MINISTRY OF TRANSPORT
TE MANATŪ WAKA

OC260453

2 July 2026

[redacted]

Tēnā koe [redacted]

I refer to the partial transfer of your request from the New Zealand Transport Agency (NZTA) email on 3 June 2026, requesting the following under the Official Information Act 1982 (the Act):

*"**1. Motorcycles and electronic RUC***

Please confirm whether motorcycles are within scope of any current or planned transition to electronic Road User Charges, including the transition of light vehicles, petrol vehicles, or all vehicles to RUC.

If motorcycles are within scope, please provide any advice, modelling, Cabinet material, implementation planning, rate analysis, privacy analysis, enforcement planning, consultation planning, or technical analysis relating specifically to motorcycles.

If motorcycles are not within scope, please provide the document, decision, advice, policy position, or legal basis confirming their exclusion.

3. Market options and providers

Please provide documents relating to "market options", "market-led RUC", "private sector innovation", "third-party providers", or "competitive technological solutions" for electronic RUC.

This includes, but is not limited to:

a. Requests for Information;
b. responses or summaries of responses;
c. market sounding documents;
d. vendor engagement records;
e. provider capability assessments;
f. procurement planning;
g. risk assessments;
h. advice about whether motorcycles can be supported by proposed systems.

6. Charging fairness and interaction with ACC levies

Please provide any documents considering the interaction between electronic RUC and existing motorcycle charges, including:

a. motorcycle ACC levies;
b. registration/licensing charges;
c. petrol excise replacement;
d. annual kilometres travelled by motorcycles;
e. seasonal motorcycle use;
f. multiple motorcycle ownership;
g. vehicles placed on exemption or hold;
h. whether distance-based RUC creates fairness issues for motorcycles already subject to high fixed annual ACC levies.

7. Modelling and assumptions

Please provide any modelling, assumptions, forecasts, or business cases for the transition to electronic RUC, including:

a. expected revenue;
b. expected implementation cost;
c. expected compliance cost;
d. expected cost to users;
e. expected cost to motorcycle owners, if modelled;
f. expected non-compliance rates;
g. expected enforcement savings;
h. expected infringement or debt recovery volumes;
i. expected provider or transaction costs;
j. sensitivity testing or alternative charging models."

Request refinement

On 4 June 2026, you agreed for material in scope of the transferred request to cover the period from **November 2023 to the present** (on the basis that the Ministry has advised that work on the transition of the vehicle fleet began from that point).

Additionally, you agreed with our interpretation of Part 3 of the request as seeking the following documents:

- *"Documents developed in preparation to engage with potential market providers*
- *Summarised themes and findings of the two market engagement exercises completed to date*
- *Documentation that discusses potential market structure / makeup of providers*
- *Any further announcements relating to decisions on market options and providers"*

The Ministry notes the OIA request you submitted on 11 August 2025 that requested material relating to the inclusion of motorcycles in the "Road User Charges (RUC) framework". Because the Bill currently before the House will enable RUC system modernisation and introduce greater use of electronic tools to measure and report distance for RUC users, we have focussed on providing material that is specific to "electronic RUC" (or "eRUC") as mentioned in your request.

We have interpreted "electronic RUC" as any digital solution that supports the measuring and reporting of one's road use for the purposes of calculating and paying RUC.

Response to Part 1: Motorcycles and electronic RUC

The Ministry does not hold any information in scope of Part 1 of your request.

Thus, this part of your request is refused under section 18(g) of the Act – that the information requested is not held by the Ministry, and it has no grounds to believe that the information is held by another department.

Response to Part 3: Market options and providers

The Ministry has identified sixteen documents in scope of Part 3 of your request.

Of these documents, three are released in full, four are released with some information withheld, and nine are refused.

The document schedule attached as Annex 1 outlines how the documents you requested have been treated under the Act.

Copies of submissions to the Ministry's most recent Request for Information (RFI) on road user charges have been withheld in full under the following sections of the Act:

9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

Response to Part 6: Charging fairness and interaction with ACC levies

The Ministry does not hold any information in scope of this part of your request.

Thus, this part of your request is refused under section 18(g) of the Act – that the information requested is not held by the Ministry, and it has no grounds to believe that the information is held by another department.

Response to Part 7: Modelling and assumptions

The Ministry does not hold any information in scope to this part of your request.

Thus, this part of your request is refused under section 18(g) of the Act – that the information requested is not held by the Ministry, and it has no grounds to believe that the information is held by another department.

Additional information

The Ministry would like to clarify that electronic RUC will **not** be the default solution to measuring and tracking road use once new RUC users transition into the new system, and that there will continue to be non-electronic options available for those who do not wish to use digital solutions.

Additionally, the Ministry would like to note that no official decision has yet been made on whether motorcycles will be in scope of a future transition to electronic RUC.

The Ministry is currently preparing for the first step of the multi-phased transition which involves modernising the RUC system for **existing users**. The changes announced to date will enable the market to develop new, user-friendly solutions that will improve efficiency and make it easier for users to pay.

Detailed policy design for moving the full fleet to the new RUC system will be considered once the Ministry has a better understanding of the market response. This will include matters such as who will pay, the rates they will pay, the compliance and enforcement approach, and how the transition will occur. This will be subject to a separate legislative process and will include consultation.

Therefore, the Ministry does not hold information that relates to:

- the interaction between electronic RUC and existing motorcycle charges, or
- modelling, assumptions, forecasts, or business cases for the transition to electronic RUC.

Next steps

If you would like to discuss this decision with us, please do not hesitate to contact us at OIA@transport.govt.nz.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website www.ombudsman.parliament.nz.

