver who has passed the full licence practical test.
5. This should also give us an idea of when the highest crash risk is for a restricted licenced driver, which could provide a minimum time-period required before any licence conditions could be relaxed.

### *Crash data for drivers who have failed and/or passed a full licence test*

6. This is to give us a picture of whether the full licence test is improving safety outcomes. Specifically, we are looking to identify whether:
  - the crash outcomes are improved for people who have passed the full licence test compared with those who have not
  - failing the full licence test is associated with a higher crash rate (and therefore lower safety outcomes)
  - failing the full licence test is associated with a higher crash rate, even after achieving a full licence.

### We also intend to request:

*Data on infringements issued for breaching licence conditions and combine this with the driver's age, licence stage and how long they have held that licence.*

7. We would like to get a picture of how risk-taking behaviour such as breaches of licence conditions change according to a person's age and how long they have had their licence. This



will inform any additional safety risk likely to occur if we were to increase the minimum time-period required for a licence stage.

8. We would also like to know how many of these infringements go unpaid to get an understanding of the equity implications of any change.

**With this data, and existing research, we expect to provide advice on the options for:**

- Removing the full licence test
  - The minimum time-period required for the learner or restricted licence (related to the safety impacts of removing the full licence test)
  - The time-discount for completing an advanced driver training course (Waka Kotahi have completed analysis of the time-discount for the advanced driver training course)
  - Changing the learner licence to a learner permit (which doesn't require further safety analysis, but may require changes to primary legislation).
9. Advice on any changes to the conditions on the restricted licence may take more time. The Ministry of Transport is considering options for how any recommendations to change the restricted licence conditions could be progressed separately.

**The Ministry of Transport intends to publicly consult and engage further with key groups**

10. Following Cabinet consideration, the Ministry of Transport will consult with the public on the key regulatory issues of the GDLS, and proposed options to address these issues.
11. Alongside this, the Ministry of Transport will engage with Te Puni Kōkiri, the Ministry for Pacific Peoples and the Ministry for Ethnic Communities to identify appropriate groups to facilitate engagement with Māori, Pacific and migrant communities. These communities have the lowest numbers of fully licensed drivers, so this engagement is expected and encouraged to go beyond the proposed options in the public consultation.
12. There has been some initial engagement with these communities through the workshop facilitated by the Ministry of Transport, Waka Kotahi and the Ministry for Social Development and at the Driving Change Network Hui. However, this has not been comprehensive, and the Ministry are keen to continue to hear more from these communities.

**The fees and penalties review will not consider driver licensing infringement fees**

13. The Ministry of Transport is currently undertaking a fees and penalties review that will target high-risk behaviour. The penalties for not wearing restraints, driving while impaired, driving distracted, and speeding are being considered as part of this review.
14. Opportunities to improve supported resolutions in policing of driver licences is being considered as part of the cross-agency work to improve access to driver training and support. Initial discussions in this work have indicated that a wider system view of the driver licensing infringements system must be considered before changing the fees for driver licensing infringements. As this work continues, the Ministry of Transport will continue to consider how regulatory change of the driver licensing infringements can improve outcomes.

# Equity in driver licensing

## Summary results from an IDI study – July 2021

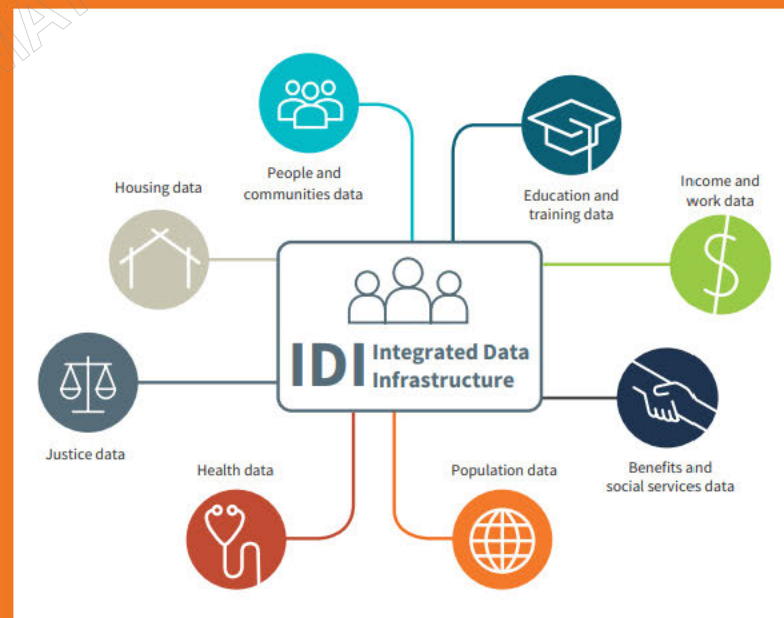
Access to integrated data for this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results are the work of the authors, not Stats NZ or individual data suppliers.

A collaborative project was undertaken by Stats NZ and Ministry for Women funded by the Data Innovation Fund.

Data partners include: Driving Change, Te Puni Kōkiri, Ministry for Pacific Peoples, MSD, MBIE, and Office for Seniors.

Summary by Mānatu Wāhine Data and Evidence. For full results: [info@women.govt.nz](mailto:info@women.govt.nz)

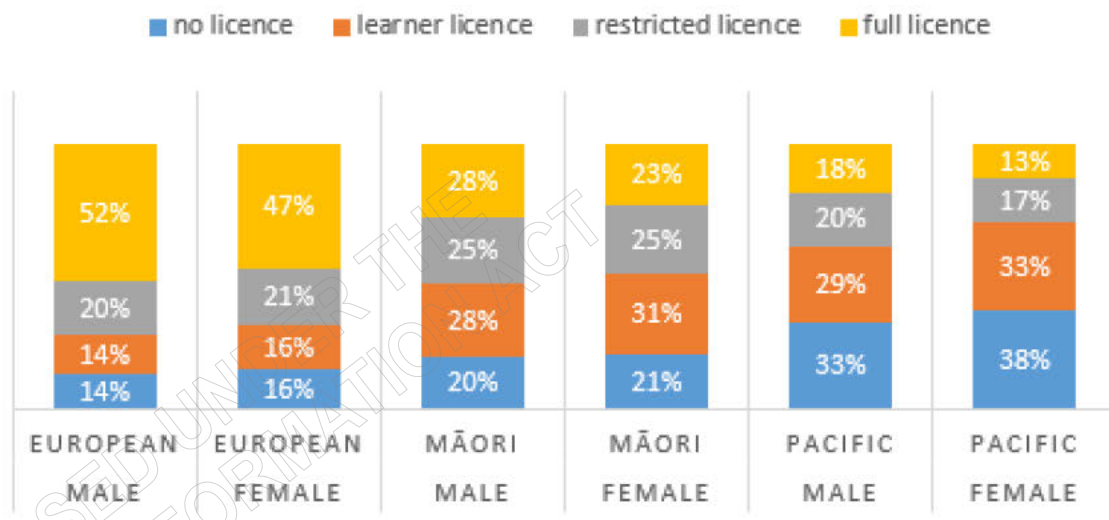
Coding and analysis by Isabelle Sin and Hannah Kotula, Motu Economic and Public Policy Research.



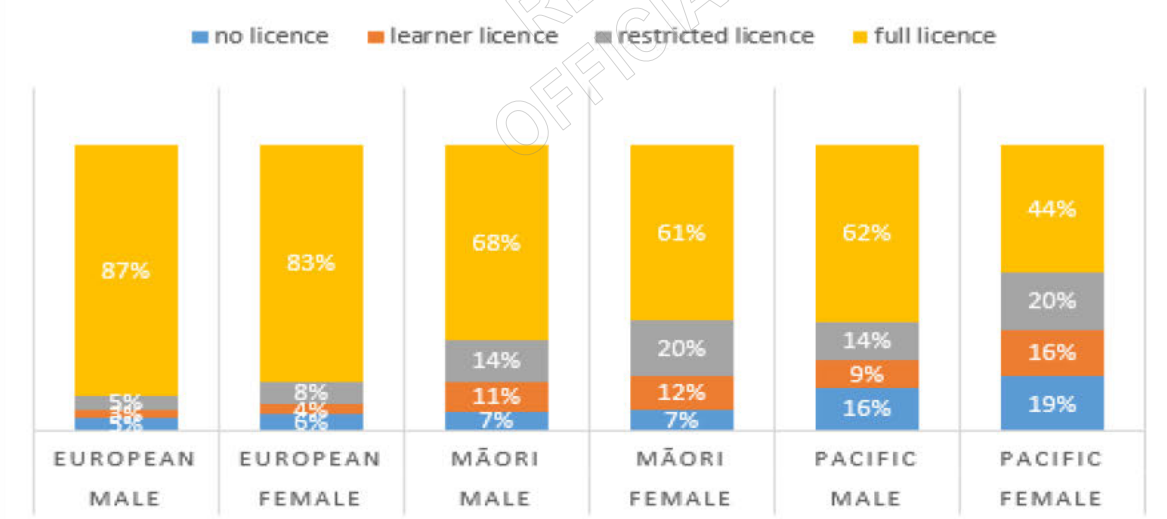
# Age, sex and ethnicity

From age 35 onwards over 80 percent of NZ adults hold a full or restricted drivers licence. Learner licences are being obtained at all ages, the majority before 40 years. By 20 years 80 percent have entered the graduated driver licensing system.

## DRIVER LICENCE STATUS SELECTED ETHNICITIES 19-24 YEARS, 2018



## DRIVER LICENCE STATUS SELECTED ETHNICITIES 35-44 YEARS, 2018



From about age 20 there is a sex difference in driver licensing. Women are less likely to have a full licence.

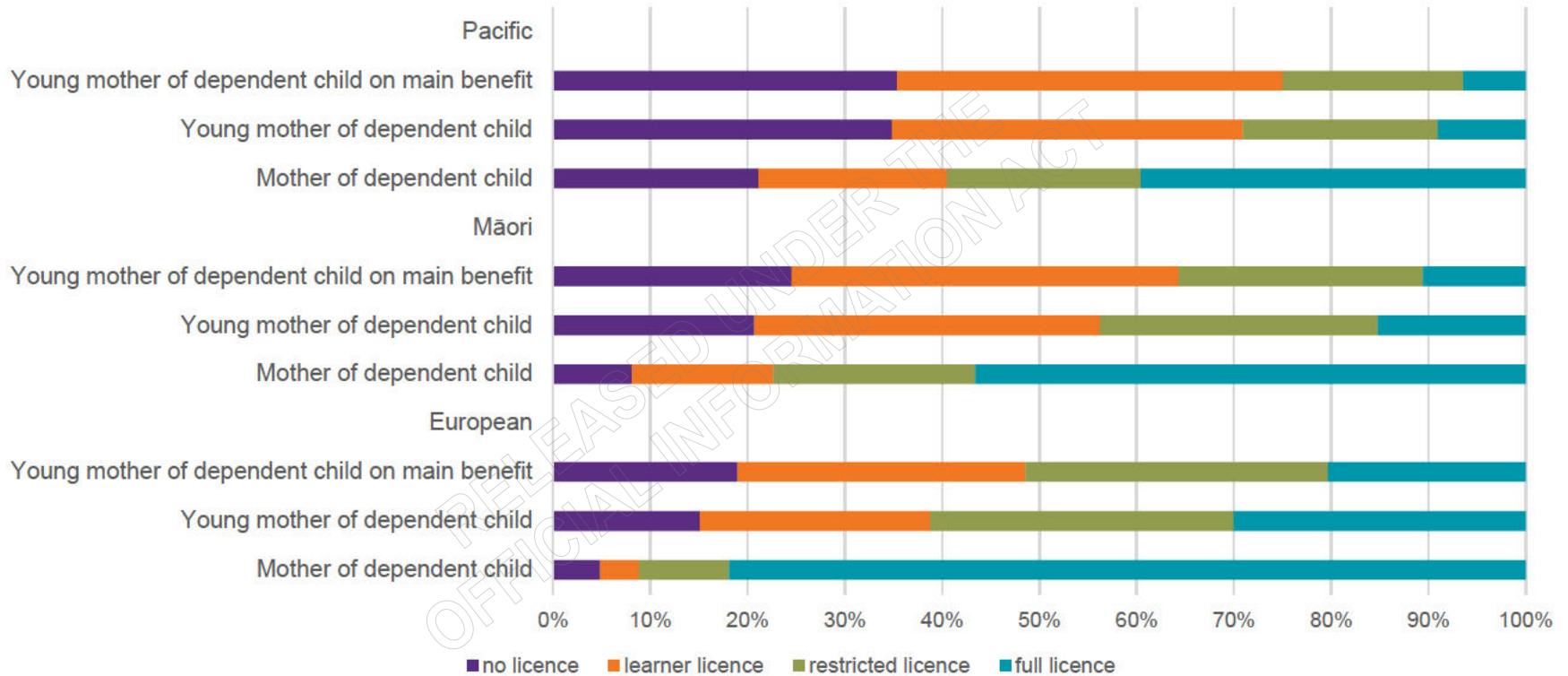
This difference is even more marked with ethnic differences, and there are intersections.

Differences continue in the older working age groups eg those aged 35-44.



Three quarters of all mothers with a dependent child have a full drivers licence.

Motherhood status by selected ethnicity and driver licence, 2018



A driver licence is important for mothers. It enables fuller labour market engagement, ECE/childcare access, and access to medical services etc.

### How big are these groups?

There are just over half a million mothers with dependent children.

Young mothers (under 25) make up 5 percent of all mothers of dependent children. Mothers receiving sole parent support are under 10 percent of all mothers.

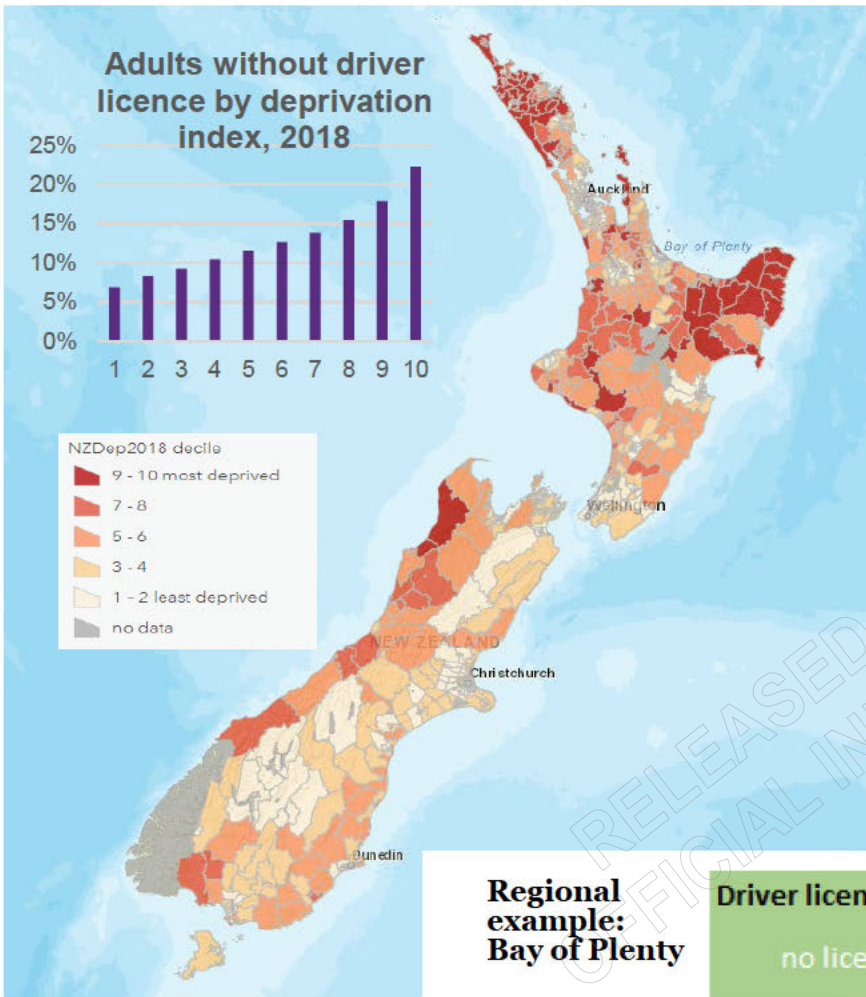
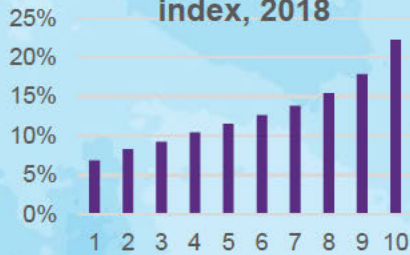
**Nearly one quarter of adults in the most deprived areas have no driver licence.**

## Region

Regional information helps plan where investment is needed.



**Adults without driver licence by deprivation index, 2018**



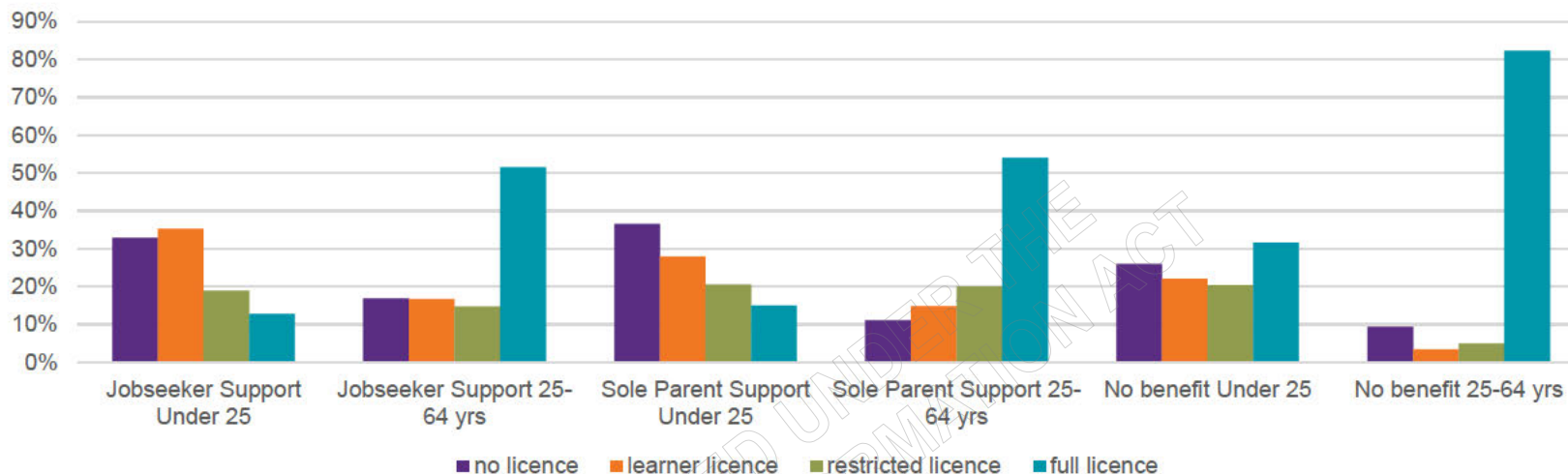
**Regional example: Bay of Plenty**

**Driver license status, under 25 years, BOP territorial authority, by benefit receipt, 2018**

	no licence		learner licence		restricted licence		full licence	
	Not on a benefit	On a benefit	Not on a benefit	On a benefit	Not on a benefit	On a benefit	Not on a benefit	On a benefit
Western Bay of Plenty District	20%	27%	22%	29%	24%	27%	34%	17%
Tauranga City	20%	28%	21%	32%	23%	23%	35%	18%
Rotorua District	26%	37%	23%	33%	23%	17%	28%	12%
Whakatane District	30%	36%	22%	33%	21%	20%	28%	12%
Kawerau District	40%	38%	24%	33%	18%	21%	18%	8%
Ōpōtiki District	35%	41%	25%	30%	23%	18%	17%	10%

# Benefit status

Driver licence stage by selected benefit receipt and age, 2018



# Labour market

Job seekers and sole parent support recipients of all ages are less likely to have a driver licence than those not on a benefit.

Labour force status	Sex	no licence	learner licence	restricted licence	full licence
Employed full time	Male	7%	4%	6%	84%
Employed full time	Female	9%	6%	8%	77%
Employed part time	Male	14%	11%	11%	64%
Employed part time	Female	12%	9%	10%	69%
Unemployed	Male	21%	19%	13%	47%
Unemployed	Female	23%	21%	15%	41%
Not in the labour force	Male	17%	7%	5%	71%
Not in the labour force	Female	22%	7%	6%	65%



**Date:** 29 July 2020      IN CONFIDENCE

**To:** The Employment, Education and Training Ministerial Group (EETMG)

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## **Enhancing driver licence uptake – *An update***

### **Purpose this paper**

1. This paper provides an update on recent work related to driver licensing and seeks agreement to a cross agency work programme to enhance access to driver licences for disadvantaged population groups.

### **Key points**

2. Effective driver licence education, training and testing is fundamental to road safety, the economy and positive life outcomes. However, significant issues with the current driver licensing system in New Zealand are evident:
  - decreased driver licences in the population, particularly among those under 25 years of age
  - social and economic challenges associated with not having driver licences, including barriers to getting jobs and criminalisation, which disproportionately impact Māori and Pacific people:
    - not having a licence is correlated with greater Māori and Pacific people's NEET rates
    - most employers say they prefer people with licences
    - a full licence is a requirement for many jobs including Apprenticeships
  - lack of driver licences including specialist categories of licence (such as for heavy vehicles) may be a barrier to take up of redeployment opportunities in the COVID-19 recovery
  - current investment in supporting people to access driver licensing and in driver education, is inconsistent and fragmented and access to driver licence education can be inequitable.
3. Government committed to addressing driver licence issues in the NZ First/Labour Coalition Agreement, the Youth Employment Action Plan and the 'Road to Zero: Action plan 2020-2022'. Progress was made on understanding barriers to driver licences in New Zealand which indicated a coordinated cross-agency approach is required. Following a pause due to the COVID-19 response, officials from agencies with varied interests in driver licences<sup>1</sup> have developed and are working together on a work programme (see Appendix A) which aims to:
  - provide advice in late 2020 on improvements that make use of existing funding within existing regulatory settings
  - review cross government investment to inform Budget 2021 (note a multi-agency 2020 budget bid did not progress)

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<sup>1</sup> Including the Ministries of Transport, Education, Social Development, Business, Innovation and Employment and Waka Kotahi (the NZ Transport Agency).



- work towards improving regulatory settings through a review of the Graduated Drivers Licensing System (GDLS), which is being re-phased from early 2021.
4. The EETMG is well placed to provide governance for this work and if agreed, would need to also include input from the Ministers' of Transport, Justice and Police.

## Recommended actions

1. **note** issues related to driver licensing touch on a range of agency responsibilities and government priorities and warrant an all-of-government response
  2. **agree** to cross-agency work on driver licensing with the following objectives:
    - 2.1. To enhance driver licence uptake and progression for disadvantaged population groups to:
      - improve participation in employment, training and education
      - improve social connections
      - reduce interaction with the criminal justice system over driver licence issues
      - improve road safety.
    - 2.2. To create a coherent and coordinated driver licensing system addressing:
      - investment in assistance (to ensure funding for driver instruction, education and training including technology options and for licence costs is equitable, effective and efficient)
      - regulatory settings (to review and refine the GDLS to ensure it mitigates barriers to access while also maintaining or increasing road safety).
- Agree / Disagree**
3. **discuss** how EETMG will liaise with the Ministers of Transport and Justice to progress the cross-agency work within their areas of responsibility<sup>2</sup>
  4. **discuss** whether the work should be limited to standard driver licensing (class 1 car licence) as was the case pre COVID-19, or should include specialist categories of licence (such as for heavy vehicles to address possible skill gaps in primary industry and construction sectors) to assist with re-deployment as part of the COVID-19 recovery
  5. **instruct officials** to report back with advice on the:
    - 5.1. scope of the work and a strategic overview of the current driver licensing system
    - 5.2. a detailed work programme that provides Ministers with
      - advice on possible improvements that make use of existing funding and system settings
      - advice on options for additional funding, coordination and regulatory improvements.

**Agree / Disagree**

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<sup>2</sup> Decisions about work on the regulatory settings need to be taken by Minister of Transport. Driver licences are regulated by Waka Kotahi and delivered by third party contractors (e.g. AA and VTNZ). Driver licence education and training can be provided by anyone appropriately skilled and licensed.

An intended review of the GDLS was delayed due to a need for the Ministry of Transport to reprioritise internal resources to focus on public transport and drug driving, and the budget proposal for an external resource to support the review was unsuccessful.

The Police and the wider Justice Sector have a strong interest in improving outcomes related to driver licence offending. Programmes that divert young unlicensed drivers to effective driver licence training are understood to have positive outcomes.



## Background

### Government has committed to addressing driver licensing

5. The government has committed to addressing driver licensing issues on various platforms:
  - The NZ First/Labour Coalition Agreement undertook to “offer free driver training to all secondary students”. The two manifesto policies were merged with an aim to support all young people under 25 years of age, largely through community driver mentor programmes.
  - The Government’s Youth Employment Action Plan (August 2019) committed to increasing driver licence uptake and progression through the graduated licencing system as a priority.
  - The ‘Road to Zero: Action plan 2020-2022’ (launched December 2019) includes “Increase access to driver training and licensing” as one of 15 actions and commits the Ministry of Transport and Waka Kotahi to a review of the GDLS.

