

23 February 2026

Hon. Erica Stanford, Hon. Louise Upston, Hon Penny Simmonds, and Hon. Chris Bishop
Minister of Education, Minister of Social Development, Minister for Vocational Education, and Minister
of Transport
Parliament Buildings, WELLINGTON

By email to: *E.Stanford@ministers.govt.nz*; *L.Upston@ministers.govt.nz*;
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Dear Ministers,

We are writing to you about New Zealander's declining driver licensing rates, and how the Government can improve young people's access to driver training and licensing assessment. As representatives of the road freight, passenger and heavy transport sectors, we have a particular interest in keeping all road users safe, and ensuring there is another generation of drivers able to keep New Zealand moving.

Firstly, we would like to acknowledge the recently announced changes to the Graduated Driver Licensing System, including the removal of the second practical test and introduction of important additional safety measures. These changes will address two key obstacles to license acquisition: financial cost and test anxiety.

However, we remain concerned that this alone won't be enough to help young people attain licenses at the scale required for them to live full, independent lives and potentially to be able work in commercial transport. More than a million New Zealand adults do not hold a full licence and close to half of this figure have no licence at all.

Coordinated investment across the transport, education and social development portfolios can improve access to driver training and testing, offering significant potential savings to the government by avoiding young people entering the justice system and improving their employability.

Improving accessibility of driver training and testing

For many young people, particularly those in lower-income households or rural communities, the barriers to gaining a licence remain significant. Cost, anxiety, and lack of access to a suitable vehicle continue to prevent capable young people from progressing through the licensing system. This has implications not only for individual independence and employment prospects, but also for workforce participation and productivity across the wider economy.

That is why we're asking the four of you to consider additional, practical measures that would lift licence attainment rates. One such measure that is proven to deliver positive and equitable outcomes is the integration of driver education and testing within secondary schools, supported by stable government funding. Schools are uniquely placed to normalise licence attainment as part of the transition from education to employment. This would ensure that those young people whose families aren't equipped to teach them to drive or to pay for private lessons are not left behind.

We would also like to assist in establishing a clearer, more consistent process for connecting transport companies with high schools, particularly career advisors. While many companies already offer valuable workplace learning opportunities aligned with programmes like Gateway, progress is limited by the lack of a well-defined pathway for forming these partnerships. Coordinated support across your respective portfolios would help remove this barrier and strengthen these initiatives.

We also support the continued growth of mobile and community-based licensing services, particularly in rural and high-deprivation areas, and the expansion of targeted financial assistance for low-income applicants. Initiatives overseen by community providers, MSD and NZTA have demonstrated that when practical barriers are removed, licence attainment rates improve significantly. For instance, the Howard League driver licensing programme for young offenders delivers \$3.26 of measurable social return on investment (SROI) for every \$1 spent. Similarly, ImpactLab reports that *Drive My Life - Taraiwa Mataora* and Blue Light's *Youth Driver Navigator Programme* delivered SROIs of \$5.10 and \$7.20 respectively.

For the road freight, passenger and heavy transport sectors, a Class 1 licence is the essential first step toward heavy vehicle licensing and a long-term career in transport. Improving licence access is therefore both a social equity issue and an economic priority.

Please find attached Transporting New Zealand's latest policy position paper on helping young people to obtain their driver's licence.

Transporting New Zealand welcomes the opportunity to further discuss how your ministries could assist us in creating clearer, coordinated pathways for young people to progress through the licensing system and into meaningful careers in industry.

Kind regards,



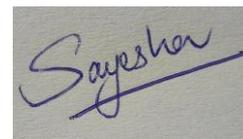
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Transporting New Zealand Policy Paper

Increasing driver licence uptake

Policy summary

Fewer young New Zealanders are getting their full driver licence, with full licence rates declining since the early 2000s. The Government's recent removal of the second practical driving test, and other sensible safety reforms will reduce cost and test anxiety barriers.

The Government now has a great opportunity to address the final key barrier at a relatively modest cost: **training and licensing accessibility**.

This can be done by **integrating driver training into secondary schools, boosting mobile and community-based licensing services, and maintaining financial support for learners on low incomes and benefits**.

Problem statement

More than one million New Zealanders aged 16 and over do not hold a full driver licence, and close to half of this figure have no licence at all. Affordability and accessibility continue to prevent people from entering or continuing the licensing process.

Declining licence engagement is a particular challenge for New Zealand's road freight transport sector, which currently employs 33,000 truck drivers. That workforce is aging rapidly, with drivers over 65 now making up more than 10% of the workforce, and the average age being over 46 (2025 Road Transport Workforce Report).

Our sector will have to sustainably increase our workforce in order to support export growth and an expanding freight task. That will not be possible without addressing the fall in young people obtaining their Class 1 full licence.

A driver licence is a prerequisite for most employment, not just commercial driving. The Driving Change Network and the New Zealand Howard League report that between 70–80% of jobs require a licence, and licence holders earn more on average than non-licence holders.

Unlicensed or under-licensed people are also more likely to enter the justice system through avoidable driving offenses. 84% of young drivers admit to breaching the conditions of their learner and restricted licences, and 73% don't pay their fines, risking conviction (The Auckland Co-Design Lab, 2016).

Barriers to licence attainment

There are three primary barriers to driver licence attainment: **cost**, **anxiety**, and **access**.

Cost and anxiety issues have been effectively addressed through the Government's removal of the second practical test (in line with other comparable countries) and the associated reduction in test fees. These changes were complemented by several additional safety measures.

Access to a suitable vehicle for practice and testing remains a major constraint, particularly for young people, low-income individuals, people leaving prison, and those in rural or remote communities.

Key recommendations

Investing in driver education and licensing is an affordable method of reducing unemployment and steering young people away from the justice system.

Existing driver education and licensing support schemes operated and supported by NZTA, MoE and MSD are producing good results, and should be boosted.

To improve licence uptake and workforce participation, we recommend that the Government:

- 1 Increase targeted financial support for low-income applicants by doubling annual government funding from \$20 million to \$40 million**, with training and testing services delivered through community providers and MSD.
- 2 Integrate driver training into all New Zealand secondary schools by 2030**, offering theory preparation, practical lessons, and on-site testing, supported by stable central and local government funding and promoted as a pathway to employment and independence.
- 3 Increase funding for mobile and community-based licensing services**, particularly in rural and high-deprivation areas, from \$4.05 million per year to **\$20 million** per year.