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry's website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Louise Hornabrook
Manager – RUC Transition

Annex 1: Document Schedule

Doc #	Date	Title of Document	Decision on request
1	15/11/2024	Request for Information (RFI) Road User Charges – Retail services	Released in full.
2	15/11/2024	Request for Information (RFI) Road User Charges – Retail services Response form	Released in full.
3	15/11/2024	Request for Information (RFI) Road User Charges – Retail services Information memorandum	Released in full.
4	13/02/2025	OC250006 Response to OIA Request for RFI Submission Copies	Released with some information withheld under the following sections of the Act: 9(2)(a) to protect the privacy of natural persons 9(2)(ba)(i) to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
5	September 2024	OC241078 Revenue Action Plan - September Report back - Cabinet Paper	Released with some information marked out of scope.
6	09/10/2024	OC241161 RUC Market Engagement - Briefing - Policy	Released with some information marked out of scope and withheld under the following section of the Act: 9(2)(a) to protect the privacy of natural persons
7	20/12/2024	Summary of responses: RFI RUC – Retail services	Released with some information marked out of scope and withheld under the following section of the Act: 9(2)(ba)(i) to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied

Doc #	Date	Title of Document	Decision on request
8	24/07/2025	Road user charges - Modernising the system in preparation for the fleetwide transition	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://www.transport.govt.nz/assets/Uploads/Road-User-Charges_-Modernising-the-System-in-Preparation-for-the-Fleetwide-Transition_Redacted.pdf
9	16/07/2025	Transitioning to road user charges - Initial decisions	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://www.transport.govt.nz/assets/Uploads/Transitioning-to-Road-User-Charges_-Initial-Decisions_Redacted.pdf
10	19/11/2025	Request for Information (RFI) Road User Charges – Services for vehicle owners	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://www.transport.govt.nz/assets/Uploads/RUC-Request-for-Information.pdf
11	19/11/2025	Request for Information (RFI) Road User Charges – Services for vehicle owners Response form	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.transport.govt.nz%2Fassets%2FUploads%2FRUC-RFI-Response-Form.docx&wdOrigin=BROWSELINK
12	19/11/2025	Request for Information (RFI) Road User Charges – Services for vehicle owners Information memorandum	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://www.transport.govt.nz/assets/Uploads/RUC-RFI-Information-memorandum.pdf

Doc #	Date	Title of Document	Decision on request
13	10/12/2025	Road User Charges services for vehicle owners Request for Information (RFI) – information session	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://www.transport.govt.nz/assets/Uploads/RFI-information-session-slides-10.12.25.pdf
14	May 2026	Proposals for regulations under the Land Transport (Revenue) Amendment Bill: Consultation on requirements for road user charges	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://consult.transport.govt.nz/policy/proposed-regulations-for-road-user-charges/user_uploads/road-user-charges-regulations-consultation-document.pdf (Specifically, "*Figure 1: How the regulation proposals modernise aspects of the road user charges (RUC) system*" on Page 7)
15	25/02/2026	OC260120 Transition to Road User Charging: Feedback from market engagement and updated on next steps	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://www.transport.govt.nz/assets/Uploads/FiveFebruaryBriefings.pdf (Pages 33 – 37)
16	March 2026	Request for Information (RFI) Road User Charges – Services for vehicle owners Key themes from responses	Refused under the following section of the Act: 18(d) the information requested is or will soon be publicly available The document can be found here: https://www.transport.govt.nz/assets/Uploads/RFI-Road-User-Charges-Services-for-Vehicle-Owners-Key-themes-from-responses.pdf

MINISTRY OF TRANSPORT
TE MANATŪ WAKA

Request for Information (RFI)

Road User Charges – Retail services

Retail Services includes any service that supports the purchase, measurement, or management of Road User Charges

by: Ministry of Transport

RFI released:	**15 11 24**
Deadline for Questions:	**05 12 24**
Deadline for Responses:	**4pm 12 12 24**

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The information we require

This Request for Information is issued by the Ministry of Transport, referred to below as "the Buyer" or "we" or "us".

What we need

The New Zealand Government is interested in encouraging the development of Road User Charges (RUC) retail services that promote modern, easy-to-use systems for vehicle owners to manage and pay for RUC. This is in the context of the Government's policy to transition the light vehicle fleet currently subject to Fuel Excise Duty (approximately 3.5 million vehicles) to RUC. The transition will potentially create the world's largest (in terms of number of vehicles required to pay) operational and mandated RUC system.[1]

The New Zealand Transport Agency (NZTA) is legally responsible for the operation of the RUC system. The RUC system is governed by the Road User Charges Act 2012. There is already provision to enable businesses to offer electronic RUC services, under the eRUC Code of Practice.[2] Several businesses are authorised as eRUC service providers, which mostly offer services focused towards commercial vehicle owners. However, the current RUC system was originally designed with the heavy vehicle fleet in mind. There are already around 1 million light vehicles inside the RUC system – this includes vehicles powered by diesel, electricity or as plug-in hybrids. These customers are required to purchase a RUC licence in advance of travel, either via NZTA's online portal or through existing retail agents.[3]

The transition of another 3.5 million vehicles into the RUC system provides a timely opportunity to review the existing arrangements and the Government is therefore seeking to understand whether there is potential for more innovative, user-friendly, cost-effective, reliable and secure options for measuring, reporting and collecting RUC, while ensuring security of government revenue.

We are seeking information from both current participants in the RUC retail services market, and prospective new entrants. We define RUC retail services broadly as any service that helps customers purchase, measure or manage their RUC ranging from over-the-counter transactions to full electronic services. We want to understand what commercial opportunities respondents are interested in, what functional elements they are interested in supplying, the role of technology, perceived barriers to providing services, views on the role of NZTA, and respondents' views on RUC revenue security and consumer protections. This document should be reviewed alongside the Information Memorandum and the RFI response form (see GETS notice for all documents).

What we don't want

We do not want:

1. Detailed business plans or financial forecasts. We recognise that this information is commercially sensitive. The information should be of a general nature to inform potential changes to the current arrangements[4].

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[1] Subject to other jurisdictions which may advance RUC programmes.
[2] https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf
[3] This excludes a small proportion of light vehicles which have an eRUC service provider supplying systems and services to measure and collect the RUC for those vehicles.
[4] Principally the RUC Act, related regulations and the Code of Practice.

2. General marketing material about your business. If you wish to provide background on your business, please do so briefly, with specific descriptions of what areas of your business are relevant to RUC retail services, rather than generic brochures or leaflets.

3. Feedback on BAU matters concerning the heavy vehicle RUC regime. Any such feedback can be provided directly to NZTA via RUCAssessments@nzta.govt.nz.