### Some progress has been made, but work was paused due to COVID-19

6. Several driver licensing initiatives have been established or improved over the last few years, and policy and review work has increased our knowledge about driver licensing in New Zealand. Recent work includes:
  - an evaluation of the effectiveness of MSD funded driver licensing programmes (2018)<sup>3</sup>
  - an evaluation of the Graduated Driver Licensing System commissioned by the Ministry of Transport (2019)
  - a stocktake of relevant government funded activity (undertaken by the Ministry of Education and Ministry of Business Innovation and Employment 2019)
  - a range of cross agency partnerships at a regional and national level that target population groups, such as young people at risk of not being in employment, education or training or that build the capacity of communities to deliver effective driver training (see Appendix A).
7. In October 2019, Cabinet authorised a group of Ministers to amend driver licensing rules to allow extra time for holders of time-limited licences to progress. Cabinet also noted work on a budget proposal to support young people to progress through the GDLS and a systematic review of the GDLS (as outlined in the Road to Zero plan) [CAB-19-MIN4-0548 refers]. Following on from this Cabinet decision Government announced an automatic two-year extension for five-year learner or restricted driver licences that expire between 1 December 2019 and 1 December 2021, while the review of the GDLS “looks at the challenges faced by novice drivers, and the reasons why many of them choose not to progress through to gaining a full licence”. This review is being re-phased from 2021 due to competing priorities.
8. **A multi-agency budget bid** was developed early in 2020 to enhance access to driver licensing in order to improve social and economic participation for disadvantaged populations, and to increase roads safety for all. Funding of \$35.9 million over four years was requested to enable the following activities across a range of Government Votes:
  - supporting schools and kura to include driver education within their learning programmes (Education) [9.9m]

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<sup>3</sup> This examined outcomes for people who received support from driver licensing programmes funded by MSD in 2014 and 2015 (using the Integrated Data Infrastructure). It found that the programmes helped people progress through the GLDS and had a positive impact on employment and earnings.

- community training/mentoring to help people gain a full driver licence (Labour Market) [10.3m]
  - the NEET cohort in the Youth Service to gain a full driver licence (Social Development) [10m]
  - regional coordinator roles to set up and improve the effectiveness of regional driver training programmes based on the “community Driver Mentor Programme” (Transport) [4.2m]
  - review of the Graduated Driver Licence System’s accessibility and safety (Transport) [1.6m].
9. This bid did not progress and work on an all-of-government response to driver licensing issues was initiated in March 2020. The aim was to develop a coherent picture of the current system, problems and solutions. However, this work ceased at the time of the COVID-19 lock down due to the pressing need to work on the design and implementation of the wage subsidy and other initiatives that support the economic recovery.

## Problem definition

### **There are several issues with driver licensing**

10. While research indicates that the GDLS design supports road safety outcomes among novice drivers it also has impacts on economic and social outcomes which need further consideration. Government agencies have identified significant areas of concern with access to driver licensing in New Zealand as outlined in Appendix C, including the following:
- Evidence of decreasing driver licences amongst the younger New Zealanders which will likely contribute to decreasing licencing rates across the whole population over time.
  - Barriers that prevent young people from progressing through the GDLS include costs, access to a suitable vehicle or person to teach them to drive, access to testing facilities in rural areas and individual barriers.
  - Social and economic challenges associated with not having a driver licence including barriers to accessing apprenticeships, employment, and redeployment opportunities that are part of the COVID-19 recovery.
  - Driving unlicensed contributes to Māori and Pacific people being disproportionately criminalised through the criminal justice system.
  - Transport disadvantage where driving is the only way to travel to services and employment.
  - Fragmented and uncoordinated investment in supporting people to access drivers licensing, with current supports for driver education or training being made up of ad hoc, temporary, national and locally funded programmes that are not coordinated or consistently available to those who need it.

## Cross agency work programme

### **The issues with driver licences require a coordinated response across agencies**

11. The growing array of funding sources and service delivery models for covering licence costs and offering driver education or training indicate the increasing level of concern and need being seen across regions and sectors. The related issues touch on many different areas of government responsibility and warrant a coordinated all-of-government response.
12. Reviews and evaluations have been undertaken in recent years, however, no one piece of work has addressed the full breadth of concerns encompassing employment, labour market,

social, equity, safety and wellbeing outcomes. Enhancements are required in the regulatory regime, as well as to the way investment in education and training is coordinated, to improve access to driver licences and to the employment opportunities that follow.

13. There is an opportunity with the EETMG and current COVID-19 recovery work, to bring the employment and education lens to the wider cross-agency work.

### **The objectives and scope of future work are multifaceted**

14. The cross-agency work needs to address sufficiently broad objectives that tackle the whole system, and do not risk exacerbating fragmentation. With this matter in mind, officials have developed the following objectives for this work:

- a. **To enhance driver licence uptake and progression for disadvantaged population groups to:**
  - improve participation in employment, training and education
  - improve social connections
  - reduce interaction with the criminal justice system over driver licence issues
  - improve road safety.
- b. **To create a coherent and coordinated driver licensing system** addressing:
  - investment in assistance (to ensure funding for driver instruction, education and training including technology options and for licence costs is equitable, effective and efficient)
  - regulatory settings (to review and refine the GDLS to ensure it mitigates barriers to access while also maintaining or increasing road safety).

### **Next steps**

15. If Ministers agree to the proposed objectives, officials will report back to EETMG as on the cross-agency work programme as it progresses. The initial report back will include:

- A high-level picture of the work programme, workstreams and deliverables.
- A strategic overview of the current system and the goals for improvements that all workstreams can contribute to. This will help ensure coherence across the broad areas of interest (see Table A below) and also that short-term and longer-term deliverables are all steps towards the longer-term objectives.

16. Officials will also ensure that work is informed by all relevant stakeholders and related expertise. Table A illustrates the range of portfolios with an interest in driver licensing.



**Table A: Key portfolios and their respective sector priorities and interests**

<b>Portfolios</b>	<b>Sector priorities and interests in relation to driver licensing work</b>
Education	Supporting schools and kura to expand access to driver education, safer young drivers, and licence requirements for apprenticeships and vocational training
Transport	Regulating the system, road safety, driver education campaigns and the Community Driver Licence Programmes
Justice and Police	Diversion options for young driver licence offenders and the impact on fines, court cases and incarceration related to driver licences
Social Development	Funding and administration of driver licence support and employment services (including redeployment support) and the impact on disadvantaged population groups
Employment	Labour market requirements, related driver licence skill gaps and funding for employment and employer support.
Economic Development	Ensuring 'shovel ready' economic development projects have appropriately skilled workers available in a timely way.
Consultation with Te Puni Kōkiri, Youth Development and other population advisory agencies	
External stakeholders including: <ul style="list-style-type: none"> <li>○ Local Government</li> <li>○ Driver licence teachers, other service providers and communities</li> <li>○ Schools</li> </ul>	

## Appendix A: Proposed work programme

<b>Proposed workstreams</b>	<b>Deliverables</b>	<b>Lead</b>	<b>Timeframes</b>
<p><b>Overview of current driver licensing system:</b> To understand the regulatory, funding and service context alongside outcomes with an employment, education, social and justice lens. This will include:</p> <ul style="list-style-type: none"> <li>• updating data (licence numbers, justice issues etc)</li> <li>• outline the range of current investments</li> <li>• define system goals e.g. equitable access, road safety and economic outcomes</li> <li>• identify opportunities to improve outcomes.</li> </ul>	<p>Summary A3s outlining the current context + Advice on goals and areas for improvement</p>	MSD	<p>Shorter-term  October 2020</p>
<p><b>Short term proposals for improvements that identify:</b></p> <ul style="list-style-type: none"> <li>• labour market areas where driver licences are required and there are skills gaps</li> <li>• options to cover licence fee and training support options</li> <li>• options to target disadvantaged groups (e.g. consider using eligibility for the Community Services Card as a proxy to access support for licence costs)</li> <li>• options to better coordinate or make use of existing funding sources such as funding for job creation initiatives that require licensed workers (these options will be consistent with NZTA regulation).</li> </ul>	<p>Advice on possible improvements that make use of existing funding and system settings</p>	?	December 2020
<p><b>Review of cross-government investment</b> in driver licence education and assistance with a view to developing coordination and investment proposals that create a coherent and equitable system. This may include consideration of:</p> <ul style="list-style-type: none"> <li>• expanding young people’s access to driver education while engaged with school and foundation tertiary education, and outside of education and who pays for licence costs</li> <li>• opportunities to combine driver education with broader community development</li> <li>• consistent opportunities across regions for police to divert young driver licence offenders to driver licence education /mentoring training.</li> </ul>	<p>Advice to support coordination of investment and additional funding if required (multi agency budget bid)</p>	?	<p>Medium-term Budget 2021</p>
<p><b>Review of the regulatory settings</b> of the GDLS to ensure they are fit for purpose and provide appropriate access while maintaining safety objectives. <i>(Resources, timing and scope to be confirmed with the Minister of Transport)</i></p>	<p>Advice on regulatory improvements</p>	MoT	<p>Report on re-phasing early 2021 -aiming for final report late 2021</p>

## Appendix B: Service delivery/improvement initiatives related to driver licences

**Waka Kotahi, MSD, Oranga Tamariki Partnership:** In June 2019 MSD launched a national driver licence scheme for young people who are in the Youth Service or in Oranga Tamariki care. This initiative is funded by Waka Kotahi (NZTA) through the Community Road Safety Fund. The initiative is expected to assist 2,500 young people over two years or until the investment has been fully used. As at 31 March 2020, 149 young participants achieved a learner licence, 114 a restricted licence and 400 were preparing to take their test.

**Auckland region driver licence programme:** From July 2018, MSD has been working with the Ministry of Justice, New Zealand Police, Auckland Business Chamber, Rule Education Trust, Blue Light Ventures, New Zealand Automobile Association, VTNZ and low-decile secondary schools across the Auckland region to help people gain their driver's licence. Prior to COVID-19 the region was on track to achieve a goal of supporting 3000 young people to gain a licence by the end of June 2020 (At 31 March 2,600 young people achieved a driver licence).

In the Auckland region, between July 2018 and the end of March 2020, a total of 3,485 licences (including for the young people noted above) were achieved with support from MSD and partners, comprising 2,504 learner licences, 618 restricted and 363 full licences.

**DRIVE (drive.govt.nz):** Waka Kotahi (NZTA) and ACC continue to work together on DRIVE, a joint programme to teach young drivers to be safer with free tools and information. The programme has aligned with the 'Road to Zero' Action Plan and the ACC Injury Prevention Strategy with new focus areas including: parents and coaches; promoting the benefits of a safer vehicle; encouraging young drivers to be more empathetic and considerate on our roads and an increased reach into community driver training providers (including schools).

The DRIVE community work includes a new digital hub targeting driver training providers, and guidance, tools and information on what good community led training looks like. This guidance will also be targeted to the range of bodies that are procuring/investing in this training to lift the quality of provision to ensure the safety element is effectively embedded.

**Blue Light Youth Driver Navigator Programme:** In May 2020 Hon Jones and Hon Jackson announced \$3 million from the Provincial Growth Fund's Te Ara Mahi programme to support 2000 at-risk young people to gain their full driver's licence.

A range of other initiatives that address driver licensing include:

- Some schools offer driver education with various models, often highly localised (eg, targeting at risk students, available on demand, or as a reward).
- Some community organisations run driver education programmes that schools access. Some of these are based on the Waka Kotahi Community Driver Mentor Programme.
- The Police and Waka Kotahi provide "in kind" support to 100 driver related programmes.
- In addition to Auckland, some other MSD regions contract driver licence programmes to address employment barriers and reduce low level offending. MSD clients can also get financial help with getting or renewing a licence. In the six months up to March 2020, MSD helped 5,500 people to get a driver licence.
- Some employment supports funded through MSD, Te Ara Mahi or He Poutama Rangatahi support driver licences where it is linked to employer need or getting work.



## Appendix C: Problem Definition

**The primary goal of the GDLS design is road safety.** The GDLS is designed to help reduce the risk of death and injuries on our roads by placing a phased set of restrictions on learner and restricted drivers to minimise the risk these drivers face as they are learning to drive. The restrictions are gradually eased as drivers progress through the system, allowing novice drivers to develop safer driving habits while minimising the risk they face. For example, restricted licence holders are prohibited from driving at night and with passengers as this is considered a high-risk activity.

A 2019 evaluation of the GDLS addressed the transport safety outcomes and found that the GDLS supports improved road safety outcomes among novice drivers. However, the review did not assess broader access, economic and social outcomes and a broader review of the GDLS is required.

Government agencies have identified the following issues with driver licensing:

1. **Evidence of decreasing driver licences** amongst the younger New Zealanders will likely contribute to decreasing licencing rates across the whole population over time:
  - There are significant numbers of expiring learner and restricted driver licences and low awareness of the five-year licence limit and expiry date. In a 2019 report to Cabinet it was anticipated that 144,000 drivers, with time limited licences, would be required to progress through to the next licence class or sit a theory test within the 12 months from December 2019. This was addressed by a rule change allowing extra time (CAB-19-MIN-0548 refers).
  - In 2016 it was estimated that between 70,000 – 90,000 young people faced major barriers to progressing to a full licence (NZIER, 2016).
  - The percentage of young people aged 15-19, with at least a learner's licence, declined from 63.1% in 2006 to 47.12% in 2015. For those aged 20-24 the percentage declined from 93.3% in 2006 to 87.09% in 2015. This decline represents around 20,000 less people.
  - In 2020, 57% (about 15,000 people) aged between 18-20 years, on a main benefit, have no licence (learners, restricted or full). Less than 3% (730) of the same group have a full licence<sup>4</sup>.
  - Lack of progression through the GDLS impacts on safety outcomes. Fully licensed drivers are around 23% less likely to crash than drivers with restricted licences. Drivers still on a learner's licence after four years have a crash rate six times higher than the crash rate at the learner stage for drivers who progressed to a full licence within four years.
2. **Barriers that prevent young people from progressing through the GDLS** were examined in 2018 through engagement with schools, communities and driver education:
  - The costs of sitting the various class 1 car licence tests (\$338 and up to \$500 with resits, which are common<sup>5</sup>) plus the costs of formal driving lessons (note the impact of costs will likely be exacerbated by financial pressures on many families as a result of COVID-19).
  - Lack of access to a suitable vehicle to learn to drive in (many employers want employees to be able to drive a manual vehicle) or access to a suitable person to teach them to drive.
  - Barriers<sup>6</sup> in rural areas include access to testing<sup>6</sup> facilities and unsuitable road conditions.

<sup>4</sup> MSD Administrative data accessed June 2020. Please note the licence status (i.e. whether learner, restricted or full) is unknown for about 18% (5000) of the young people in this data set.

<sup>5</sup> According to AA in March 2018 the average pass rate was 57% for all driver licences tests: <https://www.aa.co.nz/drivers/learn-to-drive-the-aa-way/driving-test-pass-rates-nationwide/>.

<sup>6</sup> VTNZ are contracted by Waka Kotahi to provide driver licence testing. The contract has a coverage model which aims for people in urban or metropolitan centres to have access to driver licensing services (which includes all Theory Testing) within a 30-minute drive of their location. For more remote or rural areas, Waka Kotahi aims to provide a service in the

- Individual barriers including poor literacy and numeracy levels, not meeting the eyesight requirements, not having official identification documents and fear of failure.
- Capacity of the testing system and training providers<sup>7</sup> (this may have been exacerbated by the lockdown as the system manages a back-log accumulated during the lock-down period).

### 3. **Social and economic challenges** associated with not having a driver licence:

- Research suggests 70% of jobs require a driver licence as a mandatory qualification for potential employees (Shaw and Gates, 2014). Many employment growth areas are likely to require employees to have a full driver licence, including specialist licences.
- Full driver licences, including specialist licences, may be required for redeployment (e.g. primary industries and construction), it can cost \$3000 to move from a class 2 to 5 licence.<sup>8</sup>
- Most apprenticeships require a full licence. Delays in progressing through the GDLS may impact take up of apprenticeship opportunities created in response to COVID 19.
- Young Māori and Pacific people are over-represented among those with no licence. In 2013, 32% of Māori and 18% of Pacific people could legally drive compared to 54% of European drivers aged 16-24 (Statistics NZ, 2017). Not having a driver licence is a significant risk factor for being NEET for Māori and Pacific people (MBIE, 2019).
- Driving unlicensed contributes to Māori and Pacific people being disproportionately criminalised through the criminal justice system.<sup>9</sup>
- Some communities (including rural communities) experience higher levels of transport disadvantage where driving is the only way to travel to services and employment. This can lead to higher rates of people driving without licences.
- Participation in social and economic activity often requires a driver licence as formal ID.

### 4. **Fragmented and uncoordinated investment** in supporting people to access drivers licensing. Current support for driver education or training includes ad hoc, temporary, national and locally funded programmes and is not coordinated or consistently available to those who need it. Current investment is illustrated in Appendix B.

- Police in some areas can divert young people with driving offences to driver licensing education, however this option is not available in all regions.
- The capacity of the driver training sector may be over stretched by COVID-19 due to reduced capacity in schools, with a reduction in teaching time available, and a reduction in available mentors due to concerns about risks related to health and age.

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nearest locality with a population of more than 20,000. The recent closure of a station in Upper Hutt is consistent with the coverage model.

<sup>7</sup> Anecdotally, we understand there are shortages of driver instructors in some regions. E.g. on the West Coast there are only two available. This has constrained the ability for some NGOs who received funding to support driver licensing rates to achieve their goals.

<sup>8</sup> More work is required to understand the size of any skills gaps and whether industry should pay the relevant training and licencing costs. MSD regional offices, industry partnerships and Interim Regional Skills Leadership Groups (iRSLGs) will provide useful intelligence in future work.

<sup>9</sup> Over a quarter of all Māori coming through the front door of the criminal justice system for the first time do so for traffic offending. The two most common traffic offences are driver licence breaches and drink-driving. In addition, driver licence fines become a backdoor route into the criminal justice system for many Māori who undertake 'Community Work' (a Corrections-managed sentence) in place of paying fines. People who get tickets for breaking the rules of a learner or restricted licence have to pay within 8 weeks or it gets passed to Courts where it becomes a fine. Much of the non-payment occurs in the lowest income communities with the least ability to pay. (S.Bull. 2019. Reducing Reoffending Māori. Presentation to Justice Sector Hui. National Performance and Insights Centre, NZ Police).



# Report

Date: 25 February 2020

Security Level: IN CONFIDENCE

To: Employment, Education and Training Ministers Group (EETMG)

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## Improving access to driver licences

### Purpose of this report

- 1 This report provides Ministers with an overview of the NZ Graduated Driver Licensing System (GDLS) and advice on work to improve access to driver licences for disadvantaged groups.

### Key points

- 2 There are three components in our driving licence system that impact access to licences and consequently on broader economic, employment, equity, safety and wellbeing outcomes:
  - The GDLS regulatory framework which includes a phased set of restrictions on novice drivers as they learn to drive and gain confidence.
  - How the GDLS is operationalised by Waka Kotahi, the NZ Transport Agency, including the licence test content, the location and number of testing stations, the costs of testing and how the system is funded which is broadly on a cost recovery basis.
  - Highly variable investment in driver education and training across New Zealand and the capacity of service providers, including driving instructors.
- 3 There has been a decline in the percentage of the population under 35 years old with driver licences over the last ten years. This may have resulted from a combination of factors including changes to the GDLS (such as the strengthened restricted driver test making it more difficult and raising the minimum age), pressures on the testing system, and inconsistent or inadequate access to driver education and training.
- 4 There is also evidence that disadvantaged population groups and young people face barriers progressing through the GDLS which contributes to inequitable and poor social and economic outcomes. The benefit of new investment in job creation, employment support and apprenticeships may also be undermined for these groups that lack driver licences. For example, most apprenticeships have a full driver licence as a prerequisite.
- 5 The attached slide pack summarises findings of cross-agency work undertaken to date and provides an overview of the GDLS and opportunities to improve access:
  - Slide A: Snapshot of the GDLS – *system enablers and barriers*
  - Slide B: Snapshot of the GDLS – *system outcomes and trends*
  - Slide C: Snapshot of the GDLS – *inequitable outcomes*
  - Slide D: Stocktake of driver training, education and mentoring – *current investment*
  - Slide E: Stocktake - *a showcase of initiatives and partnerships*
  - Slide F: A suite of initiatives to improve access to driver licences - *opportunities*



## It is recommended that you:

- 6 **note** the findings of the cross-agency work (Slides A-C), specifically:
- the importance of holding a driver licence, with a significantly higher proportion of full time employed young people holding a full licence compared to unemployed young people
  - not having a licence is a significant risk factor for young people not being in employment, education or training (NEET)
  - there has been a reduction in progression through the GDLS over the last decade that disproportionately impacts Māori and Pacific people
  - there is a link with criminalisation for some people where accumulated fines (originally stemming from driving without a licence) lead to remittals and alternative, and more serious sentences, such as serving community work sentences which often accompany subsequent offending
- 7 **note** the stocktake of investment in driver licence support (Slides D-E) indicates that:
- 11 government agencies fund or partner to deliver driver licence support
  - current investment is about \$17 million annually on 300+ initiatives [mostly via the Ministry of Social Development (MSD) \$6.9 million, Waka Kotahi \$5.6 million, and the Provincial Growth Fund \$3.2 million] and most funding is not ongoing
  - many programmes are localised, piecemeal and inconsistently available
  - in some areas driver instructors are scarce, in others they may struggle to get referrals, indicating poor co-ordination of effort and a lack of visibility of what is available
- 8 **note** some cross-agency partnerships have developed an effective coordinated approach to driver licence support (Slide E) but many of these do not have ongoing funding
- 9 **note** the opportunities for improvements in the short and medium term (Slide F)

### Proposed improvements in the short-term

- 10 **agree** that officials (led by MSD) report back to EET Ministers in May 2021 with advice on raising visibility of driver training, improving referrals and the coordination of investment at a regional level, drawing on Regional Skills Leadership Groups (RSLGs) and the 'Connected' infrastructure including partnership with iwi/Māori

Agree / Disagree

### Proposed improvements in the medium-term

- 11 **note** that phase one of the planned regulatory review of the GDLS led by the Ministry of Transport (MoT), is expected to be completed in June 2021 and provide recommendations on the future of the licensing system, and how proposed changes could be progressed and implemented
- 12 **agree** that MSD will coordinate a multi-agency budget proposal for Budget 2022 to:
- sustain and expand, where relevant, effective driver licence support (including programmes appropriate for Māori) such as the Howard League and He Tangata (where in both cases current funding is only secure to June 2021)
  - support the expansion of mobile testing stations for rural regions and schools
  - establish 'train the trainer' partnerships

Agree / Disagree

- 13 **direct** officials to report back to the EETMG in August 2021 with advice on:
- joined-up and ongoing monitoring of access to driver licensing (led by MoT)
  - a unified and nationwide funding framework for outcome-based contracting at a regional level to improve current investment, maintain effective programmes and partnerships and address gaps, which may require additional funding (led by MSD)
  - how to best ensure equitable access across New Zealand to financial support for beneficiaries and other disadvantaged groups (led by MSD)
  - the role schools play in driver education and support for them in this role (led by MoE)
  - how reviews led by Waka Kotahi and MoT of the GDLS regulatory framework, regulatory fees and third-party delivery systems are considering access, equity and user perspectives
  - progress of the 2019 Land Transport (Driver Licensing) Amendment Rule to improve access to Commercial Driver licences (Classes 2-5 and endorsements) (led by MoT)
- Agree / Disagree
- 14 **agree** to refer this report to relevant Ministers not represented on the EETMG, including the Minister of Transport, Minister of Police, Minister of Corrections and the Minister of Justice
- Agree/ Disagree

### Background: Cross-agency action is required to improve access to driver licences

*Many government agencies have a role in the driver licensing system*

- 15 The number of agencies engaged with the overall driver licensing system (Slide A) reflects the broad impact it has. Effective driver licence education, training and testing is vital to not only road safety, but also to the economy and positive life outcomes and wellbeing.
- 16 This report has drawn on a broad cross-agency working group including participants from the Ministries of Transport, Education, Social Development, Justice, Business, Innovation and Employment, Primary Industries, Pacific Peoples and Youth Development, Waka Kotahi, the Police, the Treasury, Department of Corrections, ACC and Te Puni Kōkiri.
- 17 This report has also drawn on a primarily desktop review of several significant evaluation, stocktake and policy development reports produced in the last few years by various agencies and external parties aiming to address deficits in the GDLS.

*We are committed to cross-agency action to improve access*

- 18 In the last few years various government agencies have instigated initiatives to enhance access to driver licences for more people. This includes work outlined in the Road to Zero: Action plan 2020-2022 where the MoT and Waka Kotahi are tasked with a:
- regulatory review of the GDLS (now planned for 2021)
  - review of the third-party service delivery for face to face driver licence transactions to facilitate mobile services in disadvantaged communities
  - review of the regulatory fees and funding for driver licensing services to examine options for achieving sustainable cost recovery, with an outcome likely to include reduced fees for those entering and progressing through the GDLS.
- 19 The proposed opportunities for improving access to driver licences outlined in this paper are intended to complement and inform these transport agency reviews with the broad cross-agency perspective.

## Changes in the New Zealand GDLS framework may have impacted access

### *Graduated driver licensing systems have improved road safety in many countries*

- 20 A GDLS imposes restrictions on the least experienced drivers. With increasing competence (demonstrated in many cases by passing tests) and experience, the driver is permitted to drive in increasingly challenging circumstances (Slide A).
- 21 Such graduated approaches have helped to reduce the risk of death and injuries on roads in New Zealand and internationally. However, there is a myriad of variations in how such systems are structured. For example, the GDLS of several Australian states involves a provisional licence with restrictions, which becomes a full licence in a prescribed period if the novice driver 'logbook' (kept and signed by the novice driver) indicates sufficient driving time. Whereas, New Zealand has an additional full licence test and no logbook. Some countries rely on formal training whereas New Zealand tends to rely on informal driver training. In the USA there is widespread driver education and training provided in schools.

### *A recent evaluation of the GDLS considered crash rates but did not look at access outcomes*

- 22 A 2019 evaluation (Schiff Consulting) concluded that the current GDLS Class 1 learners, restricted, and full licence stages all provide benefits to help improve driver competence. They also found:
  - no evidence that strengthening the Class 1 restricted licence test in 2012 had a statistically significant effect on crash rates
  - increasing the minimum learner age to 16 years in 2011 led to a reduction in crashes
  - obtaining a full licence is associated with lower crash rates
  - crash rates are high for drivers who do not progress through the GDLS within four years.
- 23 The scope of this review was limited to assessing crash rates in relation to Class 1 licences, and to evaluating specific GDLS changes (e.g. strengthening the restricted test and raising the minimum age). The review did not look at access or equity, or how other changes may have contributed to safety outcomes, such as the zero blood-alcohol limit for drivers under 20 years of age introduced in 2011 and lowering the alcohol limit for drivers aged 20 years and over in 2014.