Why should you respond?

The significant increase in the number of vehicles mandated to pay RUC may facilitate greater participation in the RUC retail services market. It presents the opportunity for innovative service offerings, in areas such as payment systems, customer services management, account management, measurement and reporting of distance travelled.

Your perspectives may help shape Government decisions on policy, regulatory and legislative arrangements to enable the transition. We expect government decisions to be made in March 2025, and the transition to RUC for light vehicles to start as early as 2027.

You may already be a RUC service provider and be interested in responding to this expansion in the market, or you may be a potential new entrant. Either way – we are interested in your views.

A bit about us

The Ministry of Transport is the steward of the transport system and is responsible to the Minister of Transport for the provision of advice on transport sector policy matters. We are releasing this RFI to support the design of policy, legislative and regulatory changes to the RUC system to support the transition of light-vehicles from Fuel Excise Duty to RUC.

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SECTION 1: Key Information

1.1 Context

a. This RFI is intended to inform the Ministry of Transport on potential policy, legislative and regulatory changes to the Road User Charges regime as it relates to retail RUC services to support the fleetwide transition to RUC. A summary of responses will be provided to the New Zealand Transport Agency (NZTA).

b. Responses to this RFI are invited from current participants in the RUC retail services market, and prospective new entrants.

c. Following this RFI the Ministry of Transport will decide on what procurement process it will follow, if any.

1.2 Our timeline

Here is our timeline for this RFI (New Zealand times and dates):

Deadline for Questions from Respondents:	5pm 05 12 24
Deadline for the Ministry to answer questions:	5pm 06 12 24
Deadline for Responses	**4pm 12 12 24**

Note: We encourage early submission of your response where possible and reserve the right to engage with interested Respondents before the above deadline.

1.3 How to contact us

a. Contact us through our Point of Contact via email or the Government Electronic Tenders Service (GETS) (www.gets.govt.nz).

b. Our Point of Contact:

Name: Karen McGuire
Title/Role: Team Leader Procurement
Email address: procurement@transport.govt.nz

1.4 Developing and submitting your information

a. This is not a tender process.

b. Take time to read and understand the RFI. In particular, understand our Requirements. These are in Section 2 of this document.

c. If you have questions, ask our Point of Contact before the Deadline for Questions (see 1.2 above).

d. Submit your Response before the Deadline for Responses using the Response Form provided. This is a MS Word document you download from GETS.

e. Complete and sign the declaration at the end of the Response Form.

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f. When emailing your response, all documents and attachments cannot exceed 20MB.

g. As this is not a tender, late responses may be accepted by sending to the email address above and may be considered, provided they are submitted within a reasonable time.

1.5 Address for submitting your Response

Submit your Response to the following address: procurement@transport.govt.nz

We will not accept responses sent by post or delivered to our office.

1.6 Our RFI Terms

The RFI is subject to the RFI Terms in Section 3 below.

1.7 Later changes to the RFI or RFI process

a. After publishing the RFI, if we need to change anything or provide additional information we will let all Respondents know by placing a notice on the Government Electronic Tenders Service (GETS at www.gets.govt.nz).

b. If you subscribed to this listing on GETS you will automatically receive notifications of any changes through GETS. We recommend subscribing to the listing to ensure you receive notification of any changes and questions received.

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SECTION 2: Our Requirements

2.1 Background

The Government plans to transition the light petrol vehicle fleet (approximately 3.5 million vehicles) to pay for road use through Road User Charges (RUC) rather than Fuel Excise Duty. They will join approximately 1.2 million vehicles already subject to RUC (made up of 900,000 light diesel vehicles, 180,000 heavy vehicles, and 100,000 electric/ hybrid vehicles). Once the transition of the light petrol fleet occurs, there will be approximately 4.7 million vehicles in New Zealand subject to the RUC regime.

To support vehicle owners to make the transition, the Government is interested in whether there is:

1. market interest in delivering RUC retail services; and
2. a need to change the rules and arrangements for RUC retail service providers to enable innovation.

The outcome of this Request for Information (RFI) will inform the arrangements (policy, legislative and regulatory regime) for RUC retail providers and inform enforcement and compliance activities. In addition, the summary of RFI responses may influence NZTA's planning regarding future procurement of over-the-counter RUC retail Agents (current contracts expire in Mid 2027).

Conceptual service offerings

We define RUC retail services broadly as any service that helps customers purchase, measure or manage their RUC. This could include, for example:

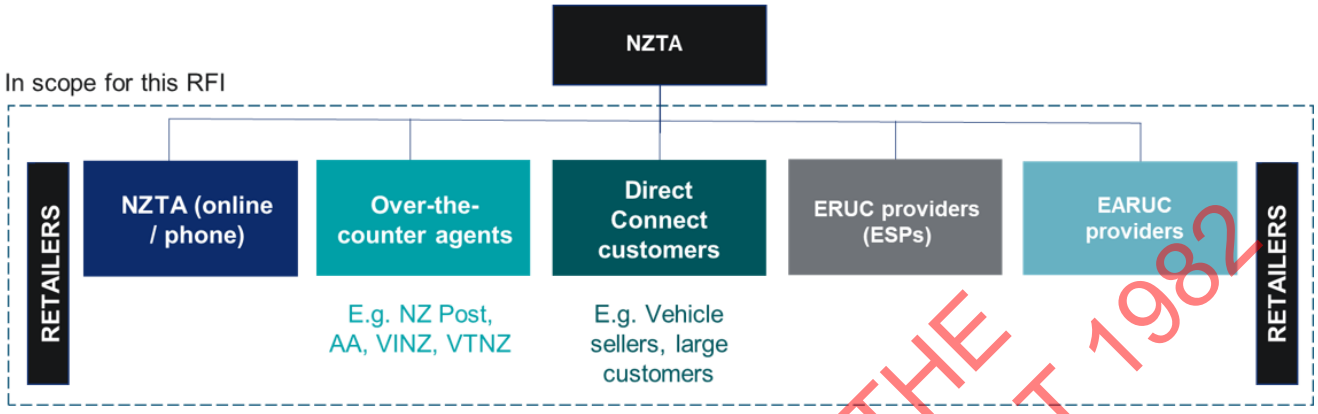
1. Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline where RUC can be purchased (online and in physical locations);
2. Manual RUC management service including direct purchase of RUC – as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (online and in physical locations);
3. Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);
4. Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and either providing reminders to purchase RUC licences or automatically purchasing RUC directly (as an Agent of NZTA);
5. Full eRUC or eaRUC[5] as a certified provider; or
6. Another business model (or hybrid of the approaches outlined above).