### *The driver test pass rates dropped significantly following changes to the restricted test in 2012*

- 24 Pass rates are variable across different locations, they average over the last 8 years at about:
  - 67% for the Class 1 Learners test
  - 62% for the Class 1 Restricted test
  - 71% for the Class 1 Full licence test.
- 25 The relatively high fail rate can be demoralising for people who may have travelled a long way, found the fees hard to cover and perhaps took time off work or school, or arranged childcare to get to the test. It also represents a significant (although anticipated) change from the pass rate prior to 2012 which was closer to 78% for restricted licences.
- 26 It appears the strengthened restricted test may have had a detrimental impact on access and progression without having a significant effect on crash rates.
- 27 Given the broad impact of access to driver licences it is critical to regularly monitor progression rates and equity of access as well as road safety to understand how well the overall GDLS system is working. Currently monitoring of access does not occur.



## The reduction in GLDS progression has impacted some groups more than others

- 28 Over the last decade there has been an observable decline in the percentage of people under 35 years old with full Class 1 driver licence (Slide B).
- 29 The impact is not equitable, and driving unlicensed contributes to Māori and Pacific people being disproportionately criminalised (see Slide C).

### *The culmination of access barriers can exacerbate inequity and disadvantage*

- 30 Not everyone, and not every whānau, has access to the following resources that are all required to successfully progress through the GDLS:
- a warranted and registered car
  - someone who has held a full licence for more than two years to teach and supervise
  - an understanding of how the licensing process works and where to find the information
  - money (to pay for tests, car maintenance and driving lessons)
  - English reading, writing and spoken language skills sufficient to pass the tests
  - acceptable proof of identification
  - places to practice that offer space to learn the full range of skills needed to pass
  - a testing station that is readily and safely accessible
  - confidence in driving and the ability to pass the tests
  - positive role models who value a licence and encourage people to keep going and stick to the rules
  - funds and access to eye testing and suitable glasses to pass the test.

## The GDLS funding model and pressure on the testing system may impact access

### *The Waka Kotahi funding model reduces its scope to address some access barriers*

- 31 Waka Kotahi is required to recover the costs of administering the driver licensing system through third party fees set out in land transport statutes. As third-party fees must be set at cost recovery level in accordance with Treasury Guidelines, there is no provision for them to operate like another form of tax to subsidise or fund additional services and/or other users to meet social outcomes. This narrows the scope for Waka Kotahi to address various capacity issues noted in the next section, or to address wider access to driver training.

### *There are bottle necks and capacity challenges in the testing system*

- 32 In 2019 the Government was alerted to an imminent bottle neck issue with the testing system. A 2014 rule change reduced the time that Learner and Restricted Licences remained valid to five years, meaning that 144,000 drivers needed to progress to the next stage of their licence by December 2019. However, the system lacked capacity to test this many people within the timeframe.
- 33 A rule change extended this period by two years (until December 2021) to allow the system to adjust to the increase in demand and to allow Waka Kotahi to communicate to impacted licence holders. However, COVID -19 lockdowns exacerbated the problem. Waka Kotahi will continue to communicate with affected licence holders from early 2021 and continue to monitor the situation. However, it is likely that the bottle neck will continue to be a significant issue beyond 2021.

- 34 Anecdotal concerns have been reported about capacity in the testing system by the Interim Regional Skills Leadership Groups (RSLGS). These include:
- wait times for practical tests in some areas have been up to three months which creates bottle necks in some industries with related recruitment initiatives
  - there are not enough practical testing stations in some areas, or they are too far away because of testing condition requirements relating to road layout, traffic volume and demand (generally, within a 20 km radius in urban areas but in rural areas they can be a 5 hour drive, an extra challenge when you do not have a licence).
  - operating hours and booking systems are not easily accessible for all people. For example, people living in Whitianga have to travel to Thames to complete their driver licence tests, which will require several trips as theory tests can only be booked in person (practical tests can be booked in person and online).

### Disjointed investment in driver education, training and support impacts access

*There is a crowded funding space for community driver licence support initiatives*

- 35 A reliance on informal support for driver education and training underpins the New Zealand system. Despite this there are many government agencies and philanthropic organisations involved in funding some support. Ad hoc and multiple funding sources add up to about \$17 million per year supporting more than 300 initiatives. However, much of this support is fragmented, poorly coordinated and inconsistently available (Slide D).

### There are several interrelated opportunities for improving access to driver licences

*A range of improvements have been identified (Slide F)*

- 36 **More joined-up oversight over GDLS performance in relation to access:** Waka Kotahi has a statutory role to deliver an efficient, effective and safe land transport system in the public interest. In doing so, it is required to exhibit social responsibility alongside its role in delivering driver education and providing information about the GDLS. However, Waka Kotahi is limited in its scope to monitor (or address) access or social outcomes related to the GDLS. There are also information gaps, for example the Driver Licence Register (DLR) administered by Waka Kotahi does not collect ethnicity data.
- 37 More joined-up oversight is needed to connect Waka Kotahi's role with the role of the MSD, Education and Justice sectors and other social agencies (i.e. to deliver broader social outcomes). This could involve cross-agency collaboration on comprehensive monitoring with capacity to address inequity or negative access trends in a timely way as they are identified. It could also involve greater clarity on agency responsibilities (e.g. tasking an agency with coordination and funding of education and training), agreed cross-agency principles and regular use of the Integrated Data Infrastructure (IDI) to monitor access and outcomes.
- 38 **Support and sustain good community services and partnerships:** There are effective driver licence support services and networks operating in some communities. Some also go beyond simply helping people gain driver licences by providing a gateway to broader community development and improvements in wellbeing. In the short term we need to ensure we do not lose service models that work by urgently providing secure ongoing funding. For example, funding for the Howard League programme is only secure till June 2021, yet it is the only driver licence programmes delivered in Community Correction Services and evaluations have shown strong positive effects for participants. There are other effective programmes currently at risk due to short term funding. Over time, we need to build assessment criteria that measure outcomes and evaluate services to inform appropriate growth where it is needed.

- 39 ***New regional 'Connected' infrastructure and RSLGS could help address regional diversity:*** The working group identified significant regional diversity in driver licence requirements. Each area has its own roading, labour market or population challenges and opportunities that impact on the kind of driver licence support that is a priority or which can be most effective. The new all of government 'Connected' framework (including a website, 0800 number and 35 employment centres) could provide an infrastructure for raising the visibility of, and coordinating referrals to, driver education and training that is responsive to local needs. Leveraging the regional Public Sector leads and RSLGs will also be an important resource for identifying regional priorities and appropriate regional governance.
- 40 In the short term these regional centres could map local driver education opportunities, refer people as appropriate, inform schools, for example of opportunities for partnerships and identify gaps. Over time it would be useful for the regions to have a bigger role in coordinating the investment through transparent outcome-based contracting that is responsive to regional needs, including train the trainer schemes and industry partnerships.
- 41 ***Develop frameworks and referral mechanisms to ensure support is nationally available to those who need it most:*** We need a framework to ensure equitable access to financial support for driver licences for MSD beneficiaries and other disadvantaged people across New Zealand. One option would be to offer support to any MSD client who needs help to progress through the GDLS regardless of what region they live in. Another option would be to provide support to those who meet the eligibility criteria for the Community Services Card.
- 42 There should also be nationwide options for driver licence offenders to allow the Police to facilitate alternative resolutions where appropriate. This may involve expanding regional partnerships between MSD and Police. In particular, this approach could make use of Alternative Ways to Help with Intervention (AWHI), a referral tool (app) developed by Police. AWHI gives individual police officers the ability to refer people to social services on the spot and was successfully trialled by MSD in Waikato, Bay of Plenty and Auckland. This tool resolved under-capacity issues with some MSD contracted driver licence providers.
- 43 ***Need to ensure 'train the trainer' systems are effective:*** Some driver licence initiatives that receive funding are held back by lack of access to driving instructors with I-endorsements (a required certificate administered by Waka Kotahi). Similarly, there are challenges recruiting people as testers (requiring the O-endorsement).
- 44 While these workforce challenges may in part be related to unattractive working conditions, there are issues with the I-endorsement that need to be reviewed. This includes reports that some community driving mentors with educating and cultural skills have difficulty gaining I-endorsement which has flow on impacts for the communities they represent. There is a need for candidate support and a review of the course content to ensure a pedagogical perspective. In addition, there needs to be a review of criteria that denies potentially good candidates the opportunity to be selected due to health issues and/or traffic and criminal convictions needs.
- 45 ***The role played by the education system could be strengthened:*** Feedback from the cross-agency working group generally supported school-based driver education programmes. There are already NCEA credits available in driver education and there are publicly available resources that schools and the wider community can draw upon. This includes tools and information provided through 'DRIVE' a joint programme of Waka Kotahi and ACC. This also includes a new digital hub for driver training providers on community-led training.



- 46 Proposals to increase support currently given to schools to implement driver licence programmes were outlined in an unsuccessful multi-agency Budget 2020 bid, they included:
- provision of Drive and Drive Go resources in schools, including better integration with existing Ministry of Education (MoE) products like the School Leavers' Toolkit
  - refresh of Waka Kotahi curriculum resources to align with the Review of Achievement Standards that is underway
  - support for embedding programmes in schools
  - support for student-led initiatives (such as Students Against Dangerous Driving).
- 47 The total expected cost for these initiatives over four years is approximately \$9.885 million, although this could be scaled. Other options for school-based initiatives could include improving the links between schools and the local Police, community mentor programmes and mobile training and testing services. MoE has limited resources in this space, and without additional funding would be unable to increase the support that is currently available.
- 48 While there is some support for schools to take on a more primary role in driver education, there are barriers to this being practical or effective. These include but are not limited to:
- the decentralised nature of the New Zealand schooling system, which makes it very difficult to compel schools to teach particular subjects or skills
  - the NZ Curriculum and Te Marautanga o Aotearoa are crowded, and schools already face significant pressures on their available time to deliver their local curriculum
  - the GDLS is a difficult system to work through as the bar to passing is comparatively high
  - it would be very resource intensive for schools to offer primary support to students working through the GDLS (e.g. access to many safe vehicles and qualified instructors)
  - practical driving instruction can only be provided to students who have a learners or restricted licence, and are therefore at least 16 years of age (likely in Year 12 or 13), however, most at-risk students have left school before this point, and so a school-focused intervention would probably not reach the people who need it most.
- 49 ***Review the regulation and testing system from an access and user perspective:*** A core goal of the GDLS is to ensure good and safe driver knowledge and behaviour. Passing a 'test' is not the goal and is not always the best way to achieve the goal for some people. It is necessary to address the varied learning styles and varied resources that drivers have to ensure a fully inclusive and accessible system. To do this well, we recommend the scope of the regulatory review should:
- seek to include the user voice when reviewing the system
  - reconsider the 'strengthened' restricted test introduced in 2012 and the final full licence test, and look at ways to revise testing to address a range of languages and literacy levels and learning styles
  - explore technology options to train, test and monitor learner drivers (e.g. GPS to assess driving patterns, time practising and to provide guidance to ensure safety)
  - look at ways to incentivise testers and trainers to achieve positive outcomes for participants
  - consider the cost recovery funding model for administering the licence system to allow more investment in improving equity of access to testing (such as in rural areas)
  - address barriers to implementing mobile testing stations for rural regions and schools.

- 50 ***Progress previous work to address commercial driving sector concerns:*** The GDLS also includes commercial driver licences outlined in Appendix One. Regulation for commercial driver licences was comprehensively reviewed in 2016 resulting in draft legislation to accelerate the progression between the heavy vehicle licence classes and to simplify access to special type vehicles. However, this legislation stalled in 2019 due to other priorities.

### Next steps

- 51 To improve access to driver licences it is necessary to address all components of the system as a package. Some change can happen in the short term to address immediate pressures and some work will take longer to have an impact. All the work requires a cross-sector perspective and will benefit from ongoing guidance from the EET Ministers Group with additional inclusion of Ministers responsible for the Justice, Police and Transport sectors.
- 52 To progress the work we recommend Ministers instruct relevant agencies to report back with advice on implementing shorter-term improvements to the coordination of investment, including proposals for additional funding, and an update on the medium term proposals for change outlined in Slide F.

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## Appendix One: An overview of commercial driver licences and related sector issues

**The GDLS for drivers of heavy vehicles comprises of four classes** each with associated learner classes. There are two training pathways on the GDLS for classes 2-5, a practical test or an approved course. The approved course pathway is much more popular despite being more expensive as it has reduced wait time. It requires completion of courses through approved providers who have been awarded NZQA unit standards. Most jurisdictions combine a minimum age, robust theoretical and practical assessment and relatively intensive training.

**There is a mix of licence and endorsement requirements for agriculture machinery operators** who drive “special-type vehicles”. The endorsement is a small letter that is displayed on a person’s licence card. A special-type vehicle is defined in the Land Transport (Driving Licensing) Rules as any motor vehicle that is a forklift (F), runs on rollers (R), runs on self-laying tracks (T) e.g. a bulldozer, or is a special-type vehicle that runs on wheels (W) e.g. a combined harvester (see Table B below).

**There are other types of endorsements** with commercial purposes, i.e. for Dangerous Goods (D), Passenger (P), Vehicle recovery (V), Driving Instructor (I), and Testing Officer (O). These are considered commercial endorsements as they are only used by drivers operating for hire or reward.

**Commercial licences are used throughout the economy** in road freight transport, construction and agriculture and horticulture. According to the Road Transport Forum (RTF), the road freight transport industry employs 32,868 people (2% of the workforce) with a gross annual turnover of \$6 billion, transporting about 70% of New Zealand’s land-based freight. The major areas of freight growth are in the Auckland-Waikato-Bay of Plenty ‘golden triangle’ in the North Island and Canterbury in the South Island. It is estimated about 700 skilled machinery operators for horticulture are needed each season.

**Industry reports driver shortages**, in 2020, 37% of road freight operators reported a shortage of drivers to the RTF and the agricultural sector is reporting a shortage of 400 commercial drivers due to the impact of COVID-19 border closures reducing access to a migrant workforce.

**Industry consider the heavy vehicle driver licensing system is unnecessarily complex, costly**, and may exacerbate driver shortages. Recruiting young people (under 25 years old) with no licence into the sector for any work requiring a Class 5 licence requires a commitment of about 3 years. While cadetships or apprenticeships in other fields have a similar timeframe the ability to earn and be productive for the employer in the interim (while moving through the licence stages) is much lower for heavy vehicle commercial sectors. In comparison an electrical apprentice can be working (and charged out) within six months of starting.

The reported challenges recruiting (and retaining) people with required specialist licences and endorsements may in part be due to issues such as ageing (the average heavy commercial driving age is in the 50s and many drivers are retiring out of the industry), working conditions or locality.

**The number of driver licences issued for Classes 2 to 5 has increased each year** over the last decade, and the number of people with commercial licences and endorsements appears to be higher than the industry’s estimated shortfall (see Table A). However, not all licence holders become full time drivers. About 2,500 Class 5 drivers are required each year and about 1,800 to 2,000 Class 5 licences are issued.

**The RSLGS report challenges related to both Class 1 and commercial licences** impacting industry. For example, the horticulture sector notes difficulties getting workers to site with ‘the few workers with a licence being relied on to ferry other workers (unlike the migrant workforce who stayed on site)’. Employers also have difficulty getting employees with necessary endorsements to operate



machinery consistent with health and safety requirements. These groups have called for driver licensing to be better embedded into industry pathways of learning (such as for construction).

**The government works with industry on a few commercial driver licence programmes:** MSD is working with the RTF to develop a 12-month training programme aimed at encouraging small operators to invest in new staff wanting to be a truck driver. MSD will pay a wage subsidy for employees who are in their first year of training. This partnership includes a marketing campaign to entice more people into the sector with “Te ara ki tua Road to Success” [a RTF cadetship available for all operators and those wanting to enter the industry and related roadshow and website ([rtfnz.co.nz](http://rtfnz.co.nz))]. MSD is also working with Quigley Contracting Ashburton, to promote an agricultural contracting machine course. The PGF has also been used to support commercial driver training. These employer-led, government supported, initiatives include Tairāwhiti Road Transport Programme and South Canterbury Driver Training Programme which both run cadetship programmes to develop Class 5 drivers for the industry.

**In 2016 Cabinet made decisions to streamline aspects of driver licence process primarily for commercial licences.** The overview of the resulting draft 2019 amendment said the system “contains unnecessary steps and is overly time-consuming for drivers”. Work on this stalled due to other priorities.

This amendment if passed would:

- accelerate progression between the heavy vehicle licence classes
- remove the accelerated licensing process which has very little uptake
- simplify licences for special-type vehicles through:
  - removing special-type vehicle endorsements (e.g. for forklifts)
  - standardising the speed requirements for tractors and special-type vehicles
  - simplifying the rules for tractors that can be driven on a Class 1 licence.

**Table A: People with class 2 to 5 licences as at 30 June 2020 (DLR)**

Licence class (full not learners)	What you can drive	No. of licence holders	
Class 2	Medium rigid vehicle	74,739 *	* NB An individual may hold more than one Class of licence
Class 3	Medium combination vehicle	264*	
Class 4	Heavy rigid vehicle	143,624 *	
Class 5	Heavy combination vehicle	124,857 *	

**Table B: Special endorsement certificates presented for special type vehicles 2010-20**

Certificate applied for	No. of endorsements issued
Forklift Endorsement certificate	107,509
Roller Endorsement certificate	54,054
Tracks Endorsement certificate	59,175
Wheels Endorsement certificate	63,416

SLIDE PACK ATTACHED

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

# Budget 2022 Initiative Summary – Main Budget Process

**Note to agencies:** delete any sections that are not applicable before submitting this template. Where a CFISnet character limit is specified, this applies to entry in the CFISnet field only. There are no character or word limits for the Word version of this template.

**Driver licence support - equitable access to driver licences to improve employment, wellbeing and safety outcomes** (provide up to 120 characters)

## Section 1: Overview

*This section must be completed for all initiatives.*

### Section 1A: Basic Initiative Information

Lead Minister	Minister for Social Development and Employment				
Department	Ministry of Social Development				
What type of initiative is this?	Critical cost pressure initiative		Manifesto commitment initiative	X	Health and Disability System Reform initiative
	Climate Emergency Response Fund initiative		Savings initiative		Non-Spending initiative
Initiative description [max 800 Characters]	This initiative will fund MSD contracted driver licence support for 64,000 people over 4 years. It will support equity for people disadvantaged by barriers to driver licences, including, Māori, Pacific people, sole parents, and rural cohorts. It will increase access to jobs (70% require licences) and services, improve road safety, address industry workforce demand (e.g. in primary, construction, and care sectors) and reduce fine debt and the related risk of criminalisation. The initiative will stabilise and expand access to support and testing infrastructure. The multi-agency funding covers costs for: support; consultation; referral pathway design; sector development; increased testing capacity for transport disadvantaged communities and monitoring of take-up and effectiveness.				
Is this a Cross-Vote initiative?	Y	Vote Social Development and Vote Transport			
Department contact	s9(2)(a)				
Treasury contact	Ivan Esler				

### Section 1B: Total Funding Sought

Operating funding sought (\$m)	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears	Total
	N/A	16.162	20.619	24.544	25.161	86.486

Capital funding sought (\$m)	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Total



## BUDGET SENSITIVE

### Section 1C: Initiative Classifications

Is this initiative seeking funding from the Climate Emergency Response Fund (CERF)? [max 300 characters in CFISnet].	N					
Is this initiative climate-related, but not seeking funding from the CERF? [max 300 characters in CFISnet].	N					
Does this initiative align with the Crown's obligations under the Treaty of Waitangi?	<b>Strong</b>	This initiative will help the Crown ensure Māori have equitable access to driver licences as obligated by Te Tiriti o Waitangi (Article Three). The funding will provide targeted driver licence support for Māori and stabilise and expand contracts with Māori providers. The funding will also support consultation and co-design processes between the Crown and Māori providers to agree on effective contracting, reporting, referral and partnership models for providing driver licence support for Māori. This is necessary as Māori are disproportionately impacted by systemic barriers in access to driver licences which exacerbates disadvantage in a number of domains.				
Specify if this initiative will help reduce child poverty and describe the impact [max 300 characters in CFISnet].	<b>Indirect impact</b>	Access to driver licences removes barriers to employment. Secure employment reduces child poverty which improves household income and housing. In addition, licences allow parents to transport children to health, education and social services, particularly in areas without public transport.				
Does this initiative align with the Child and Youth Wellbeing Strategy?	Y	<p>This initiative supports the priority outcomes where children and young people:</p> <ul style="list-style-type: none"> <li>• <i>"have what they need"</i> (Outcome 2). In areas without public transport, having a driver licence provides access to essential services and material needs. There is evidence that hapu wahine and young parents in rural areas are unable to attend maternal or Well Child appointments.</li> <li>• <i>"are loved, safe and nurtured"</i> (Outcome 1). Receiving driver education helps ensure safer drivers and road safety for family and young drivers. Driver licences are important for those at risk of family violence as a means to leave and/or access help.</li> <li>• <i>"are learning and Developing"</i> (Outcome 4). Parents with driver licences can legally teach their children to drive and help break intergenerational disadvantage in unlicensed households.</li> <li>• <i>"are involved and empowered"</i> (Outcome 6). Children aged over 16 who progress through the graduated licence system gain autonomy to access services and contribute positively.</li> </ul>				
Does the initiative include funding to procure from NGOs?	Y	<p>This investment will fund existing and new procurement of NGO providers in three overlapping phases:</p> <ol style="list-style-type: none"> <li>1. <b>Stabilise</b> the current driver licence support sector and boost sector development with resources, advice and improvements to training and testing systems.</li> <li>2. <b>Evolve</b>- consult and design new contracting and procurement processes (<i>via the procurement principles in the Social Sector Commissioning guidance.</i>)</li> <li>3. <b>Replace / expand</b> phased implementation of new procurement processes.</li> </ol> <p>Throughout this process there will be a specific emphasis on the following principles:</p> <ul style="list-style-type: none"> <li>• Individuals, families, whānau and communities exercise choice.</li> <li>• Different needs require different solutions. The contracting model and new Waka Kotahi regional expert advisors will enable community providers to design and deliver tailored responses.</li> <li>• Māori-Crown partnerships will ensure Māori providers have the same opportunity in procurement processes as non-Māori providers, and ensure contracted services better support Māori.</li> <li>• Regional and local relationships and knowledge will ensure support is targeted to those who need it most. MSD funded driver licence support providers will work with testing providers and referral partners such as the Police, Courts, MSD Case Managers, schools and employers, to support disadvantaged groups to become safe drivers and gain driver licences.</li> <li>• Investment decisions are transparent and improve certainty and sustainability of provision, including with longer term contracts to enable investment in leadership, evaluation, and cultural capability.</li> <li>• Reporting requirements are fit for purpose and not over burdensome.</li> </ul>				
Does the initiative include funding to support digital and data related investments?	Y	As part of the initiative, we have put aside a contingency to cover any work required to ensure that individual person level information on programme participants is captured in a reliable IT application and that this data can be supplied to the Stats NZ Integrated Data Infrastructure (IDI) to support the required evaluation and research work for this bid.				
Is this a regulatory or legislative initiative (according to the guidance provided)?	N	<p>Please indicate the type of regulatory component according to those listed in <b>section 4.10</b></p> <p>Please indicate if this initiative has cross-regulatory system or cross-sector benefits /impacts [max 300 characters in CFISnet].</p>				
Is this a significant investment initiative per the definition at section 4.8 of the Budget 2022 guidance?	N	<p>If yes, please specify the type of significant initiative below</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Data / Digital / ICT</td> <td>Physical Infrastructure</td> <td>Organisational Transformation</td> <td>Specialised Equipment</td> </tr> </table> <p><b>See Annex A for further questions – mandatory to complete for all significant initiatives</b></p>	Data / Digital / ICT	Physical Infrastructure	Organisational Transformation	Specialised Equipment
Data / Digital / ICT	Physical Infrastructure	Organisational Transformation	Specialised Equipment			



Section 3: Value

Section 3A: Opportunity/Problem

Opportunity / Problem

**Current driver licence rates are not equitable:** Māori and Pacific people are over-represented in the non-licensed or still in progression towards a licence population. Job seekers and sole parent support recipients of all ages are less likely to have a driver licence than those not on a benefit (Sin. 2021). There is a link between employment or training outcomes and driver licences, less than 5% of youth not in education, employment or training (NEET) hold full licences (Apatov, 2019).

Lack of progression through the Graduated Driver Licence System (GDLS) presents social and economic challenges with:

- **employment** - research suggests 70% of employers and most apprenticeships require employees to have a driver licence, driving is also the main transport to work for industries in areas without public transport. A 2018 MSD review of driver licence support (using the IDI) indicates that investment in driver licence support helps participants gain a full licence and has a positive impact on employment and earnings.
- **access to essential services in transport disadvantaged areas** - such as health, education, childcare and social support
- **housing and spatial justice** - most affordable housing is away from public transport, compounding the above issues
- **protection from family violence** - access to independence and services for safety
- **fine debt and related risk of criminalisation** - there is evidence of the 'normalisation' of breaching of licence conditions which for some groups contributes to a downward spiral of unpaid infringement fees that lead to larger court fines; demerit points; community sentences; impounded cars; driving disqualifications and convictions for driving while suspended. Currently 74 % of GDLS infringements overall and 79 % of unlicensed driver infringements are referred to court unpaid and therefore become fines, often further accumulating (NZ Police, 2020). Conversely gaining a driver licence is a crucial step in supporting ex-offenders into employment.
- **socio-economic deprivation and road safety risks**- there is a strong correlation between low levels of driver licences and socio-economic deprivation (nearly one quarter of adults in the most deprived areas have no driver licence, and those numbers rise to over 75% for young people). People living in the most deprived areas have a 2-3 times higher risk of road traffic hospitalisation or death compared to those living in the least deprived areas (NZTA,2021).
- **individual, whānau and community mental health and wellbeing** outcomes are impacted by all of issues above.

**Groups that experience poorer driver licence rates face cumulative barriers (NZIER, 2016), including:**

- access to a suitable vehicle or person to teach or supervise them learning to drive
- costs (e.g. tests, driving lessons and eye testing); access to testing facilities (particularly in rural areas)
- testing wait times; acceptable proof of identification (or money to get it)
- individual barriers (such as confidence literacy and anxiety).

**Driver licence support can address these barriers but needs to be better funded and coordinated.** Current driver licence support is not consistently available to those who need it as it is largely funded on an ad-hoc and temporary basis. Insufficient cooperation between testing and support providers also prevents optimum outcomes e.g. a provider may have candidates ready to sit a test, and a job available if they pass, but there may be no testing slots available for 3 months. This proposed investment will provide a more consistent and integrated approach to testing and support.

**Many people disadvantaged in the labour market could benefit from funded driver licence support:** MSD administrative data shows about 80,000 current MSD clients would likely benefit from support to gain a full licence and at least another 65,000 people who are disadvantaged in access to driver licences might benefit. An estimated 30,000 young people at risk of limited employment who are not direct MSD clients may also benefit from driver licence support. This initiative does not expect to assist all these people immediately but over time it can support those with the greatest need and who want to get support to progress through the GDLS.

**This initiative is a key component of a cross-agency project** which has identified the following interdependent improvements to create more equitable access to driver licences:

- sustainably funded driver licence support for people most impacted by barriers to driver licences (this initiative)
- strengthened and equitable testing infrastructure (partly addressed by this initiative)
- changes to the GDLS regulatory framework to ensure it is fit for purpose.

**Driver licence support also increases road safety.** Increasing access to education to improve driver skill and behaviour helps to reduce the number of deaths and serious injuries on our roads. Young drivers that have participated in the Waka Kotahi DRIVE education programme make approximately 40% fewer ACC claims than young drivers that have not participated. This is important as young drivers make up 13% of licensed drivers but are responsible for 30% of serious injury crashes and 26% of fatal crashes.

Section 3B: He Ara Waiora

Tikanga - decisions are made by the right decision-makers, following a tikanga process,

**The initiative design is well-informed by Māori provider expertise.** Work to understand the barriers and challenges specific to Māori communities took place via stakeholder engagement. Evidence from Māori providers in the Tairāwhiti and Greater Wellington region, showed that culturally responsive programmes with a tikanga and whānau centric approach are effective for Māori. We will sustain and build on these services by addressing precarious funding arrangements and testing system challenges in transport disadvantaged regions. Other stakeholders consulted are supporting intersecting groups from Pacific communities, youth, people out of prison and community sentences, rural communities and sole parents.



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<p>according to tikanga values</p>	<p><b>Proposed engagement with Māori providers and communities on procurement approaches.</b> In addition to the information providers have already shared, co-design methods will ensure Māori providers are supported to uphold tikanga and are not excluded by default through contractual standards. This will include agreeing on reporting and evaluation approaches; having clearly defined outcomes and a common agenda; and actively looking for opportunities to share or delegate decision making.</p>
<p><b>Manaakitanga</b> - focus on improved wellbeing and enhanced mana for iwi and Māori, and for other affected communities and groups, demonstrating an ethic of care and mutual respect</p>	<p><b>Currently Māori experience disproportionately low driver licence rates and related systemic disadvantage:</b></p> <ul style="list-style-type: none"> <li>• The long-term NEET rates for non-licensed young Māori was 46%, compared to 18% for all young Māori in 2018.</li> <li>• Driving unlicensed is often a factor in road traffic crashes involving Māori and is likely to contribute to Māori over-representation in crash deaths and serious injuries.</li> <li>• Unlicensed driving is linked to Māori living in high deprivation or rural areas, and negative experiences of the driver licensing system. Māori living in rural areas face more barriers accessing testing and driver support programmes.</li> <li>• Driving unlicensed contributes to Māori and Pacific people disproportionately entering the criminal justice system.</li> </ul> <p>Changing this picture with targeted support to improve Māori access to driver licences will address systemic disadvantage. It will improve whānau access to services and employment and is important to <b>Te Ira Tangata</b>. Targeting will be informed by Māori providers and data and will be supported with effective referral pathways such as from Police and Courts to reduce fines.</p> <p>This initiative supports existing providers who offer by Māori for Māori support and aims to increase sector capacity to provide culturally responsive driver training, including improvements to the DRIVE education programme. The initiative seeks to <b>uphold the values of supporting Wairua</b> with wrap around services that build confidence, remove barriers and foster learning.</p> <p>Where there are no effective Māori providers, procurement processes will require culturally responsive support, such as ensuring initiatives targeting Māori incorporate tikanga and a hauora approach. Procurement processes will align with the social sector commissioning principles and Kaupapa Māori values framework underpinning MSD service design and contracting.</p>

### Section 3C: Outputs – The good or service the initiative purchases

Output	Description
<p><b>Stabilise and expand access to funded driver licence support* for people most disadvantaged by barriers to gaining driver licences.</b> Implementation of a nationwide MSD funding framework for outcome-based contracting of driver licence support to maintain effective programmes and partnerships at a regional level and address gaps.</p> <p><i>* 'Driver licence support' varies depending on individual need and may include access to: lessons and driver training; mentoring; literacy support; funds to cover costs and a suitable vehicle.</i></p>	<p>Implementation activities include the following overlapping phases:</p> <ol style="list-style-type: none"> <li>1. <b>Stabilise</b> existing contracted provision (currently \$17m per annum which does not have ongoing funding) through an investment of \$59m over 4 years.</li> <li>2. <b>Evolve</b>: adjust contracting in response to take-up, demand and effectiveness information. This includes investment in: consultation and design of appropriate contracting and procurement processes; referral pathways; development of reporting and monitoring.</li> <li>3. <b>Replace / expand</b>: phased implementation of new contracts that ensure an equitable and sustainable level of driver licence support in all regions and flexible partnerships with Waka Kotahi, the justice sector and communities. With an additional investment of \$10.5m to allow the ongoing investment in driver licence support from year 25/26 to be \$20m per annum.</li> </ol> <p>To undertake these activities (and to support the following output) the initiative includes an additional:</p> <ul style="list-style-type: none"> <li>• 1 national ongoing FTE to manage the overall programme</li> <li>• 0.45 regional ongoing FTE (to be built into existing regional roles) x 13 regions to sustain contracting relationships, support providers as they adapt to new procurement and contracting approaches and complete required reporting.</li> <li>• 1.5 national FTE to assist with implementation in year one (service design, consultation, resource production).</li> <li>• 0.5 national FTE for two years to support monitoring and evaluation work.</li> </ul> <p>It also includes \$0.87m funds for consultation, IT development (especially for referrals and reporting that includes non-MSD clients) and monitoring and evaluation project work.</p>
<p><b>A joined-up system with effective referral pathways,</b> including a public directory to connect eligible individuals with the support they need, and cooperation between providers, police, Courts and Waka Kotahi to enable supported resolutions</p>	<p>Maintenance of an online public directory of driver licence support to be used by referral partners (MSD case managers, schools, employers, courts and the Police) as well as self referrals. The directory will be promoted on the all of government Connected website as well as the Family Services Directory.</p> <p>MSD-funded driver licence support providers will work with testing providers (Vehicle Testing New Zealand and Automobile Association (VTNZ and AA)) and other partners such as the Police to assist disadvantaged groups gain driver licences. This will be enhanced by additional administration support within Waka Kotahi to coordinate test booking in a timely way and ensure sufficient testing capacity as required. Police and courts will also offer supported resolutions to people without driver licences and are able to refer people to driver licence support in lieu of fee/fine.</p>
<p><b>Equitable access to testing</b> with practical testing in commercially uneconomic areas and mobile theory testing</p>	<p>Identifying areas that might have a suitable testing route but are uneconomic to sustain due to volume and/or remoteness and making additional payments to testing contractors to provide practical testing in these locations. Introducing block bookings so that providers can plan ahead and link course completion with testing availability. Providing mobile testing options for learner theory tests. This includes locations such as community centres, schools, and marae in remote communities.</p>



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<p><b>Sector capability and capacity development</b> including train the trainers, regional expert advisors and further development of accessible DRIVE resources</p>	<p>Creating training courses for community providers to develop their skillsets to provide quality driving training alongside their strong relational and mentoring competencies. Regional expert advisors will support community driver training, and mentoring programmes in building capability so that they can offer quality advice and support to learner drivers.</p> <p>Making DRIVE resources more accessible for people who speak different languages. Addressing a Te ao Māori approach to learning and offering different translations in Pacific languages and Te Reo and ensuring they are appropriate and available to schools. Some technical aspects of DRIVE resources are contracted (e.g. video making).</p>
<p><b>Regular and coordinated data collection and analysis</b> of driver licence rates and the impact of investment, regulatory reform and operational design of the GDLS system. This includes reporting on referrals, take-up, licence outcomes and related employment outcomes for MSD contracts.</p>	<p>Use of the Integrated Data Infrastructure (IDI) and administrative data to monitor, research and evaluate the access to, and outcomes from, the driver licence system, including:</p> <ul style="list-style-type: none"> <li>• provide regular timeseries monitoring of access to driver licences by key dimensions (ethnicity, age, gender, location, labour market status and benefit receipt)</li> <li>• identify gaps in the provision of driver licence support</li> <li>• evaluate the impact of regulatory changes and driver licence support on driver licence status and related outcomes such as safety and social wellbeing (e.g. justice, employment, income, education and training).</li> </ul> <p>MSD will evaluate funded driver licence support to inform how these are being targeted. MSD will also support other agencies evaluate the impact of their driver licence policies and programmes through IDI code modules and collaborative analysis and peer review. Once IDI code modules and processes are working well, Stats NZ may be best placed to provide ongoing maintenance and make these data tables available through their Infoshare platform.</p>

### Section 3D: Impacts – The direct effect of the initiative

<b>Impact 1</b>	<b>Description of the impact</b>	<p><b>People most disadvantaged by barriers to driver licences can access effective funded driver licence support and obtain a driver licence</b></p> <p>Includes Māori and Pacific people, youth at risk of limited employment, some cohorts of women, sole parents and other parents in rural communities, offenders, former refugees, ethnic communities, and low-income households.</p>
	<b>Quantification</b>	<p>We estimate we can reach a total of 73,000 people over four years which includes 64,000 people from new funding and 9000 people from current funding:</p> <ul style="list-style-type: none"> <li>• Year one (FY22/23)- new funding for 10,000 people plus existing funding for 7,000 people</li> <li>• Year two (FY23/24)- new funding for 15,000 people plus existing funding for 2,000 people</li> <li>• Year three (FY24/25)- new funding for 19,000 people</li> <li>• Year four (25/26) - new funding for 20,000 people.</li> </ul> <p>There are over 80,000 MSD clients on a learner or restricted licence and over 65,000 with no licence who may benefit from funded driver licence support. An estimated 30,000 people who are not direct MSD clients may also need driver licence support including young people at risk of limited employment in low-income households.</p>
	<b>Supporting Evidence</b>	<ul style="list-style-type: none"> <li>• Data indicates Māori, Pacific people, young people, women and rural populations (and in particular intersecting members of these groups, such as young Māori women) face barriers progressing through the GDLS, which contributes to inequitable and poor social and economic outcomes (Sin, I. 2021).</li> <li>• Driver licence status for those on a benefit is drawn from MSD administrative data accessed October 2021.</li> <li>• The estimate of 30,000 non-MSD clients is based on the number of youth most at risk of limited employment outcomes (defined in 2020 Ministry of Education research) who are not also beneficiaries.</li> <li>• MSD regional offices have consistently raised the need to better support clients to gain driver licences in-order to get jobs, indicating considerable un-met demand.</li> <li>• The average cost of achieving a driver licence from driver licence support is assumed to be \$1000 per person based on existing MSD contracts and an evaluation of the Howard League programme.</li> <li>• A 2018 MSD review of driver licence support (using the IDI) indicates that investment in driver licence support helps participants gain a full licence and has a positive impact on employment and earnings.</li> <li>• We observe that while there is a low average pass rate (of about 48%), where there is a contracted driver licence support provider involved (with wrap around support) pass rates are often above 90%.</li> </ul>
	<b>Gaps in Evidence</b>	<p>We do not know how many people not on a benefit have significant barriers accessing driver licences.</p> <p>We do not know how many people would like a driver licence and are willing to receive driver licence support.</p>
	<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• Learners have trust in the system</li> <li>• Providers give sufficient support to help learners improve skills, create safe drivers and get their licence</li> <li>• Target groups are referred and will want to engage with referral pathways and programme providers</li> <li>• Sufficient testing places will be available in a timely way</li> </ul>
	<b>Implications</b>	<p>Although we do not yet have sector capacity to support everyone immediately, referral pathways will enable us to target first, those most at risk of: unsafe driving; entry into the justice system; and becoming NEET.</p> <p>Reporting and monitoring is important to track demand, referrals, take-up and outcomes to inform future investment. Building sector capacity will mitigate risks around learner engagement and Police and provider behaviours.</p>



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Impact 2	<b>Description of the impact</b>	<b>A sustainable and effective driver licence support sector</b> Effective providers of driver licence support have certainty about funding and can focus on increasing capacity in staff and infrastructure to meet the needs of learner drivers including providing wrap around supports.
	<b>Quantification</b>	Approximately 151 providers across the country currently receive ad hoc, short term funding. The initiative will evolve and replace current contracts over time to improve their effectiveness and coverage for areas and groups that experience the most disadvantage. More coordinated, transparent and ongoing funding will allow current and new providers to meet needs of learner drivers and develop capacity through training and hiring new instructors, while future contracting processes undergo consultation, re-design and phased implementation.  More sustainable contracting (job security), expert advice, train the trainer support and better resources will have a <b>high impact</b> on sector quality and capacity and assist the recruitment and retention of driver testers and trainers.  Phased implementation will help to develop strong contracting relationships with providers specific to disadvantaged cohorts (e.g. Māori providers or culturally competent providers for former refugees or Pacific communities ).
	<b>Supporting Evidence</b>	The Social Sector Commissioning Research into Progress Principles and Next Steps recommends longer-term contracts to provide greater certainty and stability.  There are anecdotal reports of shortages of driving instructors in some regions which has constrained some NGOs who received funding for driver licence support.  The market was recently tested to a limited degree (with tight funding parameters) in June 21 when an RFP (Request for Procurement) closed for driver licence services. There were 20 viable tenders. Eight were recommended for contract (1-2 years). We know some NGOs with capacity did not apply, because the contract price was low and short term.
	<b>Gaps in Evidence</b>	Ideal contracting and procurement models and related evidence are still to be developed through sector engagement and continuous improvement in response to data.
	<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• People want to and are able to pursue careers as driver instructors.</li> <li>• Instructors, testers, volunteer mentors, and organisations have capability and capacity to deliver driver licence support to communities who need it most -including Māori, Pacific people, rural and low decile schools</li> </ul>
	<b>Implications</b>	Monitoring and evaluation will play a crucial role in understanding and tracking the reach and effectiveness of the sector and identifying opportunities for improvements including in contracting design.
Impact 3	<b>Description of the impact</b>	<b>Effective referral pathways reduce fee/fine debt for individuals and related pathways into the justice system</b> Working in a coordinated way underpinned by kotahitanga, MSD contracted providers work with referral partners such as the Police, courts, MSD Case Managers, schools and employers to assist disadvantaged groups to gain driver licences. In particular, Police and courts refer people to support in lieu of fee/fines.
	<b>Quantification</b>	Well-designed referral pathways to funded driver support will have a <b>high impact</b> on: <ul style="list-style-type: none"> <li>• increasing access to driver licence support</li> <li>• reducing numbers of unlicensed drivers on the roads and increasing road safety</li> <li>• reducing debt related to fees and fines (especially for drivers from low-income communities)</li> <li>• mitigating criminalisation pathways.</li> </ul> <p>Due to systemic disadvantage, Māori are more likely to end up in the criminal justice system as a result of unpaid fines relating to driving unlicensed. Therefore, this impact will be most significant for Māori.</p>
	<b>Supporting Evidence</b>	<ul style="list-style-type: none"> <li>• Currently 74% of GDLS infringements overall and 79% of unlicensed driver infringements are referred to court unpaid and therefore become fines, often further accumulating (NZ Police, 2020).</li> <li>• Motivation to pay fees can be low when 'unaffordable' such as where multiple fees/fines are incurred over time or in one stop (e.g. fees for breaching licence conditions, not having a Warrant of Fitness and speeding could cumulatively result in over \$800 from one event).</li> <li>• The pathway to criminalisation is long and indirect potentially involving accumulated fines and breaches of community sentences.</li> <li>• The Police and the Ministry of Transport have work underway to improve take-up or 'supported resolutions' (i.e. an option to gain a licence and not pay the fee with the 'AWHI approach'). Work to date indicates that success depends on good district level partnerships between Police-designated Kaiiwhi and providers; access to funded driver licence support; sufficient time for offenders to gain licences and the motivation of the offenders.</li> <li>• Much of the non-payment of fines occurs in the lowest income communities including high Māori communities. Anecdotally driver licence fines become a backdoor route into the criminal justice system for many Māori who undertake 'Community Work' (a Corrections-managed sentence) in place of paying fines (S. Bull, 2019).</li> <li>• 288 people were incarcerated in 2014 for repeated driver licence offences costing \$11m (NZIER, 2015).</li> <li>• The Howard League Driver Licence Programme evaluation shows strong rehabilitation results for offenders who gain driver licences (Impact Lab, 2021).</li> </ul>



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		The prototype AWHI App operating in a pilot capacity for three years has promising results and supports the assumption that policing behaviours will adapt to engage with referral pathways in lieu of fines.
	<b>Gaps in Evidence</b>	Current data is indeterminant about the role of driver licence offences. There is a clear correlation between lack of driver licences and offending but less clear causation. However, the IDI may provide a clearer picture in the future.  Because referral pathways to fully funded support will be a new initiative (albeit scaling what currently works) we do not yet have firm evidence of effectiveness. All outputs will be closely monitored.
	<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• Police and Court behaviours adapt to include use of referral pathways</li> <li>• Providers have capacity and capability to support referred people</li> <li>• Target groups will want to engage with programme providers and referral pathways</li> <li>• People will be able to get a driving test and pass in the time required before being referred to courts</li> </ul>
	<b>Implications</b>	Effective early co-design on referral pathways and ongoing monitoring and cooperation across the justice, transport, social development and employment sectors will be critical to ensure the referrals work as envisaged and to adjust as required. Referrals from the Police will need to be the first priority for providers.  Broader policy work underway on the Road Safety Penalties Review will need to consider how to mitigate the risks of insufficient time to pass a driving test and avoid a fine.
<b>Impact 4</b>	<b>Description of the impact</b>	<b>Driver licence testing and support providers partner at local levels to deliver equitable access to driver licences</b>
	<b>Quantification</b>	There will be sufficient instructors, testers and volunteer mentors, and organisations with the right capability, and in the right place to deliver effective driver licence support in the regions and to the communities who need it most -including Māori, Pacific people, rural communities and low decile schools. This will be enabled, for example, by regional expert advisors (employed by Waka Kotahi) working with local schools and providers.  There will be better access to theory and practical testing (and shorter wait times) in areas which are harder to reach and more deprived, such as areas that are commercially uneconomic for testing services to operate in and in low deciles schools. This will be achieved through mobile testing services and other testing innovations working in partnership with community providers to deliver driver instruction and testing in a timely way. It will also involve administrative support to ensure effective booking of testing services that enables planning and reduces wait times.
	<b>Supporting Evidence</b>	<ul style="list-style-type: none"> <li>• Research on barriers that prevent people from progressing through the GDLS include: <ul style="list-style-type: none"> <li>○ lack of access to testing facilities, particularly in rural areas,</li> <li>○ long test wait times (exacerbated by lockdowns)</li> <li>○ trouble booking tests (e.g. unsuitable hours of business and requiring in person booking)</li> <li>○ low pass rates.</li> </ul> </li> </ul> <p>Prototype activity in some regions (such as Te Taitokerau) where MSD, Waka Kotahi and their contracted providers are partnering at a local level to improve access to driver licences has confirmed the challenges and is exploring innovative solutions such as new testing services in Marae venues and allowing support providers to bulk book tests</p>
	<b>Gaps in Evidence</b>	This is an innovative approach to improve access to driver licensing so <b>new</b> evidence will need to be gathered as part of the implementation.
	<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• Communities, community organisations, schools, marae etc will want to, and will have capacity to, engage with testers and support providers to develop solutions.</li> <li>• Target groups will want to engage with providers</li> <li>• National systems will support local level collaboration and flexible partnerships.</li> </ul>
	<b>Implications</b>	Regular monitoring and engagement will ensure issues at a local level are identified and addressed in a timely way. Dedicated resources in regional and national offices will be available to help with local challenges as they arise.
<b>Impact 5</b>	<b>Description of the impact</b>	<b>Continuous improvement - Government understands the impact of investment, regulatory reform and operational design of the GDLS system - and is able to quickly identify problems and adjust settings</b> We can meaningfully link licence rates with socio-economic and demographic data, this will assist in identifying and addressing gaps in reach or effectiveness. Ongoing monitoring and evaluation will contribute to adaptation of contracting and referral pathways at a regional level so they can be locally responsive.
	<b>Quantification</b>	Established IDI monitoring will mean: <ul style="list-style-type: none"> <li>• agencies are able to evaluate the impact of regulatory changes and provision of driver licence support</li> <li>• non-IDI researchers and agencies (e.g. regional authorities and population agencies) can access summarised information on driver licence status</li> <li>• capacity to undertake analysis to answer agency specific questions (e.g. evaluation of the impact of regulatory changes on safety and access, or the relationship between access to licences and time spent NEET).</li> </ul>



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	<ul style="list-style-type: none"> <li>driver licence support participation information is included in MSD's regular evaluation of employment assistance programmes and services</li> <li>ongoing monitoring of driver licence access.</li> </ul> <p>This has a <b>high impact</b> on:</p> <ul style="list-style-type: none"> <li>effectiveness of intervention and continuous improvement</li> <li>integration of intervention with employment and social supports</li> <li>regional leads on delivery and contract coordination being empowered to make evidence-based decisions</li> <li>ensuring effective targeting.</li> </ul>
<b>Supporting Evidence</b>	<p>OECD post-COVID report into recommendations for Active Labour Market Programmes notes that integration of monitoring and evaluation into implementation is critical to effectiveness. It notes countries should invest in their monitoring and evaluation systems and conduct regular and timely evaluations of their policies (OECD, 2021)</p> <p>Regional empowerment comes from access to data. A 2020 report from consultation undertaken by The Social Wellbeing Agency found that providers and regional service leads want to know how information is used and the insights gained from it – and not simply be suppliers of information. Service providers want access to data to undertake their own research and evaluation and inform service planning.</p> <p>Integrated data findings help targeting be more effective. Lessons from the EU Social Protections System found that micro and macro integrated data approaches to monitoring and evaluation are a proven means of ensuring continuous improvement and the cost effectiveness of targeted interventions and can “facilitate a full benefit analysis across a spectrum of policy sectors, providing a more complete and accurate evaluation” (OECD, 2019).</p>
<b>Gaps in Evidence</b>	<p>At this time, the IDI does not have specific information on crash or infringement and fine data, resulting in limited analysis of the relationship between changes to GDLS and the effect on related outcome domains.</p> <p>There are issues with data accuracy where it has been input manually either by Police at the scene of a crash, or by MSD caseworkers resulting in margins of error. Using the IDI to cross reference information will help analysts to account for, remedy, or appropriately caveat findings and insights.</p>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Agencies will cooperate in the establishment of monitoring mechanisms, supply of data and sharing of analysis and findings.</li> </ul>
<b>Implications</b>	<p>Agencies have agreed to the proposed outputs that will contribute to this impact. A cross-agency working group has discussed data access, sharing, capability and IDI establishment in relation to driver licence monitoring.</p>

### Section 3E: Goals – What this initiative aims to achieve

<b>Goal 1</b>	<b>Description</b>	<p><b>More equitable distribution of driver licences leading to more equitable participation in employment, education and training and related income distribution outcomes.</b></p> <p>Driving is an important <b>knowledge and skill</b> which links to <b>jobs and earnings</b>. A driver licence is required by 70% of employers and for nearly all apprenticeships. It is a pathway to driving-related careers and provides mobility to get to employment or education settings, particularly for transport disadvantaged communities and rural settings.</p> <p>Better access to employment, education and training contributes to higher household <b>income and consumption</b> and has potential to reduce child poverty rates and increase community economic resilience. It also enhances the <b>subjective wellbeing</b> of individuals and their whānau.</p> <p>Better access to employment and education is <b>mana enhancing</b>; it allows individuals to feel confident in their ability to learn and succeed, participate in employment and earning (<b>mana āheinga</b>), and contribute to the care and needs of whānau and community (<b>mana tautuutu</b>) while growing intergenerational prosperity (<b>mana whanake</b>).</p>
	<b>Quantification</b>	<p>We estimate 64,000 more people will gain a licence and significantly improve their access to employment, education and training opportunities. This will be quantifiable in data (such as IDI and administrative data) showing links between receiving funded driver licence support, gaining a driver licence and the following outcomes:</p> <ul style="list-style-type: none"> <li>increase in employment for target groups including Māori and Pacific people and rural communities</li> <li>increased benefit exits into education or training</li> <li>reduction in NEET numbers</li> <li>increase uptake of education and training from disadvantaged population groups seen in participation reporting for initiatives such as CRRF funded Trades and Training Funding and the Apprenticeship Boost.</li> </ul>
	<b>Timeframes</b>	<p>Medium (5-10 years) for population wide impacts, however, it will make a difference for individuals in a shorter-term timeframe dependant on licensing stage, experience and access to a suitable vehicle.</p>
	<b>Evidence and Assumptions</b>	<ul style="list-style-type: none"> <li>Impact Lab calculated the social return on investment for every \$1 invested in a driver licence programme as \$3.26 returned to NZ. This was a result of increased employment, reduction in offending and improved health. For the</li> </ul>