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[5] Electronic RUC (eRUC) uses an electronic distance recorder installed in the vehicle to measure the distance travelled. eRUC is provided by private Electronic System Providers (ESPs), who handle the RUC calculations and are liable for the debt to NZTA. Separately, Electronically Assisted RUC (eaRUC) allows vehicle owners to purchase RUC licences via an app or portal and can display RUC distance licences on a device mounted on the windscreen. eaRUC products do not have GPS.

What are the current arrangements?

NZTA is the Government's RUC collector and has several outlets through which a RUC user can purchase their RUC licence. The diagram below summarises the existing RUC retail market.



NZTA outlets include the NZTA web portal, the NZTA mobile phone app, front counter services through over-the counter agents[6], and via a Direct Connect setup used by some larger fleet management operations that enables them to manage RUC purchasing and label printing inhouse.

At present, all RUC retailers/ NZTA Agents are approved/contracted by NZTA. ESPs are approved in line with the eRUC code of practice.[7] This model includes a requirement to develop and gain approval for technology to be fitted to vehicles to ensure accurate measurement of distance travelled.

Most RUC retailers (including NZTA) do not solely offer RUC retail services. The sale of RUC licences occurs alongside other offerings – such as the provision of other motor vehicle registration services by NZTA Agents, or fleet management services by ESPs.

NZTA collects information on RUC licences sold and aggregates all RUC revenue to be paid into the National Land Transport Fund.

Existing fees

Every RUC transaction incurs a statutory fee, known as the RUC administration fee. The fee is directly charged to the purchaser of RUC. It varies from $6.30 to $14.87 (including GST) per transaction regardless of the volume of RUC purchased.

The RUC administration fee covers the cost associated with the provision of the RUC transaction and the RUC label. The variation in fees is due to differences in costs associated with the mode of purchase (i.e. online, phone, over-the-counter). The RUC administration fee is lowest for Direct Connect and eRUC. However, ESPs typically charge their users additional fees such as a monthly "subscription charge" or an additional transaction fee for facilitating a RUC transaction.

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[6] NZTA contracts with a range of over-the-counter providers who are paid a commission for RUC sales (e.g. VINZ, AA, VTNZ, NZ Post and select public contract providers where there is no coverage by these organisations). These contracts expire in June 2027.
[7] https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf

A challenge in reducing the RUC administration fee, is the cost of supplying RUC labels – the Government is actively considering the labelling requirements and potential changes. Besides a cost reduction, changing labelling requirements could also enable digital fulfilment of the complete RUC purchase process, making it easier for retailers to sell RUC.

What is the opportunity?

The additional volume of RUC customers created by the transition and the potential to offer more innovative, user-friendly options for those customers may be of interest to existing RUC retailers (domestic and international), but also:

1. Utility providers and other retailers – through bundling of RUC with other utility payments such as electricity, gas supply, mobile, broadband, insurance, fuel etc.

2. Finance providers – through the provision of subscription/smoothing services to reduce the impact of lumpy payments. This may include offering post-usage options to invoice based on actual usage (instead of prepaid distance), or charging regular flat fees based on estimated usage, with a true up on a regular basis to check actual distance travelled.

3. Technology providers – through the continued evolution of the electronic service provider market (e.g. eRUC and eaRUC) including telematic and other fleet management services.

4. Advertisers – who may advertise at point of sale to users.

5. Data aggregators – who with the express permission of their own RUC customers may on-sell data for a range of different commercial purposes.

6. Retailers – who could provide convenient over-the-counter purchase of RUC.

The above are provided as illustrative – not exhaustive examples. We are interested in whether there are other opportunities that we have not considered.

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2.2 Key outcomes

The Government is keen to review RUC retail arrangements to ensure they suit the changed conditions (including volume increase) and provide an easy transition for new users.

The outcomes and questions we would like to answer are set out in the RFI response form and are summarised below:

#1	To what extent is the provision of RUC retail services something you currently do? Question 1: 'About you'.
#2	What is the nature of the RUC retail service you are interested in Question 2: 'Level of interest in RUC services'.
#3	Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities? Question 3: 'Commercial proposition'.
#4	What role might technology offered by your business play in the future RUC retail market? Question 4: 'Technology'.
#5	What might help or hinder providers or potential providers from participating in the RUC retail market? Question 5: 'Barriers'.
#6	How can NZTA's activities enable and encourage RUC retailers to participate? Question 6: 'NZTA'.
#7	How can RUC retail market participants assist in balancing a user-friendly system with ensuring revenue security? Question 7: 'Revenue security'.
#8	Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. Complaints, remedy mechanisms)? Question 8: 'Consumer protection and support'.

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2.3 Information to include in response

Answers should be recorded in the RFI Response Form. There is also space in the form to tell us anything else you think is relevant to participation in the RUC retail market.

SECTION 3: RFI Terms

Defined terms are shown using capitals. You can find definitions at the end of this Section.

Preparing and submitting a Response

3.1 Preparing a Response

a. Respondent obligations

The Respondent must:

i. read the complete RFI and any additional information provided and referred to by the Buyer

ii. respond using the RFI Response Form and Pricing Schedule provided and include all information the Buyer requests

iii. consider the risks and contingencies relating to the delivery of the RFI requirements and outline how it will manage those risks and contingencies

iv. include any assumptions, dependencies and/or qualifications in the Response, including anything that may limit its obligations or increase its quoted pricing or cost estimates

v. quote prices in NZ$, exclusive of GST

vi. obtain independent advice before submitting a Response (if necessary)

vii. make sure the Response is correct and the Response pricing is sustainable, i.e. covers the Whole-of-Life of the Contract, not just the initial term.

b. Process acceptance

By submitting a Response, the Respondent accepts the RFI-Terms.

c. No obligation, no penalty

Suppliers are not expected or required to submit a Response in order to remain on any prequalified or registered supplier list.