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		<p>Howard League Programme, they determined that the social value generated for each successful participant was \$4,509. The measurable benefits as a proportion of programme cost amounted to 326%.</p> <ul style="list-style-type: none"> <li>• A review of the effectiveness of driver licence support programmes found participants increased the time spent in employment and their net income and were more likely to be employed after 18 months. (Ku,2018)</li> <li>• Impact Lab found that 80 per cent of jobs in New Zealand required some form of driver licence.</li> <li>• Datalab Auckland research shows that 70 per cent of employers prefer an applicant with a driver licence</li> <li>• Most apprenticeships require a licence.</li> <li>• Many employment growth areas require employees to have a full driver licence, including specialist licences such as in the construction, primary industries and care sectors.</li> <li>• MBIE research drawing on the IDI shows that young people holding a restricted or a full driver licence are less likely to be NEET. In particular young Māori and Pacific people.</li> <li>• Beneficiaries are much more likely to be unlicensed than employed people.</li> </ul> <p>It is assumed that people who gain access to driver licences will take up the opportunities for employment and education and that not having a driver licence is a significant barrier in access to employment, education and training. This assumption is based on qualitative evidence and anecdotal understandings from MSD work brokers, youth support workers, stakeholders (including MSD clients) and providers.</p>
	<b>Implications</b>	IDI monitoring will provide data insights which help identify and quantify how access to a licence has a direct or indirect impact on employment, education and training, and consequent wellbeing. This monitoring will assist with continuous improvement of driver support access and outcomes and understanding how achieving a full licence can support individuals, in combination with employment supports, to enter into employment, education and training.
<b>Goal 2</b>	<b>Description</b>	<p><b>More equitable distribution of driver licences leading to increased mobility and more equitable access to health, education and social services and housing, particularly for transport disadvantaged communities.</b></p> <p>Capacity to legally and safely drive cars provides significant wellbeing gains for individuals and whānau, including:</p> <ul style="list-style-type: none"> <li>• <b>Social connections</b> - gained from access to community services and support for parents, children and whānau</li> <li>• <b>Safety</b> - greater road safety for all and capacity for women and children to more easily leave domestic violence situations and access services.</li> <li>• <b>Health</b> - access to medical care, supports and check-ups means more early intervention. Additionally, access to antenatal care for new parents contributes to child and whānau wellbeing.</li> <li>• <b>Skills and Knowledge</b> - improved access to parenting, physical and mental health, and childcare services and support will increase capacity of parents to care for themselves and their children and contribute to future engagement in employment, education and training.</li> <li>• <b>Subjective wellbeing</b> - derived from the social connectedness, health, safety and support.</li> <li>• <b>Housing</b> - increased mobility provides more options to access appropriate and safe housing.</li> </ul> <p>For parents especially, the ability to access childcare (and consequently employment), healthcare services and support networks or communities is critical to their wellbeing in the human domain (<b>Te Ira Tangata</b>).</p> <p>Mobility enables social connectedness (<b>mana tuku iho and mana tautuutu</b>), the power to grow intergenerational prosperity (<b>mana whanake</b>) and for some capability to decide on their aspirations and realise them in the context of their own unique circumstances (<b>mana āheinga</b>). The provision of support also uplifts the mana of participants through wrap around support and in this way embodies the <b>He Ara Wairoa</b> principle of <b>Manaakitanga</b>.</p>
	<b>Quantification</b>	<p>Parents, children and wider whānau are healthier, children have access to education and social connectedness and less at risk of becoming NEET. This goal and its wellbeing domain outcomes may be quantifiable via:</p> <ul style="list-style-type: none"> <li>• Uptake in parent enrolment in health and social service support including Plunket or Whanau ora</li> <li>• Increase in numbers seeking and getting support and protection through family violence services</li> <li>• Reduction in preventable fatalities or serious illness due to early intervention and access to health services</li> <li>• Increased attendance from low-income households in early childhood education and primary school.</li> </ul>
	<b>Timeframes</b>	Medium (5-10 years) for population wide impacts, however, it will make a difference for individuals in a shorter-term timeframe dependant on licensing stage, experience and access to a suitable vehicle.
	<b>Evidence and Assumptions</b>	<ul style="list-style-type: none"> <li>• Transport disadvantage leads to social exclusion including exclusion from economic opportunities, from facilities such as healthcare services and affordable shops, and time-based exclusion where private transport is the only realistic option (NZIER, 2019)</li> <li>• Participation in social and economic activity (including securing tenancy agreements and opening bank accounts) often requires a driver licence as formal ID.</li> <li>• Nearly 40% of employed Women have at least one dependent child at home (Census 2018) and the Ministry for Women found that juggling paid work and care responsibilities often requires a car. Their analysis also found that if women have the opportunity to become competent drivers it improves their ability to get out of family harm situations and access support and housing.</li> <li>• Transport disadvantage is a key factor in economic abuse within domestic violence situations in New Zealand (Milne, Maury &amp; Gulliver, 2018)</li> </ul>



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		<ul style="list-style-type: none"> <li>Communities that experience higher levels of transport disadvantage often have higher rates of people driving without licences which has road safety consequences and increases the chance of fee/fine debt.</li> <li>There is a relationship between lower housing cost and transport disadvantage which can mean where people can afford to live they cannot access transport routes to available work. This initiative will contribute to the housing wellbeing through mitigating transport disadvantage the impact on employment/ household income.</li> </ul> <p>It is assumed that individuals who gain a licence will also have access to a registered and appropriate vehicle. In some cases, people have access to a vehicle via whānau or are already driving one without a licence. For others the compounding employment/ household income impacts will help people own and maintain a vehicle.</p>
	<b>Implications</b>	Monitoring cross cutting impacts of access to a driver licence using the IDI will assist with understanding if this goal is being achieved (e.g improved access to education, social services and housing) so that service design can adapt appropriately.
<b>Goal 3</b>	<b>Description</b>	<p><b>Less people driving unlicensed, less fee/fine debt and a reduction of pathways into the criminal justice system related to GDLS offences (especially for younger people)</b></p> <p><b>Subjective wellbeing, mental health and physical wellbeing and safety</b> on the roads and personal safety of a home environment are preserved and protected by more equitable access to driver licences and also by improved policing solutions for those found driving unlicensed.</p> <p>Reducing people's risk of accumulating fee/fine debt, reduces the chances of people going down criminalisation pathways that involve undergoing community sentences (where they cannot afford to pay fines), repeat offending, demerit points resulting in having a licence suspended or disqualified and then driving while suspended or disqualified. Avoiding this scenario has a very significant positive impact on wellbeing including on a person's ability to obtain and retain a job, and consequently their whānau and or community <b>Income and consumption</b> capacity.</p> <p>Currently many unlicensed drivers face barriers to progress through the GDLS. By <b>improving policing relationships</b> and redirecting these drivers to supports which offer manaakitanga this initiative will help individuals to:</p> <ul style="list-style-type: none"> <li>participate and connect within their communities (<b>mana tautuutu</b>) rather than being separated further by entry into the justice system</li> <li>have the capability to decide on their aspirations (to become licensed, and to peruse the opportunities which require a licence) and realise them in the context of their own unique circumstances (<b>mana āheinga</b>)</li> <li>have the power to grow sustainable, intergenerational prosperity (<b>mana whanake</b>) by reducing fine debt and from consequent employment (which both criminal records and a lack of licence would otherwise have hindered).</li> </ul>
	<b>Quantification</b>	<p>This goal will manifest in many unquantifiable ways however we can measure:</p> <ul style="list-style-type: none"> <li>reduction in numbers entering the justice system following the referral of unpaid fines to court.</li> <li>increase in police use of supported resolutions and related uptake with funded providers</li> <li>reduction in unlicensed drivers on the road</li> <li>increase in road safety evidenced in crash rates and dangerous driving incidences.</li> </ul>
	<b>Timeframes</b>	Medium (5-10 years), to long term (>10 years).
	<b>Evidence and Assumptions</b>	<p>A 2019 independent, academic Review of Practices in the New Zealand Police found that supported resolutions and alternative referrals were a proven and effective intervention that could contribute to better policing relationships and improved community trust and safety. (Daniels-Shpall, 2019). See Impact 3 for further evidence.</p> <p>It is assumed that traffic offending and related fines will reduce if people have better access to driver licences.</p>
	<b>Implications</b>	Monitoring and Evaluation of referral pathway effectiveness will support implementation and operational approaches, with agencies working together to ensure referral processes are smooth for the end user, and providers have capacity to respond to the referrals.
<b>Goal 4</b>	<b>Description</b>	<p><b>Improved road safety, and subsequent reduction in costs (including to ACC).</b></p> <p>This goal links directly to the LSF wellbeing domain of <b>safety</b>, ensuring people's safety and security on the roads and their freedom from risk of harm relating to unlicensed or unsafe drivers. Ensuring the safety of New Zealanders on the roads is a demonstration of an <b>ethic of care aligned with the He Ara Wairoa principle of Manaakitanga.</b></p>
	<b>Quantification</b>	<p>We will understand impacts on safety through the following existing data collection:</p> <ul style="list-style-type: none"> <li>reduction in people driving unlicensed and untrained</li> <li>reduction in road incidents and fatalities</li> <li>Ministry of Transport 'Road to Zero' strategy outcomes- which seek a target of zero deaths on the roads</li> <li>reduction in ACC serious injury claims resultant of road accidents.</li> </ul>
	<b>Timeframes</b>	<i>medium (5-10 years), and long term (&gt;10 years).</i>
	<b>Evidence and Assumptions</b>	<ul style="list-style-type: none"> <li>Since 2013 the number of people dying or being seriously injured on Aotearoa New Zealand roads has been rising, and death and serious injury (DSI) rates for Māori increased faster than for non-Māori between 2014 and 2017.</li> </ul>



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		<ul style="list-style-type: none"> <li>Overall, road traffic mortality rates are estimated at between 60% and 200% higher for Māori compared to non-Māori. By improving access to driver licence support we can improve outcomes for all drivers on the road. Our focus on providing culturally appropriate Māori-led services is expected to contribute to improving road safety outcomes for Māori alongside improving access to employment and other opportunities.</li> <li>Young drivers (16-24 years) make up 13% of Licensed drivers but are responsible for 30% of serious injury crashes and 26% of fatal crashes.</li> <li>The total annual volume and cost of young driver injuries continues to increase. The annual volume and cost of active ACC claims in 2019 was 11,929 and \$152M respectively.</li> <li>Young drivers that have participated in the Waka Kotahi and ACC Drive Programme make approximately 40% fewer ACC claims than young drivers that have not participated. Increasing accessibility of these resources (in this initiative), will increase the numbers of safe young drivers on the road and reduce serious injury crashes.</li> <li>The current GDLS works reasonably well for groups with a high proportion of licensing rates (Europeans and those in full time employment). However, it does not work well for some communities, including Māori and Pacific people. Improving access to driver training and support services will improve entry and progression through the GDLS for these groups and contribute to improved road safety outcomes for these groups and all of Aotearoa.</li> </ul> <p>It is assumed that the GDLS and how driver licence support is provided ensures driver licensing creates safe drivers and leads to greater safety outcomes for all and that more licenced drivers will mean safer roads.</p>
	<b>Implications</b>	Ongoing monitoring and evaluation will assist with understanding how and by how much safety is improved and inform operational or regulatory changes if required.
<b>Goal 5</b>	<b>Description</b>	<p><b>Less skills gaps in rural areas and in the primary, transport, caregiving and construction sectors</b></p> <p>The employment impacts outlined in Goal 1 will also assist with industry skill gaps and address the LSF wellbeing domains of: Knowledge and skills; Jobs and earnings; and Income and consumption. It also has macro impacts on the labour market and economy.</p>
	<b>Quantification</b>	<p>We will be able to track progress towards this goal and retrospectively note outcomes via:</p> <ul style="list-style-type: none"> <li>Labour Market Insights analysis including reduction in skills gaps reported from industry</li> <li>IDI analysis which will show any correlation between those who access targeted driver licence support and employment placements in different sectors and industries.</li> </ul>
	<b>Timeframes</b>	long term (>10 years).
	<b>Evidence and Assumptions</b>	<ul style="list-style-type: none"> <li>Continued labour market slack and increasing demand across sectors indicates skills mismatches are becoming more pronounced (MBIE 20201).</li> <li>Skills matching has a longer-term dimension related to individuals' and firms' choices to invest in skills in anticipation of employment and skill needs over time. These choices are underpinned by Government policy settings in the skill system (e.g. vocational training and education, job placement through the social assistance system, occupational licencing - including driver licences) (MBIE,2021)</li> <li>The IDI has capability to enable impact tracking over longer timeseries including entry into employment sectors following full licence acquisition after establishment of monitoring via outcome 5 (Stats NZ).</li> </ul> <p>It is assumed that some of the people who gain a licence through targeted support will seek employment in the sectors and areas where there are skills shortages.</p>
	<b>Implications</b>	The inclusion of driver licence monitoring in effectiveness reviews of employment services and wider labour market insights analysis will assist with understanding and tracking this goal and will enable agencies to ensure a coordinated approach to skills matching and labour market supply policy that takes driver licensing into account.

Section 3F: Distributional Analysis								
<b>Question 1: Does the initiative have the following types of distributional impacts for Māori?</b>  <i>max. 300 characters in CFISnet for all</i>	A	Direct	x	Indirect		No Impact		
	If direct, please complete Question 1B. If indirect or no impact, please progress to Question 2.							
	B	Targeted and tailored for Māori		Disproportionate positive impact	x	Other (explain)		
	Targeted driver licence support will have a disproportionate positive impact on Māori. In 2018, 25.5% of Māori aged 19-24 had a full licence compared to 49.3% of European drivers (Stats NZ, 2020). Not having a licence is a risk factor for being NEET and contributes to criminalisation.							
<b>Question 2: Does the initiative have the following types of distributional impacts for Pacific Peoples?</b>	A	Direct	x	Indirect		No Impact		
	If direct, please complete Question 2B. If indirect or no impact, please progress to Question 3.							
	B	Targeted and tailored for Pacific Peoples		Disproportionate positive impact	x	Other (explain)		
	This initiative will have a disproportionate positive impact on Pacific people. In 2018, 15.5% of Pacific people aged 19-24 had a full licence compared to 49.3% of European drivers (Stats NZ, 2020). Not having a licence is a risk factor for being NEET and contributes to criminalisation.							
<b>Question 3: Does the initiative have the following types of distributional impacts for children?</b>	A	Direct	x	Indirect		No Impact		
	If direct, please complete Question 3B. If indirect or no impact, please progress to Question 4.							
	B	Targeted and tailored for children		Disproportionate positive impact	x	Other (explain)		
	This initiative has a positive impact on children as it helps remove barriers to employment and broader participation for young families who are less likely to have a licence. This can lead to greater household income and wellbeing for families and children.							
<b>Question 4: Does the initiative have direct impacts on any other population groups? max 300 characters in CFISet</b>	Y/N	Former refugees, recent migrants, ethnic communities and disabled people (including people with mental health issues) will benefit from driver licence support particularly where they rely on private cars. Support will also assist people who can drive but have high anxiety to pass tests.						
<b>Question 5: What region is this initiative expected to impact?</b>	X	All of New Zealand		Gisborne		Northland		Tasman
		Areas outside regions		Hawke's Bay		Offshore		Waikato
		Auckland		Manawatu-Whanganui		Otago		Wellington
		Bay of Plenty		Marlborough		Southland		West Coast
		Canterbury		Nelson		Taranaki		



## Section 4: Alignment

*Section 4 must be completed for all initiatives, unless exempted by the Minister of Finance in the invitation letter.*

*Further information on the questions in this section can be found at Annex Two of the Budget 2022 guidance.*

### Section 4A: Strategic Alignment

<p><b>How does this initiative link with your strategic intentions/statement of intent?</b></p>	<p>This initiative is aligned with MSD's Employment Investment Strategy and investment principles. It will improve Māori outcomes in partnership with Māori; provide opportunities to realise iwi and Māori development aspirations; promote innovative approaches to supporting people into employment; and deliver long-term value for money, taking into account the wider benefits to the whole of society.</p> <p>This initiative also contributes to the Government's Road to Zero Strategy and increasing access to driver training and licensing is an action in the 2020-2022 Action Plan. Improving driver skill and behaviour is an important part of reducing the number of deaths and serious injuries on our roads.</p>
<p><b>Does this initiative link with other sectoral or whole-of-government strategies (e.g. the Pacific Wellbeing Outcomes Frameworks)?</b></p>	<p>Improving access to driver licences supports the Government's Employment Strategy. Driver licence related actions feature in all but one of the 7 Employment Action Plans that underpin the Strategy, highlighting their significance in achieving employment outcomes for disadvantaged groups. The benefit of investment in job creation, employment support and apprenticeships is undermined for groups that do not have a driver licence which is often a prerequisite for employment and training.</p> <p>This initiative also contributes to the Mahi Aroha-Carer's Strategy Action Plan and the NZ Disability Strategy by alleviating barriers related to transport disadvantage for disabled people and their carers'.</p> <p>This initiative also aligns with the Government's work to strengthen social cohesion. Access to more culturally or linguistically appropriate driver licence support will help address barriers to social and economic participation that divide communities and enable diverse communities to access opportunities and services.</p>
<p><b>Does this initiative impact other agencies directly or indirectly? If so, how?</b></p>	<p>Improving access to driver licences through this initiative will require ongoing cross-agency cooperation:</p> <ul style="list-style-type: none"> <li>• The Ministry of Transport is leading related regulatory reviews of the Graduated Driver Licence System (GDLS) to ensure regulation is fit for purpose and does not create unnecessary barriers to progression.</li> <li>• Waka Kotahi, the NZ Transport Agency administer and operationalise the GDLS under its statutory role to deliver an efficient, effective, and safe land transport system in the public interest. Waka Kotahi is the delivery agency for testing and sector development related outputs of this initiative from Vote Transport. They will continue to work at local and regional levels with MSD contracted driver licence support providers.</li> <li>• The Police are responsible for enforcement of driving licences and are partnering with providers of driver licence support to help implement AWHI (Alternative Ways of Helping Interventions) a prevention and community Policing focus. This initiative provides the funded support that they can refer people to.</li> <li>• The Ministry of Justice will enable referrals by Courts and continue work to reduce disproportionate criminalisation of Māori and Pacific people related to driver licence offences and subsequent fine debt.</li> <li>• The Ministry of Education will support implementation of driver licence programmes and related education resources in schools. Enabling schools to build provider relationships and referral pathways alongside engaging with mobile testing availability will take place at a regional, operational level.</li> <li>• The Ministry of Social Development will implement the national contracting framework for provision of driver licence support for people most disadvantaged by barriers to driver licences.</li> </ul>

### Section 4B: Alignment to Government's goals

The Government's goals for this term are:

- 1) Continuing to keep New Zealand safe from COVID-19
- 2) Accelerating the recovery and rebuild from the impacts of COVID-19
- 3) Laying the foundations for the future, including addressing key issues such as our climate change response, housing affordability and child poverty

<p><b>Alignment to Government goals</b></p>	<p>Population groups who are disproportionately impacted by COVID-19 effects on the labour market are the same groups that this initiative targets. Equitable access to driver licences helps to meet skill gaps in the labour market and lift economic and social wellbeing outcomes for those most at risk of being left behind in recovery efforts</p> <p>Investment in access to driver licences aligns with government goals to accelerate the recovery and rebuild from the impacts of COVID-19 and address long-term challenges (child wellbeing, housing, and climate resilience via supporting Just Transitions). The immediate impacts of a gaining a driver licence also support access to healthcare as individuals, whānau and community seek to engage with government efforts to keep safe from COVID-19. Reducing transport disadvantage improves access to services and places of employment which can be hard to reach in areas where housing is more affordable.</p>
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**Section 4C: Contribution to the Government’s Wellbeing Objectives**

The Government’s five wellbeing Objectives are:

- **Just Transition:** supporting the transition to a climate-resilient, sustainable, and low-emissions economy.
- **Future of Work:** enabling all New Zealanders and New Zealand businesses to benefit from new technologies and lift productivity and wages through innovation
- **Physical and Mental Wellbeing:** supporting improved health outcomes for all New Zealanders, including protecting New Zealanders from the impacts of COVID-19.
- **Māori and Pacific:** lifting Māori and Pacific incomes, skills, and opportunities, including through access to affordable, safe, and stable housing
- **Child Wellbeing:** reducing child poverty and improving child wellbeing, including through access to affordable, safe, and stable housing.

*\*Please note: these objectives have been agreed by Cabinet subject to wider consultation. The final versions of the objectives will be published in the Budget Policy Statement in December 2021.*

**Contribution to Wellbeing Objective(s)**

Addressing transport disadvantage **improves physical and mental wellbeing** through access to healthcare, material needs, social supports and employment correlate to better wellbeing outcomes. In many rural areas these services are only accessible via car. This has direct impacts on **child and youth wellbeing** including access to childcare, education, healthcare and social supports, as well as lifting intergenerational prosperity through access to employment skills jobs and earnings.

**Physical wellbeing** will also be supported by a reduction in deaths and serious injuries on our roads as more drivers are trained to be safe drivers. This will have a disproportionately positive impact on **Māori physical and mental wellbeing** as we know that Māori are more likely to drive unlicensed, and driving unlicensed is often a factor in road traffic crashes involving Māori and this is likely to contribute to Māori over-representation in crash deaths and serious injuries.

Many growth employment areas where there are skills shortages and **future of work** opportunities (Agricultural, construction, and land transport sectors as well as care related work) require driver licence for employment. A Class One driver licence is also a necessary first step before getting licence endorsements and/or higher licence classes to enable transport of people and goods (forklifts, trucks, buses etc).

Supporting people through **just transitions** to a climate resilient, low emissions economy requires ensuring skills matching and employment are available to all. The Government’s electrification of cars objectives indicates the ongoing need for a driver licences in future to mitigate transport disadvantage and ensure employability in changing industries.

Population groups most at risk of climate change related impacts (including labour market shifts) are also those targeted through this investment. This includes **Māori, Pacific and younger** population cohorts who are demonstrably disadvantaged by the current GDLS system including through financial and geographical barriers.

This investment will have a disproportionate positive impact on social and wellbeing outcomes for both **Māori and Pacific populations**. Given the strong link between employment and training and licences, improving access to a driver licence will increase employment opportunities which will in turn lift household incomes and open up diverse housing options that would otherwise be limited due to an inability to commute to and from work.

## Section 5: Delivery

Section 5 must be completed for all initiatives. Further information on the questions in this section can be found at **Annex Two** of the Budget 2022 guidance.

### Section 5A: Fit with existing activity

The answer must not exceed 1-2 paragraphs.

**How does the initiative link with existing initiatives with similar objectives?**

This initiative supports a cross-government work programme to improve access to driver licences which includes complementary work to ensure the regulatory settings are fit for purpose and improvements to driver licence testing operations. The proposed new Vote Social Development funding will replace, evolve and expand driver licence support contracts (currently managed by MSD with unsustainable funding) as required. There is also funding in Vote Corrections and Vote Immigration that support access to driver licences for some people as part of rehabilitation and settlement programmes.

The proposed Vote Transport funding will complement the MSD driver licence support for disadvantaged communities through enabling theory testing in schools, marae and community bases; extending practical testing into locations that are commercially uneconomic to service; and with expert advice and resources for community providers of driver education. This will support the Road to Zero strategy, an Aotearoa where no one is killed or seriously injured on our roads. It will also support employment goals as not having a driver licence a key barrier to employment. Note: funding is not available within the National Land Transport Fund (NLTF). Even if funds were available, the process to use the NLTF for regulatory activity such as driver licencing would not be straightforward and involve a S9(1A) application and public consultation process. Crown funding is more appropriate.

**Is the initiative an expansion or a cost pressure for an existing initiative?**

N

*If yes, provide a concise overview of how this initiative will expand on or maintain existing services.*

*If no, move on to section 5B.*

Provide an overview of existing funding levels for this initiative, and/or initiatives with similar objectives, in the two tables below.

	Operating Funding profile (\$m)					Total					
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears						
Existing funding for this/similar initiatives	17.000	7.000	2.000	0	0	26.000					
Total funding sought for this initiative	0	16.162	20.619	24.544	25.161	86.486					
% change between existing funding and funding sought	N/A	N/A	N/A	N/A	N/A	N/A					
Comments (optional)	There is currently an estimated \$17m of ad hoc funds allocated to driver licence support managed by MSD in the 21 /22 financial year. These are sourced from time-limited funds such as the Covid Response and Recovery Fund (CRRF), the Provincial Development Fund (initiatives transferred to MSD) and the Waka Kotahi managed Community Road Safety Fund (CRSF). Some contracts will be expiring in 2022 and others in 2023. Because of these differences and inconsistencies in current funding compared to the proposed approach this bid outlines, it is difficult to quantify an accurate percentage change.										
	Capital Funding profile (\$m)										Total
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Comments (optional)	There is no Capital funding in this initiative										



**Section 5B: Funding sought by input**

*Provide a breakdown of what the requested funding will purchase. Briefly explain the formula used, or key assumptions made, to calculate the cost of each output. Add additional rows to the table as needed to capture each output separately. Please include which Vote(s) will be impacted by each component.*

**Formula and assumptions underlying costings**

This initiative will improve access to driver licences by funding the following four interdependent components:

**Vote Social Development Funding Components (Total \$69.54m over 4 years)**

1. **MSD contracted driver licence support:** In year one the funding will purchase support for approximately 10,000 people to get a driver licence (targeted at people who are most disadvantaged by barriers to gaining a driver licence). This will complement and stabilise the current contracted sector and funding will steadily grow to expand the sector to support approximately 20,000 people per annum from year four. It is anticipated that the funding will replace, evolve and expand current contracts as required (some will be expiring in 2022, some in 2023).