3.2 Respondent questions

a. The Respondent must make sure they understand the RFI.

b. If the Respondent has any questions or needs clarification, they:

   i. must submit questions before the Deadline for Questions (Section 1 of the RFI)

   ii. must clearly indicate any commercially sensitive information in their questions

   iii. may withdraw their questions at any time.

c. When the Buyer receives questions before the Deadline for Questions:

   i. The Buyer will respond on or before the Deadline for Answers.

   ii. The Buyer may provide details of both the questions and the answers to other Respondents. In these circumstances the Buyer will summarise the questions and will not disclose the Respondent's identity.

   iii. Unless stated otherwise in the RFI, the Buyer will post both the questions and answers on GETS.

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iv. The Buyer will not publish the Respondent's commercially sensitive information. However, if the Buyer considers the information to be significant for all Respondents, the Buyer may modify the question and publish both this and the answer. In that case the Buyer will first give the Respondent the opportunity to withdraw the question or remove any of their own commercially sensitive information.

3.3 Submitting a Response

a. The Respondent must ensure the Buyer receives the Response at the correct address on or before the Deadline for Responses.

b. After the Deadline for Responses, the Buyer will acknowledge receipt of the Response.

c. The Respondent must ensure that all information they provide to the Buyer:

   i. is true, accurate and complete

   ii. is not misleading in any material respect

   iii. does not contain material that infringes a third party's intellectual property rights

   iv. is identical, if they supply both hard and soft copies.

d. The Buyer may rely on the Response and all information provided by the Respondent during the RFI process (e.g. correspondence and negotiations).

3.4 Clarification of Response

a. The Buyer may ask the Respondent for more information or clarification on the Response at any time during the RFI process.

b. The Buyer need not ask all Respondents for the same clarification.

c. The Respondent agrees to provide the information or clarification as soon as possible, in the format requested by the Buyer.

Standard RFI conditions

3.5 Buyer's Point of Contact

a. The Respondent must direct all RFI enquiries to the Buyer's Point of Contact in Section 1 of the RFI.

b. Only the Point of Contact, or a person authorised by the Buyer, may communicate with the Respondent on any aspect of the RFI. The Buyer will not be bound by any statement made by any other person.

c. The Buyer may change its Point of Contact at any time. The Buyer will notify the Respondent of any change by email or posting a notification on GETS.

d. If a Respondent has an existing contract with the Buyer, business as usual communications, for the purposes of managing delivery of that contract, will continue using the usual contacts.

e. If the Respondent has an existing contract with the Buyer, the Respondent must not use its business-as-usual communications to contact the Buyer regarding the RFI.

3.6 Conflict of Interest

a. The Respondent must complete the Conflict of Interest declaration in the RFI Response Form. If a joint Response is being submitted, each party must complete the Conflict of Interest declaration separately.

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b. If a Conflict of Interest arises during the RFI process, the Respondent must inform the Buyer immediately.

c. The Buyer may exclude a Respondent from the RFI process if a material Conflict of Interest arises.

3.7 Confidential Information

a. Without limiting any other confidentiality agreement between them, the Buyer and the Respondent will both take reasonable steps to protect the other party's Confidential Information.

b. Except as permitted by the other provisions of this Section 3, neither party will disclose the other party's Confidential Information to a third party without that other party's prior written consent.

c. Each party may each disclose the other party's Confidential Information to anyone who is directly involved in the RFI process on that party's behalf, but only for the purpose of participating in the RFI. This could include (but is not limited to) officers, employees, consultants, contractors, professional advisors, evaluation panel members, partners, principals or directors. Where this occurs, the disclosing party must take reasonable steps to ensure the third party does not disclose the information to anyone else, and does not use the information for any purpose other than participating in the RFI process.

d. The Respondent acknowledges that the Buyer's confidentiality obligations are subject to requirements imposed by the Official Information Act 1982 (OIA), the Privacy Act 2020, parliamentary and constitutional convention, and any other obligations imposed by law. Where the Buyer receives an OIA request that relates to a Respondent's Confidential Information, the Buyer may ask the Respondent to explain why the information is considered by the Respondent to be confidential or commercially sensitive.

e. The Respondent may disclose the Buyer's Confidential Information to the extent strictly necessary to comply with law or the rules of any stock exchange on which the securities of the Respondent or any related entity are currently listed. Unless prohibited by law, the Respondent must consult with the Buyer before making such a disclosure.

f. The Buyer will not be in breach of its obligations if it discloses Confidential Information to the appropriate authority because of suspected collusive or anti-competitive tendering behaviour.

3.8 Costs of participating in the RFI process

Except as otherwise stated in the RFI, the Respondent must meet their own costs associated with the preparation and presentation of the Response.

3.9 Ownership of documents

a. The RFI and its contents remain the property of the Buyer. All Intellectual Property rights in the RFI remain the property of the Buyer or its licensors.

b. The Buyer may request the immediate return or destruction of any RFI documents and any copies, in which case the Respondent must comply in a timely manner.

c. All documents forming part of the Response will, once they are delivered to the Buyer, become the property of the Buyer. The Response will not be returned to the Respondent.

d. Intellectual Property rights in the Response remain the property of the Respondent or its licensors.

e. The Respondent grants to the Buyer a licence to retain, use, copy and disclose information contained in the Response for any purpose related to the RFI process, including keeping appropriate records.

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3.10 Limited rights and obligations

a. Except as stated otherwise in this paragraph, nothing in the RFI, these RFI Terms or the RFI process creates a contract or any other legal relationship between the Buyer and Respondent.

b. The following are binding on the Respondent:

   i. The Respondent's signed declaration (contained in the RFI Response Form).

   ii. The Respondent's obligations under paragraphs 3.1, 3.3 and 3.6. Nothing in this Section 3 takes away from any rights or remedies the Buyer may have in relation to the Respondent's statements, representations or warranties in the Response or in correspondence with the Buyer.

   iii. The standard RFI conditions in Section 3.

c. Paragraphs 3.4 and 3.9 are binding on the Buyer.

d. All terms and other obligations that are binding on the Buyer are subject to the Buyer's additional rights in paragraph 3.11.