The outcome focussed contracts, with NGO providers, pay an average of \$1000 per client /per licence with variable levels of support being required which may include: access to suitable vehicle, driving lessons, mentoring and literacy support, test costs, transport to tests and more. Some people, such as young people with no driving experience or family support may require up to \$3000 (to cover sufficient lessons, mentoring for anxiety, literacy support etc). However, it is also expected that many people, who are already driving (albeit illegally) may require less than \$1000 worth of support. These costs are based on the current range of current contract prices.

2. **Implementation and continuous improvement support\*:** The funding will purchase:

- a. Consultation, engagement and co-design costs \$0.11m for year 1 and 0.075m for year 2
- b. IT for contract reporting to accommodate non-MSD clients, \$0.5m for year 1 plus \$0.125 per annum depreciation
- c. Regular, monitoring, reporting, evaluation \$0.15 over three years as follows:
  - o year 1 \$50k for DMAID – new information system
  - o year 2 \$50k for R&E – understanding access issues
  - o year 3 \$50k for R&E - understanding access issues
- d. An additional 6.85 FTE (MSD ongoing) x \$144k (average salary + costs) are required including:
  - 1 national FTE to manage the overall programme
  - 5.85 regional FTE which comprises the following in each region:
    - o 0.2\* FTE for Regional Contract Management (RCM) for contract management, monitoring and engagement related to driver licence support
    - o 0.25\* FTE for Regional Contracting Assistant (RCA) for administration, payments, resulting, and reconciliation for payments related to driver licence support
- e. Additional 0.5 FTE (MSD for 2 years) x \$166k (salary and costs) for monitoring and evaluation activity.
- f. Additional 1.5 FTE (MSD for 1 year) x \$144k (average salary + costs) to assist with design of the new long-term nationwide contacting approach including referral pathways, eligibility guidance, social sector commissioning and sector engagement (including with iwi and Maori providers)

\* Please note that these resources complement resources in existing teams (they are not stand-alone)

\*\* Please note the fraction noted indicates work these staff members do which is dedicated to driver licences. They will have other work. The RCA staff are currently employed and funded till June 2022 by the CRRF.

**Vote Transport Funding Components (Total \$16.95m over 4 years)**

3. **Equitable access to testing:** The funding will enhance the capacity for people supported by MSD contracted providers, and others facing barriers to access driver licence tests in a timely way, including through the provision of:

- a. Mobile theory testing: 500 visits/annum @ \$1,600/visit
- b. Practical testing in uneconomic areas (which are regions that currently do not have testing available and are also transport disadvantaged areas): 1000 days @ \$1,500/day
- c. Testing administration: 1 FTE (Waka Kotahi) x \$90K (salary + costs). This role will work with providers to ensure effective booking of tests, including bulk tests (addressing a major barrier for people supported by NGO providers).

4. **Sector capacity:** The funding will allow Waka Kotahi to adapt resources to ensure they are accessible and appropriate for priority groups (including schools), build provider capacity to deliver quality services and increase the numbers of trainers available. This includes:

- a. DRIVE Resources: Primarily out-sourced work
- b. Regional Advisors: 7 FTE (employed by Waka Kotahi) x \$150k (salary + costs)
- c. Train the trainer support: 3 FTE (employed by Waka Kotahi) x \$120K (salary + costs)

**BUDGET-SENSITIVE**

Input – Operating [Enter one number value per field only into CFISnet]	Funding profile (\$m)					Total					
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears	Number values only.					
<b>Input Information</b>											
<b>1 MSD contracted driver licence support (stabilise and expand)</b>	0	10.000	15.000	19.000	20.000	<b>64.000</b>					
<b>2 MSD Implementation:</b>	0	0.110	0.075			<b>0.185</b>					
a) Consultation /co-design											
b) IT development for reporting + depreciation	0	0.500	0.125	0.125	0.125	<b>0.875</b>					
c) Monitoring /evaluation development	0	0.050	0.050	0.050		<b>0.150</b>					
<b>3 WK Access to testing:</b>	0	0.800	0.800	0.800	0.800	<b>3.200</b>					
a) mobile theory testing											
b) practical testing in uneconomic areas	0	1.500	1.500	1.500	1.500	<b>6.000</b>					
<b>4 WK Sector capacity:</b>	0	0.500	0.500	0.500	0.250	<b>1.750</b>					
a) DRIVE resources											
<b>FTE-specific Input Information (if applicable)</b>											
<b>2 MSD Implementation:</b>	0	0.986	0.986	0.986	0.986	<b>3.944</b>					
d) Contract management and reporting (regional and national (6.85 FTE)											
e) Monitoring / evaluation development (0.5)	0	0	0.083	0.083	0	<b>0.166</b>					
f) Service design (1.5 FTE)	0	0.216				<b>0.216</b>					
<b>3 WK Access to testing:</b>	0	0.090	0.090	0.090	0.090	<b>0.360</b>					
c) Testing Admin (1 FTE)											
<b>4 WK Sector capacity:</b>	0	1.050	1.050	1.050	1.050	<b>4.200</b>					
b) Regional Advisors – Community Driving Programmes (7 FTE)											
c) Train the trainers (4 FTE)	0	0.360	0.360	0.360	0.360	<b>1.920</b>					
<b>Total</b>	0	<b>16.162</b>	<b>20.619</b>	<b>24.544</b>	<b>25.161</b>	<b>86.486</b>					
<b># of FTE's (employees and/or contractors)</b>	11 FTE (Waka Kotahi) + 6.85 FTE (MSD ongoing) + 0.5 FTE (MSD 2 years) + 1.5 (MSD one year) = 19.85 FTE (comprising a total of \$10.326)					<b>19.850</b>					
<b>What's the % increase in FTE compared to baseline FTE numbers</b>	N/A no dedicated FTE in the current baseline					<b>0</b>					
<b>Funding profile (\$m)</b>											
<b>Input – Capital</b>	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	<b>Total</b>
<b>Total</b>											
<b>Appropriations</b>	The total \$69.54m over 4 years for Vote Social Development funding would sit in a new Driver Licence Support Multi Category Appropriation (MCA) to enable effective monitoring of the effectiveness of the programme and reflect the multiple outcomes. The total \$16.95m over 4 years for Vote Transport funding would sit in the existing Non-Departmental Output Expense: Land Transport Regulatory Services.										



**Section 5C: Options analysis**

*The answer must not exceed 1-2 paragraphs.*

<p><b>Options analysis</b></p>	<p>Various options for delivering and targeting access to driver licence support were considered such as:</p> <ul style="list-style-type: none"> <li>• providing support to all people under 25 years old (there are about 418,000 young people who do not have a full licence)</li> <li>• various targeted groups such as: only MSD beneficiaries (there are more than 80,000 current MSD clients who require support to gain a licence but many more disadvantaged people who are not direct MSD clients); or all people eligible for a Community Services Card (this includes students who may come from wealthy households)</li> <li>• delivering support through schools</li> <li>• delivering support with funds from Waka Kotahi managed funds</li> <li>• a capped annual fund, managed by MSD, to target support to people most disadvantaged by barriers to driver licences alongside partnerships with Waka Kotahi to improve testing sector equity. This option was chosen as it was agreed that a more universal approach would not be efficient. The system does work adequately for people who have sufficient resources to access instruction, mentoring, vehicles and testing.</li> </ul>
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<p><b>Counter-factual question</b></p>	<p>If the initiative is not funded, the cross-government work programme will face major challenges in meeting equity, access and safety outcomes. The negative consequences are significant and include:</p> <ul style="list-style-type: none"> <li>• people who need funded driver licence support and cannot access it will continue to drive unlicensed or in breach of their licence conditions resulting in:             <ul style="list-style-type: none"> <li>○ negative road safety outcomes for these and other drivers</li> <li>○ compliance and enforcement impacts for the drivers including fines being referred to court for those who cannot afford to pay</li> </ul> </li> <li>• decreased driver licences in the population, particularly among those under 25 years of age, Māori and Pacific people and also disproportionately impacting women</li> <li>• significant social and economic challenges associated with not having driver licences, including:             <ul style="list-style-type: none"> <li>○ barriers to getting jobs (of which an estimated 70% require licences),</li> <li>○ barriers to apprenticeship opportunities</li> <li>○ accumulating fine debt and related criminalisation,</li> <li>○ barriers accessing services including health and education, particularly for transport disadvantaged communities</li> <li>○ barriers to family wellbeing (transporting children or other family members that require care).</li> </ul> </li> <li>• exacerbation of workforce and skills challenges for industries that require licences and all employment in regions without public transport including:             <ul style="list-style-type: none"> <li>○ construction</li> <li>○ primary industries</li> <li>○ care sectors</li> <li>○ the transport sector</li> </ul> </li> <li>• the loss of driver licence support sector skills and infrastructure if the current sector is not stabilised</li> <li>• the number of deaths and serious injuries on our roads continues to remain high as unlicensed and untrained drivers continue to drive on the roads, this will have significant impacts on the Government's ability to meet our target reduction in death and serious injuries under Road to Zero.</li> </ul>
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**Section 5D: Scaled option**

*The answer must not exceed 1-2 paragraphs.*

<p><b>Option overview</b></p>	<p>The preferred option is already a scaled option based on a minimum level of intervention to address the most significant need of communities disadvantaged through lack of access to a driver licence. The preferred option will directly support 64,000 people over four years to get a driver licence and also assist some other people to have tests in areas not currently served. The scaled option reduces the pace at which the programme will reach those with significant need by reducing the quantum of contracted services for driver licence support and reducing sector capacity support.</p> <p>We estimate that a minimum viable scaled option could support 55,000 people over 4 years. The implementation of sector capacity and capability improvements would be slowed, and some improvements would not be achieved such as use of DRIVE resources in schools or with key target groups. The proposals to improve equitable access to testing should not be scaled as they are essential for the programme to meet the goals with more transport disadvantaged communities and may not be economic at smaller scale as they require investment (e.g. additional vehicles). Improved access to testing will also support the current considerable built-up demand in some areas. The scaled options are not able to reduce the implementation cost much as this is essential for effective ongoing delivery of a coherent system.</p>
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**BUDGET-SENSITIVE**

*Provide a breakdown of what the minimum viable option would purchase. If the formula used or key assumptions made differ from those used for the primary option, briefly explain these. Add additional rows to the table as needed to capture each output separately.*

Formula and Assumptions	This scaled option stabilises the sector (\$17 m per annum of ongoing contracts) but does not expand the sector and reduces some sector engagement. It will also reduce the level of sector development resources (by \$0.6m each year) and does not include development of accessible DRIVE education resources.										
Input - Operating	Operating Funding profile (\$m)										Total
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears						
<b>1 MSD contracted driver licence support</b> <i>(stabilise and expand)</i>	0	10.000	15.000	17.000	17.000					59.000	
<b>2 MSD Implementation:</b>	0	0.100	0.050							0.150	
a) Consultation /co-design	0	0.500	0.125	0.125	0.125					0.875	
b) IT development for reporting	0	0.050	0.050	0.050	0					0.150	
c) Monitoring development	0	0.986	0.986	0.986	0.986					3.944	
d) Contract management and reporting (regional and national (6.85 FTE)	0	0	0.083	0.083	0					0.166	
e) Monitoring / evaluation development (0.5 FTE)	0	0.216								0.216	
f) Service design (1.5 FTE)	0	0.800	0.800	0.800	0.800					3.200	
<b>3 Access to testing::</b>	0	1.500	1.500	1.500	1.500					6.000	
a) mobile theory testing	0	0.090	0.090	0.090	0.090					0.360	
b) practical testing in uneconomic areas	0	0.750	0.750	0.750	0.750					3.000	
c) Testing Admin (1 FTE)	0	0.180	0.180	0.180	0.180					0.720	
<b>4 Sector capacity:</b>	0	15.220	19.640	21.560	21.430					77.850	
a) Regional Advisors – community Driving Programmes (5 FTE)											
b) Train the trainers (1.5 FTE)											
<b>Total</b>	<b>0</b>	<b>15.220</b>	<b>19.640</b>	<b>21.560</b>	<b>21.430</b>					<b>77.850</b>	
Input - Capital	Capital Funding profile (\$m)										Total
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
<b>Total</b>											
<b>Appropriations</b>	The total <b>\$64.576</b> for Vote Social Development funding would sit in a new Driver Licence Support Multi Category Appropriation (MCA) to enable effective monitoring of the effectiveness the programme. The total <b>\$13.28</b> for Vote Transport funding would sit in the Non-Departmental Output Expense: Land Transport Regulatory Services										



## Section 5E: Monitoring and Evaluation

*The answer must not exceed 1-2 paragraphs.*

A continuous improvement system is integral to this initiative with ongoing monitoring, reporting and evaluation. Contract management will be informed by up-to-date reporting data on referrals (how many and where from), take-up, un-met demand or unfilled places and effectiveness (driver licence outcomes achieved / pass-rates and in some cases employment or off benefit outcomes). This data will also inform partnerships between providers and testers and related testing infrastructure improvements, such as redeploying testers to places with greatest demand. There will also be evaluation of broader outcomes and equity through the Integrated Data Infrastructure (IDI) which has the ability to:

- provide regular timeseries monitoring of access to driver licence by key dimensions (ethnicity, age, gender, location, labour market status and benefit receipt)
- identify gaps in the provision of driver licence support
- evaluate the impact of regulatory changes, provision of driver licence support and improved testing on driver licence status on outcomes such as safety and social wellbeing outcomes e.g. justice, employment, income, education and training.

The data work has been costed at \$0.316 over three years to build the capability and cooperation across impacted agencies using the IDI infrastructure. Reports drawing on the IDI and administrative data to evaluate whether the collective changes will be provided to relevant joint Ministers at least annually. They will consider the following performance measures.:

- improving access to driver licences for those most impacted (equity)
- improving access to employment, education and training for people in those communities
- improving road safety (crash data for licensed and unlicensed groups).
- in future we may also be able to look at whether there are reductions in the impacts of fine debt and criminalisation related to driver licence offending. At this stage the data is limited to corrections related events and police arrests because fee/fine level criminal events are not currently in the IDI.

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**Section 5F: Implementation readiness**

*The answer to each question must not exceed 1-2 paragraphs.*

<b>Workforce: Are additional FTEs or contractors required?</b>	Y	<p>Waka Kotahi will employ:</p> <ul style="list-style-type: none"> <li>• 7 Regional Advisors FTE who are experts in driver education, working with the testing system and running a driver training programme.</li> <li>• 3 Train the trainer support FTE who are trainers for trainers of accredited testers and driving instructors (that receive I and O Endorsements from Waka Kotahi) and others delivering driver education.</li> </ul> <p>MSD will employ 6.85 FTE ongoing, 0.5 FTE for two years and 1.5 FTE for one year including:</p> <ul style="list-style-type: none"> <li>• 1 national FTE to manage the overall programme who is an experienced contract manager</li> <li>• 5.85 regional FTE which comprises the following in each region:             <ul style="list-style-type: none"> <li>○ 0.2 FTE for Regional Contract Management (RCM) for contract management, monitoring and engagement related to driver licence support</li> <li>○ 0.25 FTE for Regional Contracting Assistant (RCA) for admin, payments, resulting, reconciliation for payments related to driver licence support (this is an administrative role)</li> </ul> </li> <li>• 0.5 national FTE (for 2 years for monitoring and evaluation activity).</li> <li>• 1.5 FTE fixed term to assist with the design of the new long-term nationwide contacting approach including referral pathways, eligibility guidance and sector engagement (including with iwi and Maori providers). This requires service design and engagement skills.</li> </ul>
		<p>The Regional Advisor and Train the Trainer support roles require extensive knowledge and experience but will be attractive to some already in the industry or Waka Kotahi itself. A wide geographic spread may be more challenging.</p> <p>Many of the proposed new MSD FTEs can be recruited from existing staff that are temporarily employed (as part of the CRRF). The more senior roles are also likely to be recruited (and or seconded) from existing staff and there will be a need to back fill their current positions.</p>
<b>Workforce: Resourcing considerations</b>		<p>FTE calculations for this investment are based on existing positions (the same expertise and roles in the field) where we have known salary bands and overhead costing.</p>
<b>Timeframes</b>		<p>The intention is to commence sector engagement and consultation on future procurement models for driver licence support (consistent with the social sector commissioning framework) as soon as possible after Budget decisions are announced. This will be led by current senior staff (or new staff) recruited into the leadership roles as soon as Budget decisions are confirmed. Recruitment to any unfilled positions can occur at the same time. The intention is for:</p> <ul style="list-style-type: none"> <li>• an initial nationwide RFP to be undertaken in October 2022 (however, it is likely that funding to stabilise some existing contracts will be required from July 2022)</li> <li>• service design for a future referral contracting approach alongside the sector engagement and through-out the 22 / 23 financial year</li> <li>• a substantive nationwide RFP in the 23/24 year for ongoing contracts and expansion</li> <li>• expansion in the 23 /24 year and beyond will be dependent on sector growth and sufficient testing availability which will be addressed by Waka Kotahi noted below.</li> </ul> <p>An important key to success is to reduce the time between driver education course completion and testing to maintain momentum. Likewise, well trained candidates have a much higher success rate than those not well prepared. Failures/retest also add strain into the system so ideally the MSD support programmes will happen at the same time as the expansion of equitable testing services. However, the expansion of testing is not contingent on growth of MSD services as there is already considerable demand.</p>



## BUDGET-SENSITIVE

<b>Delivery Risks</b>	<p>The following risks are primarily related to the coherence and navigation of the system:</p> <ul style="list-style-type: none"> <li>• that testing is not available in a timely way for people who have received support and are ready to sit a test (mitigated through MSD and Waka Kotahi supporting their contracted testing and support providers to work together to achieve local solutions and ensure timely access to testing – this is currently being trialled in some regions)</li> <li>• that people who need support, and those assisting them, do not know where to access the support they need (mitigated by investment in referral pathway partnerships, design, a public directory and promotion activity)</li> <li>• that good providers fail and exit the market because they do not receive sufficient advice or funds for ongoing contracts in a timely way (mitigated by investment in sector engagement, partnerships and longer-term contracts)</li> <li>• that parts of MSD are slow to recognise their new role as lead contractors for driver licence support</li> <li>• that support providers focus solely on getting people licences rather than on creating safe drivers – (mitigated by Waka Kotahi’s regional expert advisors)</li> <li>• that providers are overwhelmed by demand (noting it will be a capped budget and we do not expect to match demand in the first 4 years).</li> </ul> <p>To address all these risks partnerships between Waka Kotahi, MSD, the Police, courts, schools and contracted providers will continue to be supported at national and local levels through ‘cross-agency’ governance related to this project. MSD national office has also already begun to populate a public directory with current contracted driver licence support services and is working with referral partners such as the NZ Police. Appropriate referral pathways will be further developed in consultation with the sector and publicised in the ‘Connected’ infrastructure to ensure wide understanding of the opportunity for support. MSD will also work with the sector to ensure any at-risk providers are assisted as required. Subject to Budget decisions, there is an intention to agree on messaging for the whole of MSD, wider sector and public about this work prior to the Budget announcements.</p>
<b>Market capacity</b>	<p>MSD currently contracts 151 providers across 11 regions for approximately 17,000 participants. This indicates current market capacity.</p> <p>This proposal to sustain and expand the sector is constrained over the longer term by the speed at which the sector can grow and by suitable testing infrastructure. The MSD and Waka Kotahi components work hand and glove to achieve this growth with investment in expert advice, accessible resources and sustainable longer-term contracts allowing providers to invest in their infrastructure and staff. It is assumed that this initiative will begin to match demand for support from those in significant need after 4-5 years. Monitoring data will test this assumption as the programme is rolled out and adjust contract settings, referral pathways and testing partnership arrangements as required.</p>
<b>Previous delivery experience</b>	<p>The current constraint is not the market but rather the available funds. We know the market can deliver contracted driver licence support services equal to the proposed additional numbers for phase one (about 10,000 participants) in year 22/23 because:</p> <ul style="list-style-type: none"> <li>• MSD are currently contacting most of these services (with unsustainable funding). Phase one will primarily sustain effective contracts.</li> <li>• The market was tested to a limited degree (with tight funding parameters) in June 21 when an RFP closed for driver licence services. There were 20 viable tenders. Eight were recommended for contract (1-2 years). We know some NGOs did not apply that could have.</li> </ul> <p>The plan is to evolve and replace these contracts over time to improve their effectiveness and coverage into areas and for groups that experience the most significant disadvantage. Sector development is required for future year expansion as built into the Vote Transport aspect of the bid.</p>

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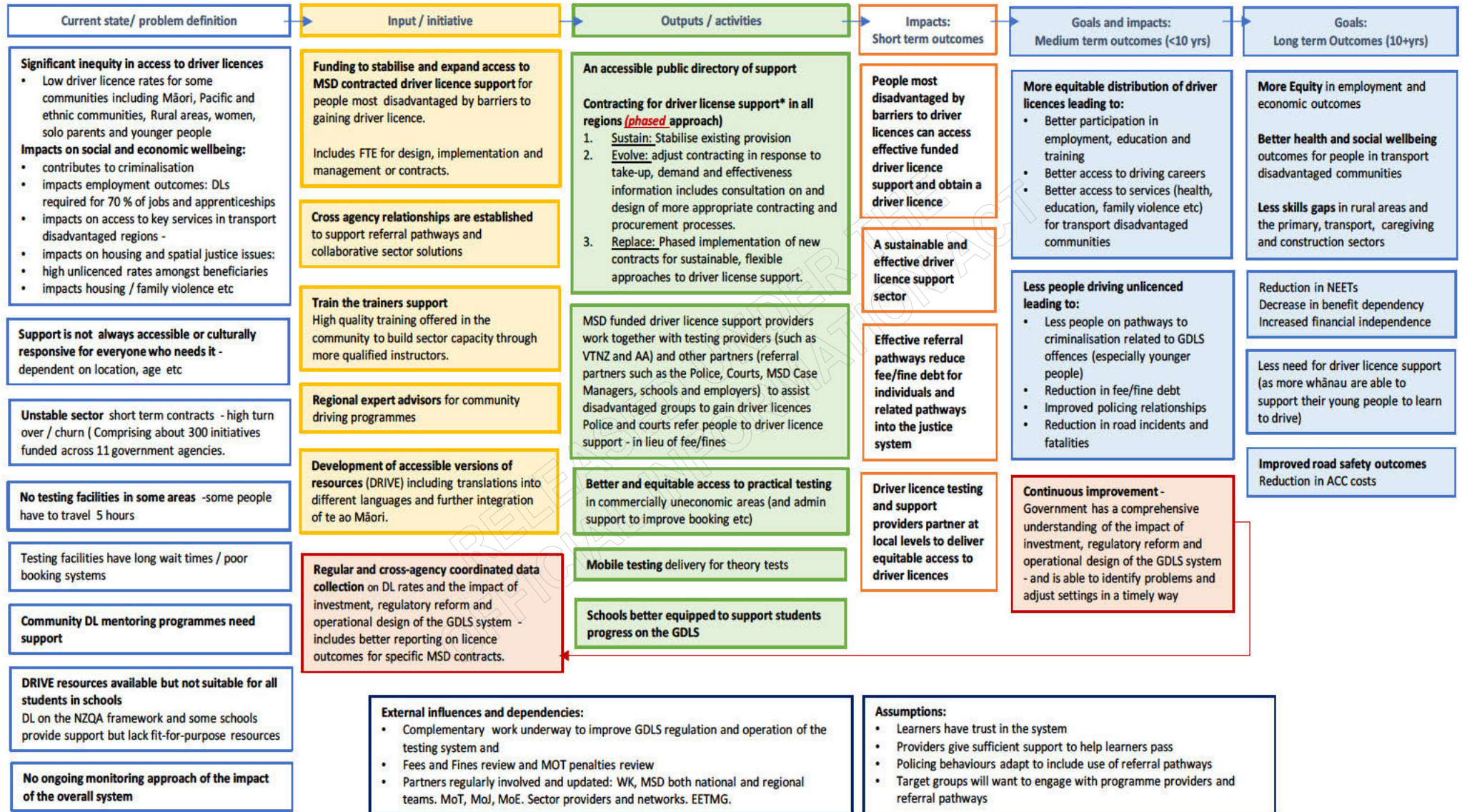
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Appendix B- Intervention Logic Model



\*Driver licence support includes access to: driver instruction; mentoring; literacy support; funds to cover test costs and a suitable vehicle

\*Providers are a range of private training centres, not for profit programmes, Iwi Māori, Employers, Tertiary education providers and population specific employment of health programmes of which drivers licencing may be a factor

# Report

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**Date:** 2 September 2021      **Security Level:** IN CONFIDENCE and Budget Sensitive  
**To:** Employment, Education and Training (EET) Ministers Group

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## Advice on a framework for investing in driver licence support

### Purpose of this report

1. This paper recommends a framework for providing driver licence support and related Budget 2022 proposals to be considered by the EET Ministers Group on 9 September 2021.