3.11 Buyer's additional rights

a. Changes to the RFI

i. The Buyer may amend, suspend, cancel or re-issue the RFI, or any part of it, so long as it notifies the Respondent.

ii. The Buyer may change material aspects of the RFI, such as the timeline or Requirements, provided it gives the Respondent time to respond to update its Response in relation to the changes.

b. Timeline

i. The Buyer may accept a late Response if it is the Buyer's fault it is late, or if the Buyer considers there is no material prejudice to other Respondents in accepting a late Response.

ii. The Buyer may answer a question submitted after the Deadline for Questions, and notify all Respondents about the submission of the question and the answer.

c. RFI Process

i. The Buyer may liaise with any Respondent without informing, or doing the same, with any other Respondent.

ii. The Buyer may provide Respondents with information arising from questions about the RFI.

iii. The Buyer may withhold information arising from questions about the RFI. This may be the case if the information is unnecessary, is commercially sensitive, is inappropriate to supply at the time of the request or cannot be released for legal reasons.

iv. The Buyer may waive requirements or irregularities around the RFI process if the Buyer considers it appropriate or reasonable to do so.

3.12 New Zealand law

The laws of New Zealand govern the RFI. Each Respondent agrees New Zealand courts have non-exclusive jurisdiction to rule in any dispute concerning the RFI or the RFI process. The Respondent agrees that it cannot bring any claim in relation to the RFI except in a New Zealand court.

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3.13 Disclaimer

a. Nothing contained or implied in the RFI, or RFI process, or any other communication by the Buyer to the Respondent is to be construed as legal, financial or other advice.

b. The Buyer will endeavour to provide accurate information in any communication, but the Respondent accepts this information is not independently verified and may not be up-to-date.

c. The Buyer will not be liable in contract, tort, equity, or in any other way for any direct or indirect damage, loss or cost incurred by the Respondent or any other person in respect of the RFI process, whether as a result of the Buyer exercising its rights under paragraph 6.22, the Buyer's negligence or breach of these RFI Terms, the Buyer failing to select the Respondent as the Successful Respondent, or any other cause.

d. To the extent that liability cannot be excluded, the maximum aggregate liability of the Buyer, its agents and advisors in connection with the RFI process, to all Respondents combined, is NZ$5,000.

e. The limitations and exclusions in paragraphs c and d above do not apply to any liability the Buyer may have for breach of confidentiality or infringement of the Respondent's intellectual property rights.

3.14 Precedence

a. Any conflict or inconsistency in the RFI shall be resolved by giving precedence in the following descending order:

   i. these RFI-Terms

   ii. all other Sections of the RFI document

   iii. any additional information or document provided by the Buyer to Respondents through the Buyer's Point of Contact or GETS.

b. If there is any conflict or inconsistency between information or documents having the same level of precedence the more recent information or document will prevail.

Definitions

In relation to the RFI the following words and expressions have the meanings described below.

Buyer	The government agency that has issued the RFI with the intent of obtaining information.
Confidential Information	Confidential Information of a party (Provider) means information acquired by the other party (Recipient) from the Provider in connection with the RFI process, where that information: a. is by its nature confidential b. is marked at the time of disclosure to the Recipient as 'confidential', 'in confidence', 'restricted', 'sensitive', 'secret' or 'top secret', and/or c. the Recipient knows, or ought to know, is confidential to the Provider or a third party who supplied it to the Provider. However, this does not include information that is publicly available through no fault of the Recipient, or that the Recipient acquired entirely independently of the Provider.
Conflict of Interest	A Conflict of Interest arises if personal or business interests, relationships or obligations of the Respondent or any of its personnel do, could, or could be perceived to: a. conflict with the Respondent's obligations to the Buyer under the RFI or in the provision of the goods or services, and/or

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Buyer	The government agency that has issued the RFI with the intent of obtaining information.
	b. call into question the independence, objectivity or impartiality of any person involved in the RFI process on behalf of the Buyer. A Conflict of Interest may be: c. actual: where the conflict currently exists d. potential: where the conflict is about to happen or could happen, or e. perceived: where other people may reasonably think that a person is compromised.
Deadline for Answers	The deadline for the Buyer to respond to questions submitted by a Respondent stated in Section 1.2 of the RFI.
Deadline for Responses	The deadline for delivering or submitting Responses to the Buyer as stated in Section 1 of the RFI.
Deadline for Questions	The deadline for submitting questions to the Buyer as stated in Section 1 of the RFI.
GETS	Government Electronic Tenders Service available at www.gets.govt.nz.
Intellectual Property	All industrial and intellectual property rights whether conferred by statute, at common law or in equity, including (but not limited to) copyright, trademarks, designs and patents.
Point of Contact	The Buyer and each Respondent are required to appoint a Point of Contact. This is the channel to be used for all communications during the RFI process. The Buyer's Point of Contact is identified in Section 1 of the RFI. The Respondent's Point of Contact is identified in its Response.
Respondent	A person, company or organisation that submits a Response in response to the RFI. The term Respondent includes each member of any consortium.
Response	The response a Respondent submits in reply to the RFI. It comprises the Response Form and all other information submitted by a Respondent.
Response Form	The form and declaration prescribed by the Buyer and used by a Respondent to respond to the RFI, duly completed and submitted by a Respondent as part of the Response.
RFI	Means the Request for Information.
RFI-Terms	Means the RFI Terms as set out in Section 3 of the RFI.

For more definitions, click HERE.

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Instructions for Respondents

1. Check that you have all the relevant documents, including:
   - The Request for Information (RFI) which outlines what information is needed.
   - The Response Form (this one) to fill out your response.
   - The RFI-Terms.
2. Before filling out this form, read the RFI carefully, particularly Section 2 (Our Requirements).
3. Please follow the layout of this Response Form:
   - Don't change the section headings and sequence as this needs to be consistent across all Respondents.
   - Insert any extra images or graphs either as part of your answer or in a separate attachment (but make it clear in the Response Form that you have done so).
   - The combined file size including all attachments that can be sent to procurement@transport.govt.nz is 20MB.
4. Everything highlighted in **PURPLE** in this document is information for the Respondent (you). Delete these **PURPLE** parts before sending the Response Form. Everything shaded in BLUE is customisable by you. When you have completed these areas please un-shade them.