### Key points

2. Proposals to create more equitable access to driver licences have been identified across various portfolios and are interdependent. The collective impact of this work will contribute to a range of Government priorities including equity, employment and road safety, and it is important to continue to treat them as a package, including at a service delivery level.
3. This paper focusses on proposals for the Ministry of Social Development (MSD) to lead contracting for driver licence support. However, we recognise that MSD will rely on partnerships with the Police, courts, schools, testing providers, support providers and communities to be effective. This is especially important for referral pathways that ensure support goes to people who are most impacted by barriers to getting a license (such as some people caught breaching licence rules).
4. MSD Regional Commissioners support the proposals in this paper and have outlined innovation and operational approaches to ensure any all-of-government investment delivers long-term benefits for the community. This feedback will inform further development of Budget 2022 proposals and advice to the Minister for Social Development on implementation.
5. The first priority for MSD and the related Budget 2022 proposals is to stabilise and expand access to driver licence support. Estimates of the potential cost and phasing are suggested in this paper, but details are yet to be developed and in part depend on the outcomes of work in the driver licence testing and regulatory space.
6. A companion paper from Waka Kotahi outlines progress on addressing driver licence testing challenges and identifies opportunities for future work and partnerships that will improve equity. For example, there are proposals that will make testing fees more equitable.
7. The Ministry of Transport will provide advice to the Minister of Transport on the Graduated Driver Licence System (GDLS) regulatory review (which was club-funded by 10 government agencies) in October 2021 (see Appendix A). More clarity on whether the practical test for the full licence contributes to improved safety is particularly relevant. If safety data supports removing the full licence test, it would reduce the numbers of people needing funded driver licence support and free up the testing system.
8. Cabinet recently agreed to consult on a proposal to amend the Land Transport (Driver Licensing) Rule 1999 to revoke the time-limited licence policy. It is proposed that this rule change is in force by December 2021. The amendment will alleviate some pressure on the driver licence system.
9. This paper also outlines opportunities to improve policing of driver licence offending to reduce potential downstream criminalising impacts and proposals for ongoing cross-agency monitoring that uses the Integrated Data Infrastructure (IDI). Appendix B provides the latest data on driver licence access and impact from the IDI.



## It is recommended that the EET Ministers Group:

1. **agree** that the framework for government contracted driver licence support includes:
  - establishing a lead agency to oversee equitable access to driver licence support with functions outlined in recommendation 2
  - sector capability development and regulation of the driver licence support sector
  - recognition that some driver licence support will be provided as one component of a broader service (e.g. Corrections or Refugee Settlement Services) and therefore not be facilitated or funded by the lead agency
2. **agree** that MSD is the lead agency tasked with:
  - ongoing contracting for an equitable level of driver licence support in all regions and stabilising effective provision in the current driver licence support sector
  - managing a public directory of funded driver licence support (not just MSD funded)
  - enabling and monitoring referrals to driver licence support to those in most need
  - managing the driver licence data infrastructure for monitoring access and impact
  - continuous system improvement and advice in response to evidence and consultation
3. **note** that proposed investment in government contracted driver licence support capability will draw on funds managed by Waka Kotahi NZ Transport Agency, as well as proposed new funding
4. **agree** that a multi-agency Budget 2022 package includes proposals to:
  - stabilise and expand effective driver licence support and related implementation costs:
    - contract management processes
    - managing a public directory and development of referral pathways for support
    - ongoing monitoring of access to driver licences and related impacts
  - support sector development and innovation, including development of education curriculum resources and mobile testing capability for schools
5. **agree** to the following principles and parameters to inform the operational design and implementation of the framework for government contracted driver licence support:
  - 5.1. procurement and contracting approaches will:
    - seek to sustain existing success and develop the sector over time
    - be designed in consultation with providers, including, in particular, Māori providers
    - provide for a consistent and national outcome focus and contract oversight
    - leverage regional relationships to ensure local responsiveness and innovation
  - 5.2. ensure support is directed to people most impacted by barriers to driver licences through:
    - eligibility criteria and targeted contracting that draws on up-to-date data and local knowledge and relationships
    - effective referral pathways (including from the Police and courts) informed by data and continuous improvement strategies
6. **agree** that (assuming recommendations 1-5 are agreed) MSD will report to the Minister for Social Development on the proposed operational details of the contracting and phased implementation of the above framework

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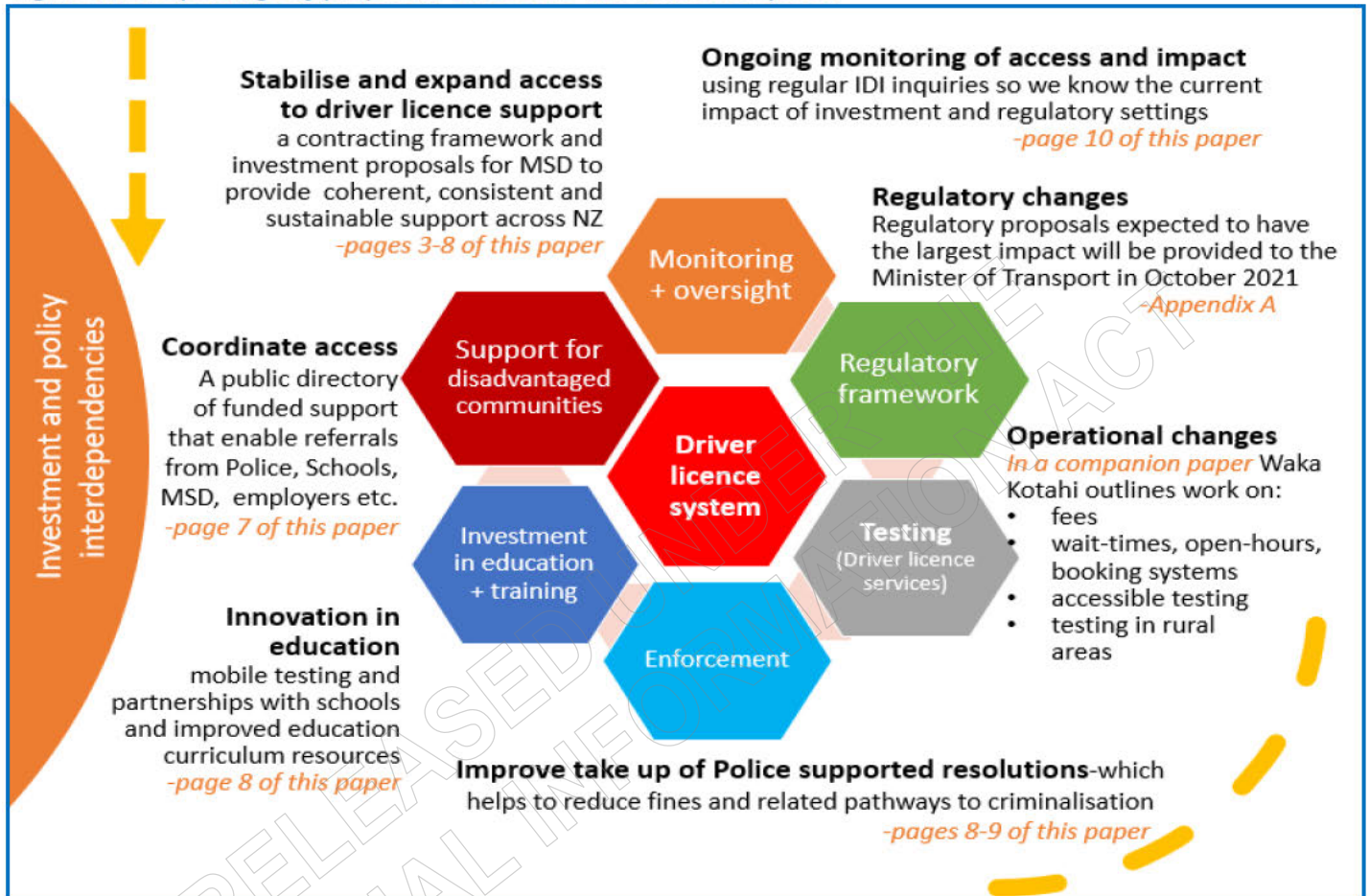
Author: s9(2)(a) , Responsible manager: Anne Riley, Policy Manager, Employment Policy

## Background

### Cross-agency work programme

10. Officials are progressing work on equitable access to driver licences to improve wellbeing and economic outcomes alongside improved road safety (see Figure A).

Figure A: The package of proposals across the driver licence system



### Development of a driver licence support framework

11. In February 2021 Ministers directed officials to provide advice on:

*a unified and nationwide funding framework for outcome-based contracting at a regional level to improve current investment, maintain effective programmes and partnerships and address gaps, which may require additional funding*

12. In July 2021 Ministers agreed that this framework should **target** support to remedy system inequities and that one agency should be tasked with funding and contracting most targeted driver licence training and support.
13. Design of this framework has been informed by stakeholder engagement, including with NGOs, private providers, Iwi and Māori led programmes, young learners and government agencies. An overview of what we heard from this engagement is outlined in Figure B.

### What 'driver licence support' consists of varies depending on individual need

14. Funded driver licence support may include access to: lessons and driver training; mentoring; literacy support; funds to cover test costs (including test costs) and a suitable vehicle.



Figure B: What we heard from sector engagement



### Proposed driver licence support contracting framework

15. An overview of the proposed framework is provided in Figure C. It includes the following:

#### 1-Establish MSD as a lead agency tasked with overseeing equitable access to driver licence support

16. Officials propose MSD as the lead because MSD already:

- has relationships with most target groups requiring funded driver licence support
- manages multiple contracts at a national and regional levels
- is the largest funder of driver licence support and has relationships with relevant providers.

#### 2-Support sector capability development and regulation

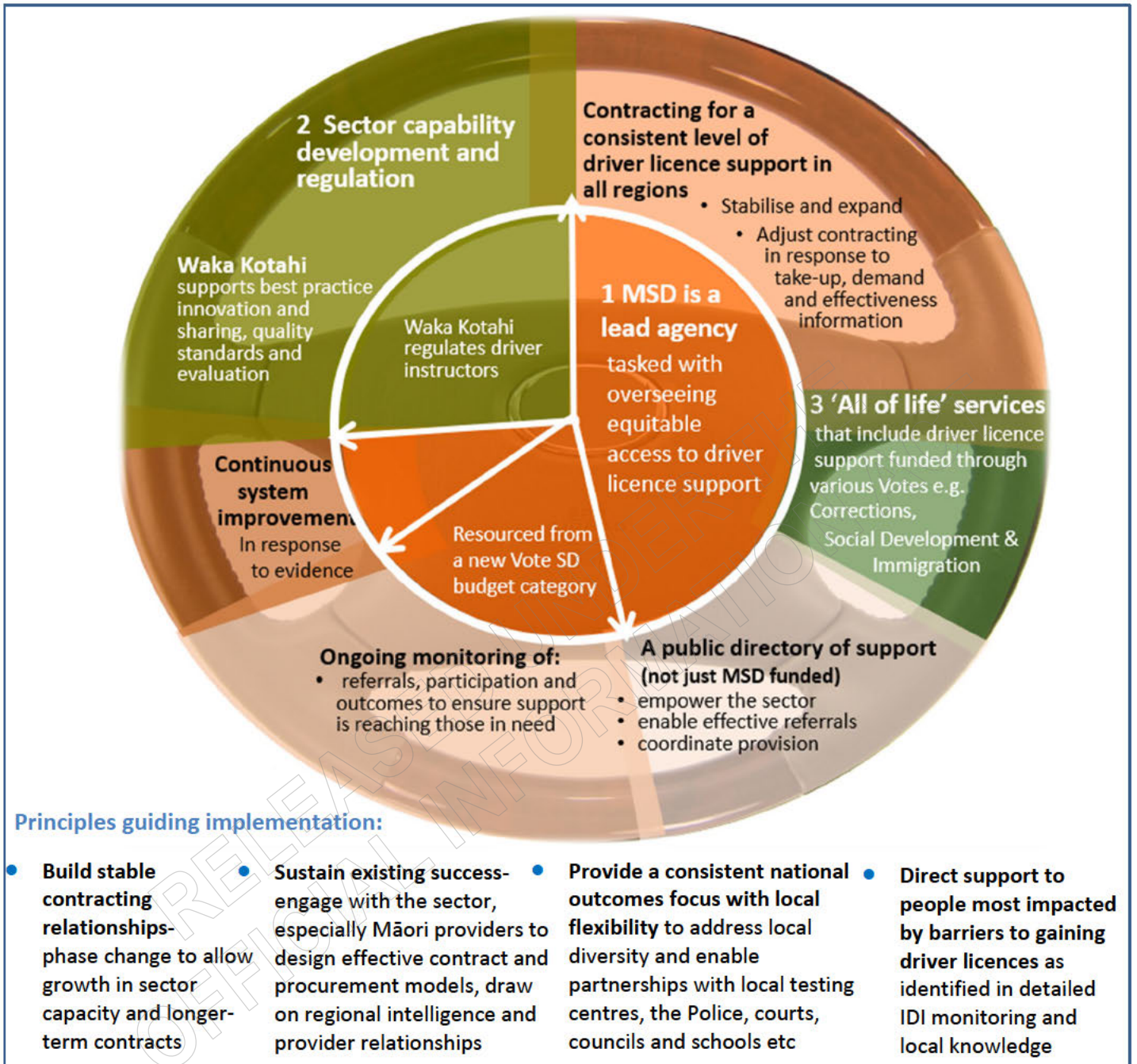
17. It is envisaged that more sustainable contracting (and job security) will assist the recruitment and retention of driver testing and training roles and related sector capacity. There will also need to be investment in sector capability which Waka Kotahi is well placed to promote through existing funds charged with promoting road safety and through resources such as the ‘Drive’ programme. Investment in ‘train the trainer’ programmes may also be required which could be supported (at least partly) through MSD employment services such as Flexi-Wage Self-Employment (for eligible people).

#### 3-Recognise that some driver licence support will be provided through ‘all of life’ services

18. It is necessary to maintain some driver licence support within broader services for specific cohorts or objectives: for example, corrections-based services, refugee resettlement or industry skills partnerships. While these may not be contracted for or funded by MSD it will be important for MSD to have knowledge of these services to assist with monitoring the effectiveness of cross government investment.



Figure C: Key components of the driver licence support contracting framework



*Phased implementation building on existing success*

19. Phased implementation will allow growth in sector capability and capacity and help to develop longer-term contracts that enable strong contracting relationships, consistent with recent proposals on social sector commissioning<sup>1</sup>.
20. Related procurement approaches and contracts will need to be designed in consultation with the sector to ensure we retain successful services and partnerships. This will be especially important for Māori providers as it is evident that culturally responsive and whānau-centred

<sup>1</sup> 'Social Sector Commissioning' an initiative co-led by Oranga Tamariki and MSD, aims to reset the relationship between government funders and NGO providers of health and social services. It intends to promote a more relationship based, collaborative approach to commissioning, which reflects the need to work together to achieve increased intergenerational wellbeing for individuals, families, whānau, and communities in the longer term. Proposals are being developed for Cabinet consideration later in 2021 that propose a change programme to embed a relational approach to commissioning, which is enabled and sustained by a range of system changes, commitments and guidance.



support is most effective for Māori (such as services offered by Māori providers in the Tairāwhiti and Greater Wellington region). The contract design needs to ensure that effective Māori driver licence support is not excluded through unfit contract standards.

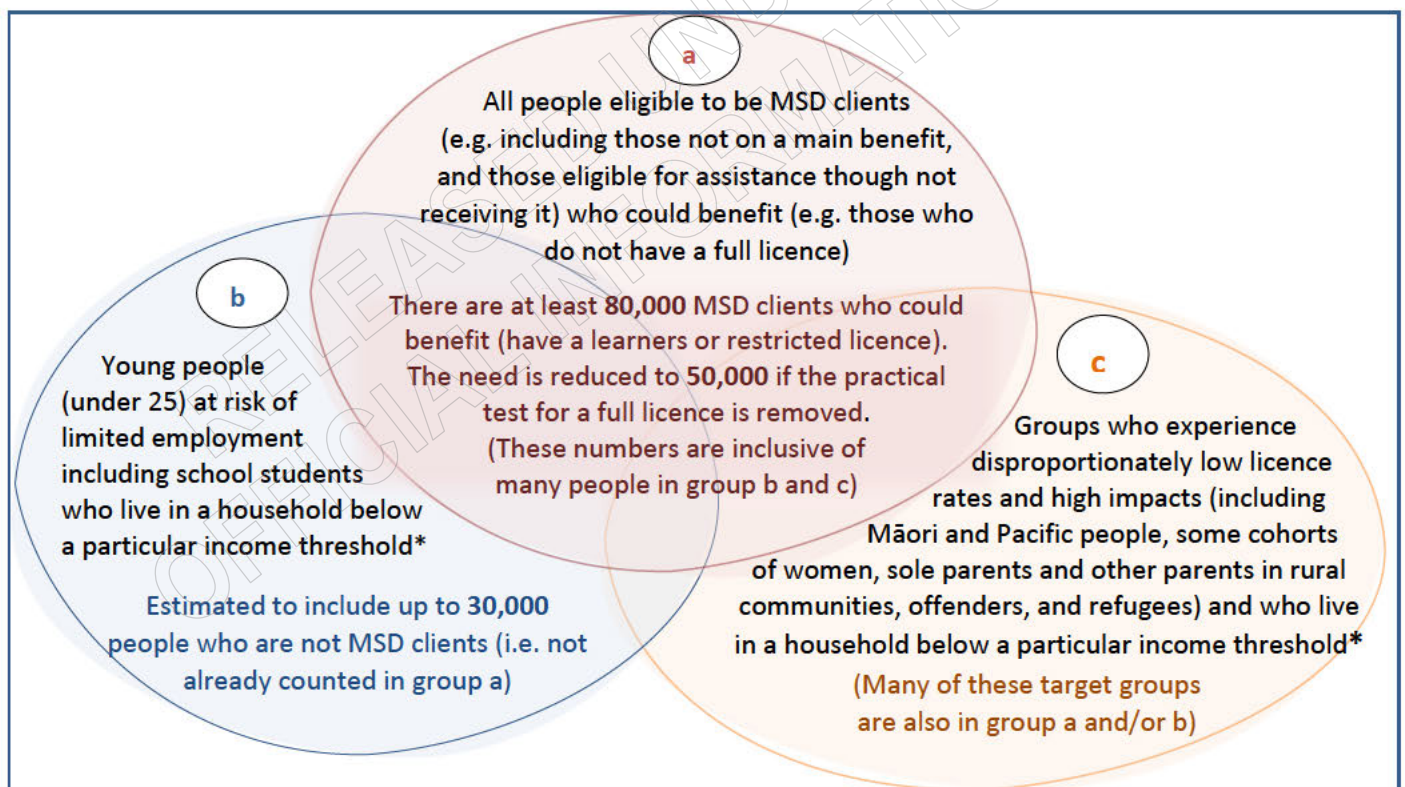
*Leverage MSD regional contracting structures and relationships in procurement processes*

21. To ensure an equitable level of support is available in all areas we propose maintaining national oversight and consistent contracting parameters. However, this does not mean all areas should have the same contracting approach. We know that many local providers and partnership arrangements are best placed to respond to local challenges and offer appropriate support.
22. Regionally informed contracting will enhance responsiveness and the scope for innovation, collaboration and cost saving in different contexts. It will also allow regional governance (including Regional Public Sector Leads and Regional Skills Leadership Groups) to address local needs and partnerships with testing centres, the Police, courts, councils and schools.

*Direct support to people most impacted by barriers to gaining driver licences*

23. We propose that the eligibility criteria in the driver licence support appropriation is broad enough to include all people that the data tells us are significantly impacted by barriers to getting a licence (see Appendix B). In particular, this includes the groups outlined in Figure D:

*Figure D: High-level eligibility for the MSD driver licence support programme appropriation*



24. Further targeting of support will be achieved through prioritisation and eligibility criteria in service contracts informed by local knowledge and data e.g. a contract may target Pacific solo mums or a deprived rural district. Cost risks can be managed by capping the number of outcome payments per year, and providers then manage acceptance of clients referred (including self-referrals) within their contract’s eligibility criteria and capped places.
25. \*Operational advice on how eligibility and targeting will work (including a measure for determining a household income threshold) will be developed for the Minister of Social Development after high level decisions are made.



*Effective referral pathways and a public directory will be critical to ensure access to support*

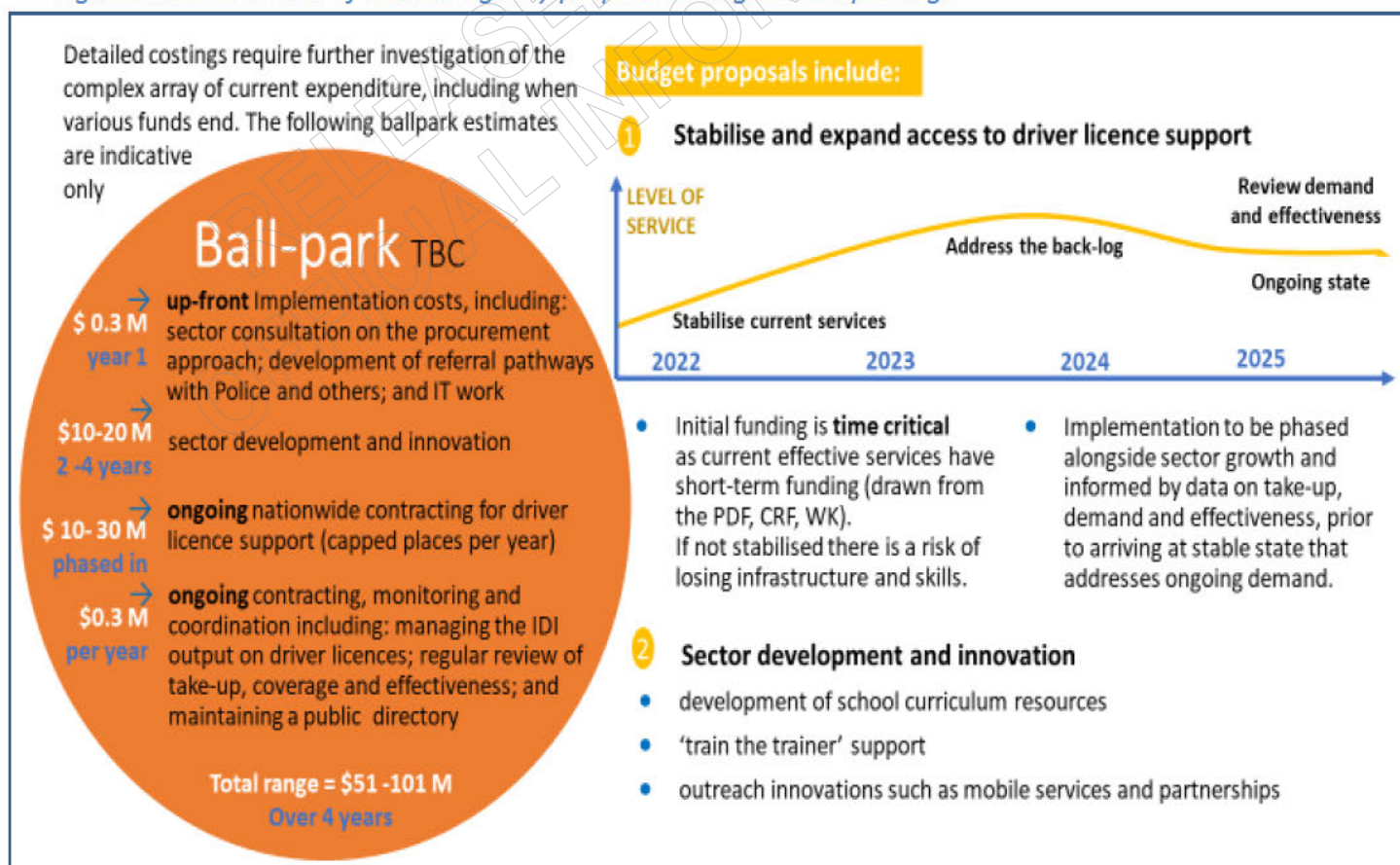
26. Strengthening referral pathways for target groups will help ensure support gets to where it is needed most. This will involve investment in service design including IT systems that address privacy concerns and support cross agency referrals such as from the Police or courts.
27. Effective referral pathways will also require ongoing investment in a public directory. A diverse range of driver licence support options will continue to be delivered across regions and a well-managed public directory will make it easier for all stakeholders to navigate this sector. This is particularly important for referral partners including: MSD staff (case managers and work brokers), the Police or courts, schools, employers and other primary industry stakeholders.
28. Other benefits of a directory include providing an overview of funded support (including eligibility and capacity) and empowering providers to build partnerships with other providers.

### Proposed Budget 2022 package to support equitable access to driver licences

*Proposal to fund MSD's new responsibilities from a dedicated budget appropriation*

29. This will help MSD contract, reporting and data management systems to consider the full range of outcomes that may be addressed through driver licence support (e.g. not just employment outcomes) and it will help us measure the effectiveness of the overall investment. New investment may also be required to support sector development and innovation.
30. The proposed range of total expenditure is approximately \$51m over four years (comprising \$10.3m per annum ongoing, plus some one-off implementation and sector development costs) up to \$101m over four years as outlined in Figure E.

*Figure E: An overview of a multi-agency proposed Budget 2022 package*



31. The scaled options are based on changes to the number of people who are supported to gain driver licences and the speed at which the sector is able to grow, see Table A.



Table A: Scaled option and phasing for rolling out driver licence support

Scaled options	How many people	Comment
1) \$10-15m* each year and ongoing	Supporting about 10,000 people** to gain driver licences each year	This is the minimum funding required to stabilise the current sector. It is anticipated a review of take-up/demand will establish ongoing requirements
2) \$10-15m year one build to \$20m in year 3 and ongoing	Building to support about 20,000 people each year	Sector development resources will be also be required for sector growth, including some 'train the trainer' support
3) \$10-15m year one build to \$30m in year 4 and ongoing	Building to support about 30,000 people each year	We envisage that options 2 and 3 will address the back-log prior to arriving at a stable state addressing ongoing demand (subject to review)

\* Determining the cost to stabilise the sector requires further analysis of current expenditure from temporary/unsustainable sources.

\*\* Estimates of the number of people supported is based on an average cost of \$1000 per person/ licence. The exact cost is dependent on testing costs currently under review and whether two practical tests will be required. The number of people that will benefit in various target groups will be provided in the Budget bid development process.

32. It is assumed that new funding will not displace/replace existing investment in driver licence support, such as arrangements for communities that do not experience disadvantage.

#### *The role of schools and additional funding support for education sector development*

33. Schools are largely independent when it comes to setting local curriculum and extracurricular activities. Some driver education exists in schools reflecting local need with support from the school's management or board of trustees. Most school driver education is small scale, in low to mid-decile schools in rural towns and targeted at students with the highest needs. Schools usually play a coordination role with practical driver lessons carried out by private instructors or volunteers from a community-based programme.

34. Programmes are funded through various means – usually a community funding source, often school funding (either the operational grant or from STAR or Gateway funding) and sometimes government funding (local government usually but MSD, the Police, MBIE and Te Puni Kōkiri have all contributed to programmes previously, either directly or indirectly).

35. NCEA credits are available for licensing via three-unit standards but schools often only apply for these when students need the credits to gain a qualification.

36. The Ministry of Education developed Budget proposals in 2020 for curriculum and other resources to enhance driver licence support partnerships with schools. This will inform the Budget 2022 proposals. It is envisaged that additional funding will target low decile schools.

#### Opportunities to improve the policing of driver licence rules

*Breaching driver licence conditions is common, and while it is not on its own a pathway to entering the criminal justice system, it can contribute to criminalisation.*

37. There is evidence of “normalisation of breaching licence conditions” for some groups. This can contribute to a downward spiral of unpaid infringement fees that lead to larger court fines; demerit points; community sentences; impounded cars; driving disqualifications and convictions for driving while suspended. Indefinite disqualifications (a disqualification that lasts more than one year) are not subject to the NZ Clean Slate scheme so create a permanent record that reduces employability. Court suspensions of driver licences for overdue fines from traffic offences also contribute to people losing their job or acquiring licence-related fines.

38. Key observations by the cross-agency working group include that:

- half of infringement fees are referred to court unpaid and therefore become fines
- motivation to pay fees can be low when 'unaffordable' such as with multiple fees/fines incurred over time or in one stop (e.g. fees for breaching licence conditions, not having a Warrant of Fitness and speeding could cumulatively result in over \$800 from one event)

- *the pathway to criminalisation is long and indirect* potentially involving accumulated fines and breaches of community sentences. Current data is indeterminate about the role of driver licence offences. However, the IDI may provide a clearer picture in future.

#### *Current initiatives that may help to reduce the risk of down-stream criminalisation impacts*

39. The Department of Corrections supports offenders to get driver licences as this opens up employment opportunities and breaks the cycle of reoffending.
40. Currently the Police offer compliance (a supported resolution) in around 80% of eligible cases that include driver licence offending (i.e. an option to gain a licence and not have to pay the fine). However, there is only 15% take up. Work is underway to improve take-up and, in particular, to roll out the 'AWHI approach' (a prevention-first policing model) nationally. Success depends on good district level partnerships between Police-designated Kaiawhi and providers; access to funded driver licence support; sufficient time for offenders to gain licences and the motivation of the offenders.
41. An effective Tāmaki Makaurau driver licence partnership established in 2018 involves the justice sector, MSD, schools, Waka Kotahi, the Auckland Business Chamber and more working together at a local level to support young people to receive driver licence support.
42. The Ministry of Transport review of GDLS penalties will be considered in parallel to the GDLS regulatory review (see Appendix A).

#### *An opportunity to improve take-up of supported resolutions and avoid fees becoming fines*

43. There is an imperative for MSD, the Police and the broader justice and transport sectors to keep working together (building on partnerships at local levels) to ensure referrals to support work for individuals identified by the Police or courts as breaching driver licence conditions, and to improve our understanding of why some people do not accept support. In particular, alignment between the work by the Police on AWHI, the Auckland Justice Sector partnership and the new MSD contracting framework can promote district level relationships and provide a more integrated approach to supported resolutions for driver licence offences.

We recommend that MSD makes eligible police or court referrals a priority for getting driver licence support. This will help MSD to target resources at the people who most need support, and given that these individuals are already driving, will likely improve road safety as well.

44. Other opportunities to improve supported resolutions may include work between the justice and transport sectors to ensure time is available for either the fee to be paid or resolved prior to being referred to court unpaid. Current standard police practice for referral to court is 72 days which can be insufficient time for compliance. The Ministry of Justice advise that:
  - the Summary Proceedings Act 1957 (s21(5) & (5A)) allows filing for up to 6 months after issue of the infringement notice or up to 12 months if a time payment arrangement was entered into and then breached
  - currently the Police do not accept part payment of infringements, whereas the Court can. However, once a matter comes to court it incurs additional costs which adds to the financial burden. One option may be to refer matters to court early to enable part payments without incurring additional costs. The Police noted that they are in the planning phase for a new operating model which could consider how to enable part or delayed payments.
45. An amendment to the Clean Slate Scheme could enable indefinite disqualifications to be subject to the scheme, so long as the disqualification is revoked and criteria are met.
46. Any adjustments to the way that penalties are applied to driver licensing infringements or to the clean slate regime will be dependent on the progress of criminal justice reform legislation. Government has yet to take final decisions about the timing and scope of this work. We will provide updates in due course.



## Ongoing monitoring to inform continuous system improvement and advice

### *Updated IDI code and data extraction was completed July 2021*

47. The Ministry for Women and Stats NZ, in collaboration with other agencies, have updated data on access to driver licences and its impact through an output from the IDI. This confirms previous analysis and adds a gender and regional lens (see Appendix B for a summary).

### *There is cross-agency ownership and interest in this IDI data and potential to further enrich the analysis with additional data input and broader collaboration*

48. We consider the IDI the best data platform from which to monitor, research and evaluate the access and outcomes from the driver licence system. The IDI has the ability to:

- provide regular timeseries monitoring of access to driver licence by key dimensions (ethnicity, age, gender, location, labour market status and benefit receipt)
- identify gaps in the provision of driver licence support
- evaluate the impact of regulatory changes and provision of driver licence support on driver licence status as well as related outcomes such as safety and social wellbeing outcomes (e.g. justice, employment, income, education and training).

### *However, currently we do not have the required data or capability to deliver what is required*

49. **Data:** At present there is insufficient information on police fines, court debts or road crashes in the IDI. We need commitment by the relevant data agencies to explore ways to improve the supply of this information into the IDI and support Stats NZ in preparing this data for the IDI.

50. **Capability:** Use of the IDI requires specialist skills and access to a Stats NZ data lab. We need:

- *IDI code modules:* An inter-agency work programme to provide standardised data business rules to create analysis-ready datasets for driver licences analysis.
- *Standard monitoring data tables:* time series data tables that enable non-IDI researchers (including regional authorities, iwi, providers and agencies) to access the information.
- *IDI analysts for research and evaluation projects:* Funding for analysis needs to be available to agencies without IDI analysis capability to help them answer agency-specific questions (e.g. evaluation of the impact of regulatory changes on safety and access).

### *Proposals for MSD to help as an interim custodian of driver licence IDI data monitoring*

51. MSD has the largest IDI capability among the agencies involved with the driver licence system. and can take a lead role in helping to establish some of the required capability, such as:

- **Driver licence support (ongoing):** assuming MSD is the primary agency delivering driver licence support, MSD has responsibility for evaluating the effectiveness of these programmes and helping inform how well these are being targeted.
- **Driver licence access monitoring (establishment):** establish time series reports on driver licence access and test their usefulness with stakeholders. Once the IDI code modules and build process is working well, we consider Stats NZ best placed to provide ongoing maintenance and make these data tables available through their Infoshare platform.
- **Evaluation of non-MSD policies and programmes (support):** provide technical support to analyse the impact of policies or programmes that affect driver licences.

52. MSD has interim stewardship of the 'code' developed on driver licence data in the IDI.

However, MSD may only be a temporary custodian. A broader collaboration approach requires further exploration. It may also make sense for any broader collaboration on IDI outputs to contribute to wider EET objectives (beyond driver licences).

We recommend that the Budget 2022 proposals include resources for MSD to establish an interim 'Driver Licence Data Hub' and to help develop a cross-government strategy for future monitoring of access to driver licences, as well as the impact and effectiveness of various government initiatives.

## Appendix A: Update on the GDLS regulatory review

On 1 July 2021, the Minister of Transport provided an update to EET Ministers on the Graduated Driver Licensing System (GDLS) review, to discuss where regulatory changes to the GDLS could be made to improve access and equity outcomes. We noted that further analysis and refinement of options was necessary to incorporate quantitative analysis on the safety impacts of the options

The Ministry of Transport has requested data from Waka Kotahi and the NZ Police to complete the quantitative safety analysis. The Ministry expects to build a picture of how a driver's safety profile changes over time at different ages and stages of their licence.

### Proposed timeline

Milestone	Date
Quantitative safety data received	30 September 2021
Advice provided to the Minister of Transport	19 October 2021
Options discussed with EET Ministers Group	18 November 2021
Consultation and engagement	2022

### Data we have requested includes:

#### *Crash data separated according to driver age, licence stage and how long they held that licence*

This is to inform consideration of removing the full licence test, to give us an idea of how long a person needs to be on their restricted licence before their crash risk matches that of a fully licensed driver who has passed the full licence practical test. This should also give us an idea of when the highest crash risk is for a restricted licenced driver, which could provide a minimum time-period required before any licence conditions could be relaxed.

#### *Crash data for drivers who have failed and/or passed a full licence test*

This is to give us a picture of whether the full licence test is improving safety outcomes.

Specifically, we are looking to identify whether:

- the crash outcomes are improved for people who have passed the full licence test
- failing the full licence test is associated with a higher crash rate (including after achieving a full licence).

#### *Data on infringements issued for breaching licence conditions combined with the driver's age, licence stage and how long they have held that licence*

This should provide a picture of how risk-taking behaviour such as breaches of licence conditions change according to a person's age and how long they have had their licence. This will inform any additional safety risk likely to occur if we were to increase the minimum time-period required for a licence stage. We would also like to know how many infringement fees go unpaid to get an understanding of the equity implications of any change.

### With this data, and existing research, we expect to provide advice on the options for:

- Removing the full licence test
- The minimum time-period required for the learner or restricted licence (related to the safety impacts of removing the full licence test)
- The time-discount for completing an advanced driver training course (Waka Kotahi have completed this analysis)
- Changing the learner licence to a learner permit.

Advice on any changes to the conditions on the restricted licence may take more time. The Ministry of Transport is considering options for how any recommendations to change the restricted licence conditions could be progressed separately.



## Driver licensing infringements will be considered as part of the penalties review

The Ministry of Transport is currently undertaking a penalties review that will target high-risk driving behaviour<sup>2</sup> and GDLS penalties, considering equity issues and alternatives to infringement fees and demerit points.

The GDLS penalties will be considered in parallel to the GDLS regulatory review, which will allow learnings from each review to be shared.

The GDLS penalties review will look to identify driver licence infringements and the safety risks associated with behaviours those infringements target. This will allow us to identify infringements where the current penalty is not aligned with safety risks.

The work will consider how penalties can be applied in more equitable ways that support compliance (aligned with safety risk) and alternatives to infringement fees and demerit points.

As noted, opportunities to improve supported resolutions in policing of driver licences is being considered in the cross-agency work to improve access to driver licence support. Initial discussions in this work have indicated that a wider system view of the driver licensing infringements system must be considered. The Ministry of Transport will continue to participate in this work and consider how regulatory change of the driver licence infringements can improve outcomes.

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<sup>2</sup> not wearing restraints, driving while impaired, driving distracted, and speeding  
Advice on a framework for investing in driver licence support

## Appendix B: Equity in driver licensing- Summary results from an IDI study–July 2021

A collaborative project was undertaken by Stats NZ and Ministry for Women funded by the Data Innovation Fund. Data partners include: Driving Change, Te Puni Kōkiri, Ministry for Pacific Peoples, MSD, MBIE, and Office for Seniors.

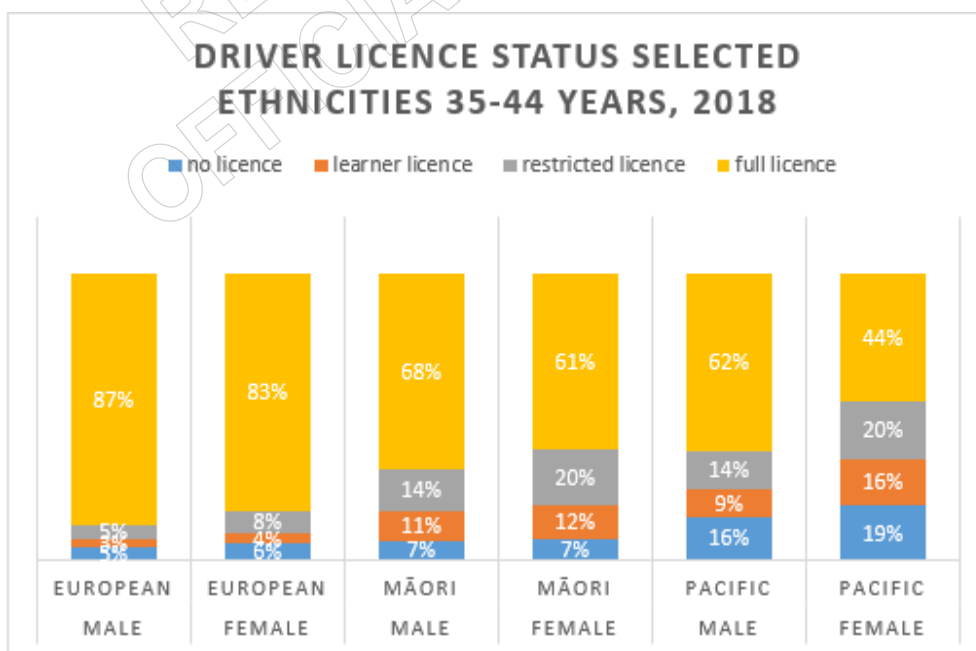
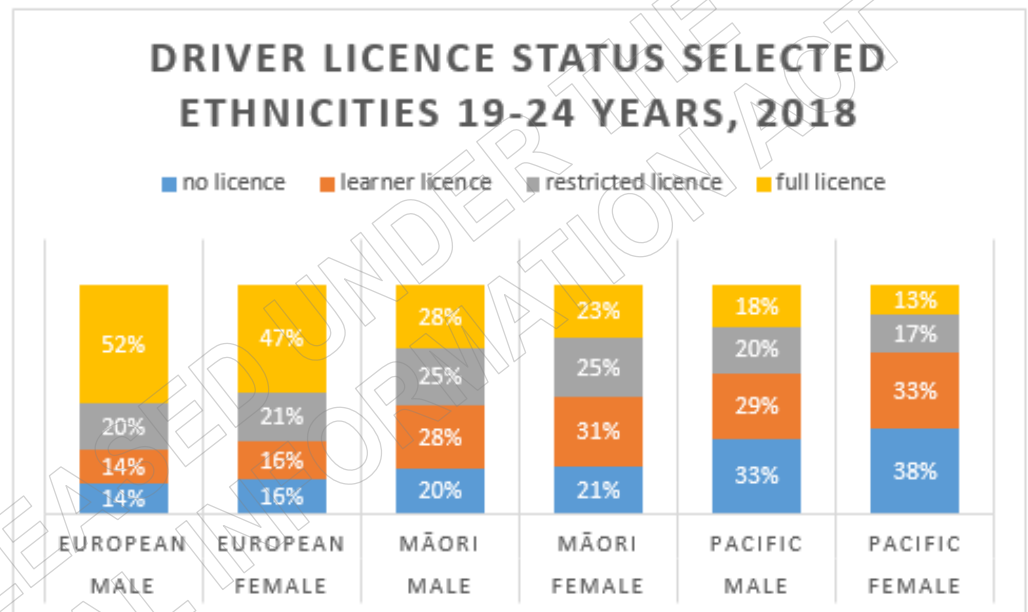
Access to integrated data for this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results are the work of the authors, not Stats NZ or individual data suppliers.

This summary is provided by Mānatu Wāhine Data and Evidence. For full results: [info@women.govt.nz](mailto:info@women.govt.nz).

Coding and analysis by Isabelle Sin and Hannah Kotula, Motu Economic and Public Policy Research.

### Age, sex and ethnicity

From age 35 onwards over 80 percent of NZ adults hold a full or restricted drivers licence. Learner licences are being obtained at all ages, the majority before 40 years. By 20 years 80 percent have entered the Graduated Driver Licensing System.



From about age 20 there is a sex difference in driver licensing. Women are less likely to have a full licence.

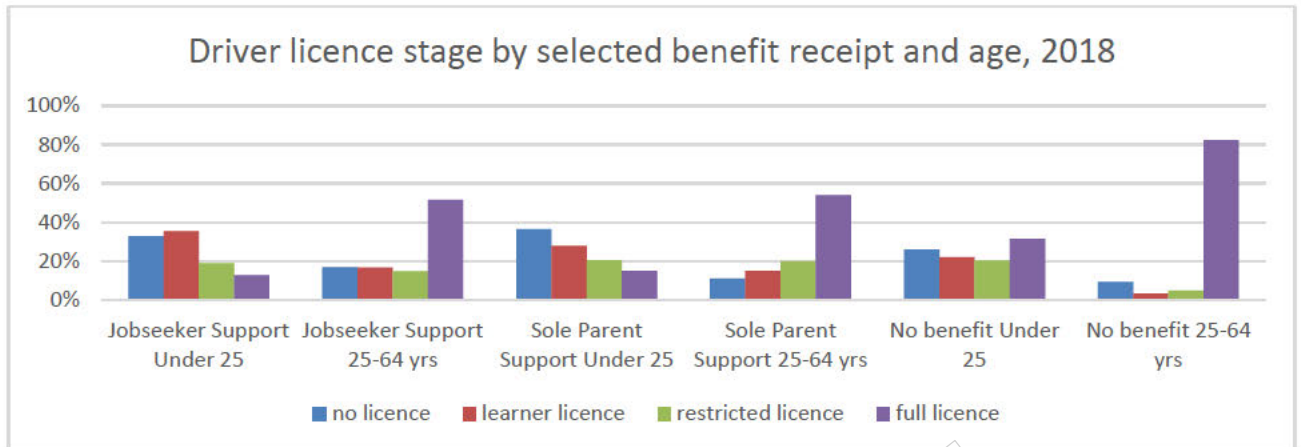
This difference is even more marked with ethnic differences, and there are intersections.

Differences continue in the older working age groups eg those aged 35-44.



## Benefit status

Job seekers and sole parent support recipients of all ages are less likely to have a driver licence than those not on a benefit.

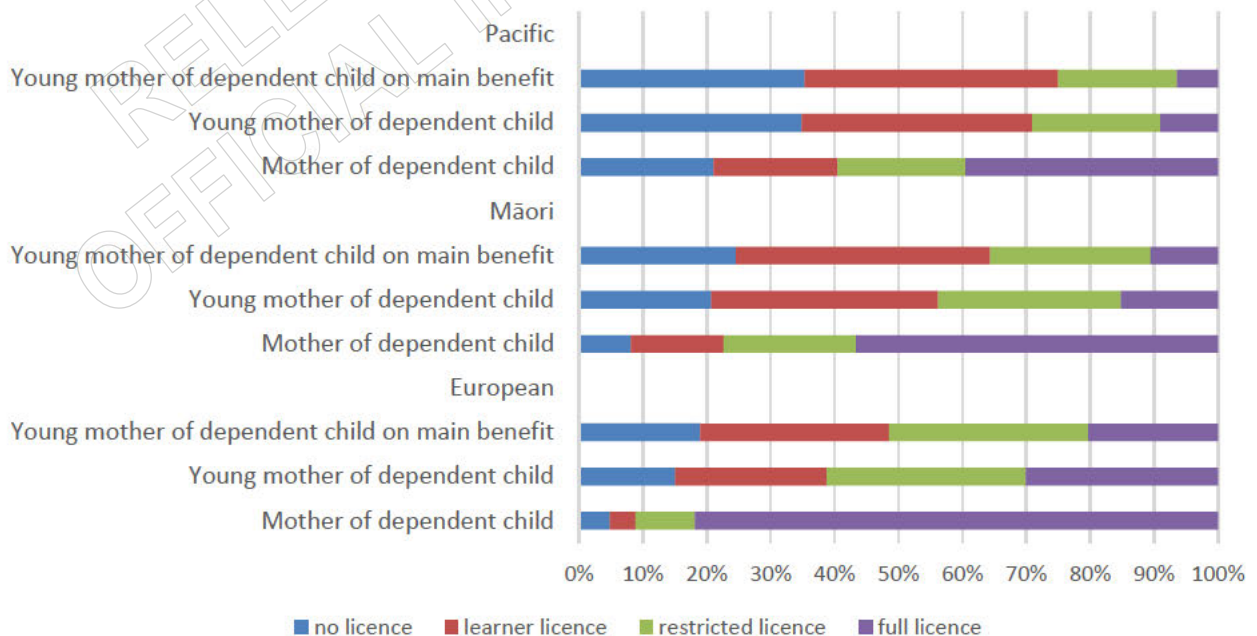


## Labour market

Labour force status	Sex	no licence	learner licence	restricted licence	full licence
Employed full time	Male	7%	4%	6%	84%
Employed full time	Female	9%	6%	8%	77%
Employed part time	Male	14%	11%	11%	64%
Employed part time	Female	12%	9%	10%	69%
Unemployed	Male	21%	19%	13%	47%
Unemployed	Female	23%	21%	15%	41%
Not in the labour force	Male	17%	7%	5%	71%
Not in the labour force	Female	22%	7%	6%	65%

## Gender and motherhood

Motherhood status by selected ethnicity and driver licence, 2018



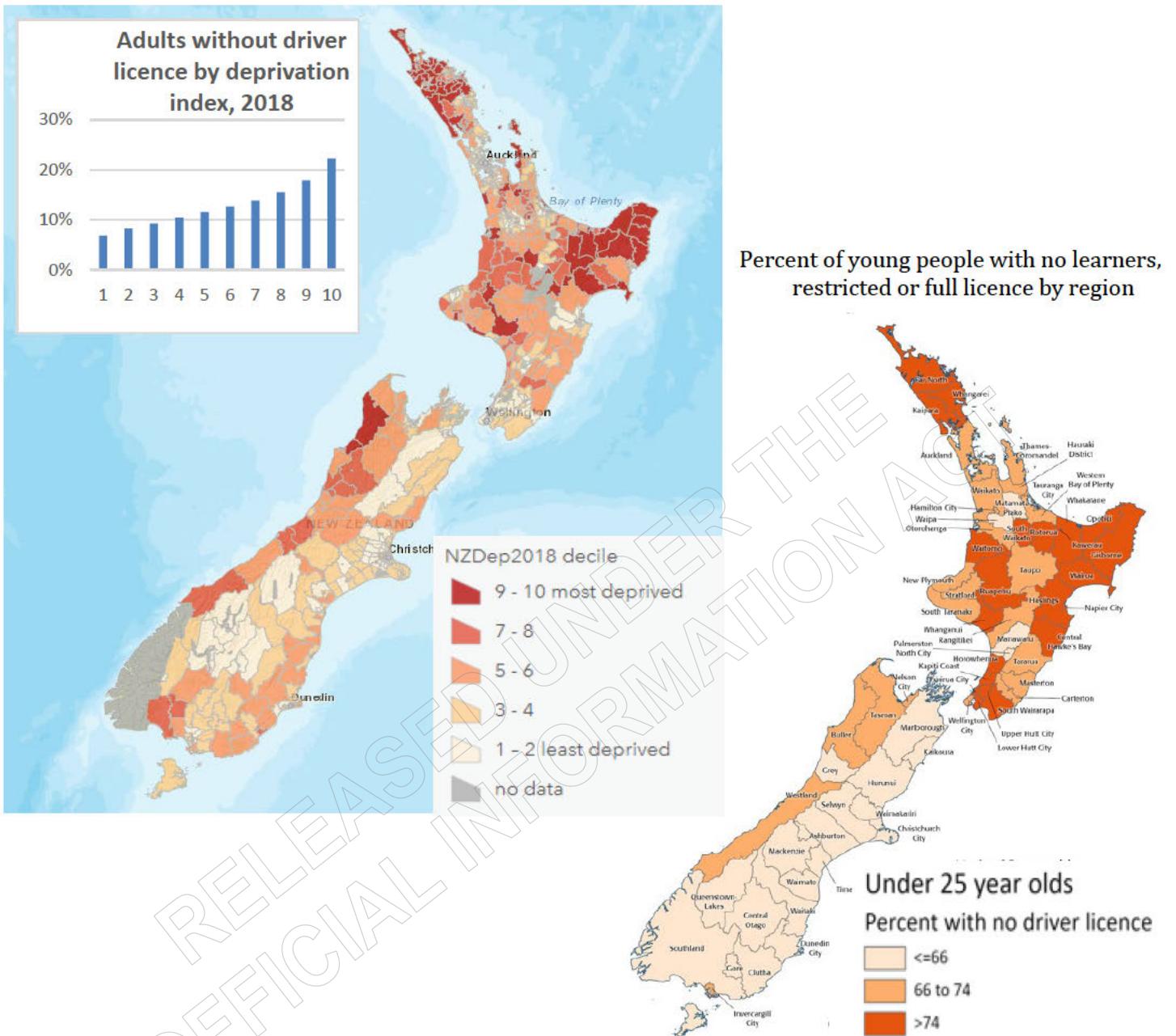
A driver licence is important for mothers. It enables fuller labour market engagement, ECE/childcare access, and access to medical services etc.

### How big are these groups?

There are just over half a million mothers with dependent children. Young mothers (under 25) make up 5 % of all mothers of dependent children. Mothers receiving sole parent support are under 10 percent of all mothers.

# Region

## Nearly one quarter of adults in the most deprived areas have no driver licence



Regional information helps plan where investment is needed.

Regional example: Bay of Plenty	Driver license status, under 25 years, BOP territorial authority, by benefit receipt, 2018							
	no licence		learner licence		restricted licence		full licence	
	Not on a benefit	On a benefit	Not on a benefit	On a benefit	Not on a benefit	On a benefit	Not on a benefit	On a benefit
Western Bay of Plenty District	20%	27%	22%	29%	24%	27%	34%	17%
Tauranga City	20%	28%	21%	32%	23%	23%	35%	18%
Rotorua District	26%	37%	23%	33%	23%	17%	28%	12%
Whakatane District	30%	36%	22%	33%	21%	20%	28%	12%
Kawerau District	40%	38%	24%	33%	18%	21%	18%	8%
Ōpōtiki District	35%	41%	25%	30%	23%	18%	17%	10%