   ☐ The purple boxes are Respondent Tips. Delete these after reading.

   ■ Write your response in the blue sections. Un-shade the blue once you have filled these out.

5. Remember to make a note of the Deadline for Questions. Feel free to ask us anything if it is unclear.

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Checklist for Respondents

Before you submit your Response…	
1. Fill out all sections of the Response Form.	☐
2. Remove all the purple 'Respondent Tip' boxes from this Form.	☐
3. Delete the **PURPLE** instructions from this Form.	☐
4. Un-shade the **BLUE** highlighting where you fill out your answer.	☐
5. Prepare your Response Send a digital copy by email to procurement@transport.govt.nz	☐
6. Arrange for the Response to be submitted electronically before the Deadline for Responses.	☐

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[insert your (Respondent's) name and logo]

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: [insert date of this document]

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SECTION 1: About the Respondent

RESPONDENT TIP

- This section gives the Buyer basic information about your organisation and identifies your Point of Contact for the RFI process.
- If an item is not applicable, e.g. you do not have a registered office, complete the box by stating 'not applicable'.

1.1 Our profile

Choose one of these statements to complete, and delete the others

This is a Response by [insert the name of your organisation] (the Respondent) to provide information.

OR [This is a [joint/consortium] Response, by [insert the name of your organisation] and [insert the name of the other organisation/s] (together the Respondents) to supply information.

Item	Detail
Full legal name:	[insert the name that you do business under]
Trading name (if different):	[if applicable]
Physical address:	[put the address of your head office]
Postal address:	[e.g. P.O Box address]
Registered office:	[if you have a registered office insert the address here]
Business website:	[url address]
Type of entity (legal status):	[sole trader / partnership / limited liability company / registered charity / other please specify]
NZBN number:	[if your organisation has a NZBN registration number insert it here]
Country of residence:	[insert country where you (if you are a sole trader) or your organisation is resident for tax purposes]
GST registration number:	[NZ GST number or if overseas please state]
Consent to follow up (Likely to be in week commencing 16 December)	[Please indicate Yes or No if you consent to officials following up on any material contained in this response] We expect any follow up would happen in the week beginning 16 December. Confirm your availability in week beginning 16 December Y/N If not available please confirm your availability after 6 January.

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1.2 Our Point of Contact

Item	Detail
Contact person:	[name of the person representing the Respondent and responsible for communicating with the Buyer]
Position:	[job title or position]
Physical location of contact person	[city / country]
Phone number:	[landline]
Mobile number:	[mobile]
Email address:	[work email]

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SECTION 2: Our Requirements

RESPONDENT TIP

- Carefully read RFI Section 2 (Our Requirements). Then provide your response by demonstrating your organisation's ability to meet the criteria.
- Please mark any information that is 'commercially sensitive' or 'Confidential Information' to your business so that the Buyer knows. You cannot make the whole document confidential unless this is truly the case. Refer to the RFI-Terms for more information.
- Keep it simple. If an answer is in another document e.g. a marketing brochure, just cut and paste the relevant part into this form. Do not show the whole document unless necessary - the Buyer may not read it all.
- You may include extra information in your Response but only if it adds value and is relevant.

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you **To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?** **What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?** **If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.**
[insert answer here]
Level of interest in RUC services **What is the nature of the RUC retail service you are interested in offering:** **1. Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);** **2. Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);** **3. Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);**

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4. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);**
5. **Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf); or**
6. **Another business model (or hybrid of the approaches outlined above)?**

[insert answer here]

Commercial proposition

Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:

- **fleet management/telematic services**
- **bundling of utility like payments**
- **financial services to bundle and smooth payments**
- **sale of information to advertisers (with the express permission of customers) etc.**
- **efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases**

This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.

Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?

[insert answer here]

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance, or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

- **how the technology works**

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- what data is collected
- What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)
- how you ensure the reliability and security of the system
- how revenue security is protected
- how user privacy is protected
- what benefits it offers customers compared to the existing system
- whether the technology is stand-alone or integrated into existing devices (cars or phones)
- whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

[insert answer here]

Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What legal, administrative or policy setting would need to change or be made easier to enable you to invest in offering RUC retail services?

[insert answer here]

NZTA

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. **Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);**
2. **Providing RUC retail services to customers directly (through its website and App);**
3. **Collecting and administering the RUC revenue; and**
4. **Receiving the statutory fee for RUC transactions.**

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

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[insert answer here]
Revenue security **How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?**
[insert answer here]
Consumer protection and support **Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?**
[insert answer here]
[Optional] Additional information **If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.**
[insert answer here]

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2.2 Assumptions

Assumptions
Please state any assumptions you have made in relation to the Response.
[insert answer here]

Assumptions

RESPONDENT TIP

- An assumption is something that is accepted as true or as certain to happen without proof e.g. that the Buyer (or a third party) will provide certain information or assistance so that the Respondent can deliver on the Requirements.

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SECTION 3: Respondent's declaration

RESPONDENT TIP

- Here you are asked to make a formal declaration. Select 'agree' or 'disagree' at the end of each row. If you don't, you will be deemed to have agreed.
- Have the declaration signed by someone who is authorised to sign and able to verify the declaration, e.g. chief executive or a senior manager.
- If you are submitting a joint or consortium Response each party involved in the joint or consortium Response must complete a separate declaration.

Topic	Declaration	Respondent's declaration
RFI-Terms:	I/we have read and fully understand this RFI, including the RFI-Terms. I/we confirm that the Respondent agrees to be bound by them.	[agree / disagree]
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	[agree / disagree]
Details of conflict of interest:	[if you think you may have a conflict of interest briefly describe the conflict and how you propose to manage it or write 'not applicable'].	

DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

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By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

Signature:_____

Full name:_____

Title/position:_____

Name of organisation: _____

Date: _____

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Information Memorandum

Road User Charges – Retail Services

November 2024

Key dates	
15 Nov	RFI released
12 Dec	RFI responses due
Jan/Feb ‘25	MoT analysis and reporting
Mar ‘25	Government decisions on RUC transition

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MINISTRY OF TRANSPORT
TE MANATŪ WAKA

Transition to Road User Charging

The New Zealand Government has agreed to **transition ~3.5 million light vehicles from Petrol Excise Duty to Road User Charges (RUC)** from 2027.

The transition provides a commercial **opportunity to offer services supporting the purchase, measurement and management of RUC.** Commercial opportunities could include:

- **Payment bundling**
- **Over-the-counter services**
- **Payment smoothing**
- **Technology provision**
- **Data aggregation**
- **Advertising**

This Information Memorandum (IM) explains what RUC is, the potential commercial opportunities in the retail market, who we want to hear from, what we want to know and what happens next. It accompanies a Request for Information (RFI) containing further detail and an RFI Response Form.

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~ 4.7 million +

Total vehicles to be subject to RUC from 2027, potentially making New Zealand the World's largest operational and mandated RUC system

RUC in New Zealand - background

RUC is a mechanism for paying for road use by distance, weight and axle configuration

- New Zealand has had a **RUC system since 1978**.
- At present **all heavy vehicles** regardless of energy source and all **diesel, electric and plug-in hybrid light vehicles** must pay for road use based on distance and vehicle class.
- Most vehicle owners pay for RUC manually, buying **prepaid distance licences** online or over the counter.
- Many heavy vehicle (and a few commercial light vehicle) owners use a **certified eRUC service provider** that supplies vehicle trip recording systems and invoices customers.

180,0000
Heavy vehicles currently subject to RUC

1 million
Light vehicles already subject to RUC

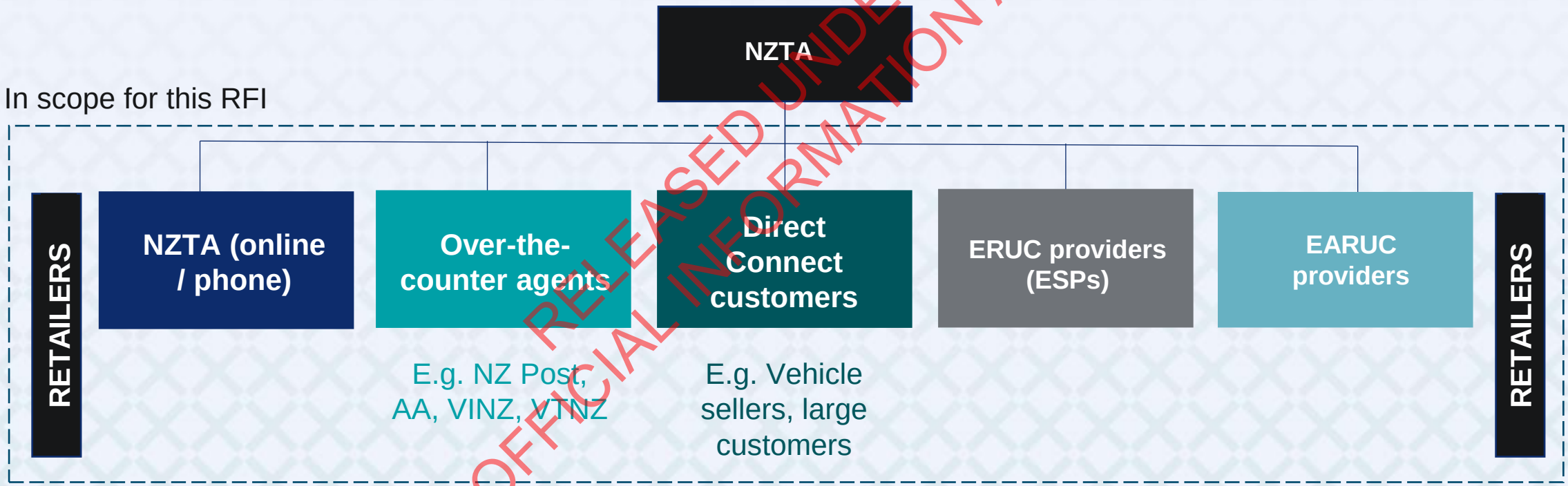
NZD 1.9 billion
Government RUC revenue in FY24

~2/3
Heavy vehicle RUC revenue collected via ERUC

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The current RUC system (1 of 2)

The New Zealand Transport Agency (NZTA) is the RUC collector and there are several outlets through which vehicle owners can purchase a RUC licence



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The current RUC system (2 of 2)

The current RUC system was originally designed with the heavy vehicle fleet in mind. The transition of 3.5 million vehicles provides a timely opportunity to review the existing arrangements

NZTA's RUC retail system

NZTA's RUC retail system is largely manual - users must realise that they need to buy a licence and then log onto NZTA's **online portal or visit agents** to purchase a licence. **Fleet customers can use "direct connect**" to purchase and manage their purchase and label printing.

Many RUC users buy their RUC via the NZTA online portal or from agents. 90% of light and 28% of heavy RUC revenue is collected through these outlets.

Licenses are currently **pre-purchased in increments of 1,000 kilometres** and various rates apply depending on vehicle.

Electronic systems (ERUC)

Electronic System Providers (ESPs) offer a subscription fleet management service (assisting with operational efficiency and safety) and typically includes RUC services (ERUC). These services are **predominantly used by the commercial/heavy vehicle fleet**.

There are currently three ESPs in New Zealand. They **handle the RUC calculations,** are liable for the debt to NZTA, and are **regulated by NZTA** under the ERUC Code.

ESPs use two sources of distance data. One is typically **GPS based**, the other a **distance recorder** installed in the vehicle.

Electronic systems (EARUC)

Electronically Assisted RUC (EARUC) supports vehicle owners with the administrative side of managing RUC, and can facilitate the purchase of RUC via an application or portal connected to the NZTA RUC transaction portal.

EARUC providers sometimes use a **device mounted on the windscreen** to display RUC distance licences. EARUC products do not typically include distance recording.

The EARUC market is still in the relatively early stages of development but is an area where there is **emerging interest from providers**.

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What is changing?

With ~3.5 million light vehicles transitioning to RUC there will be **new market dynamics**.

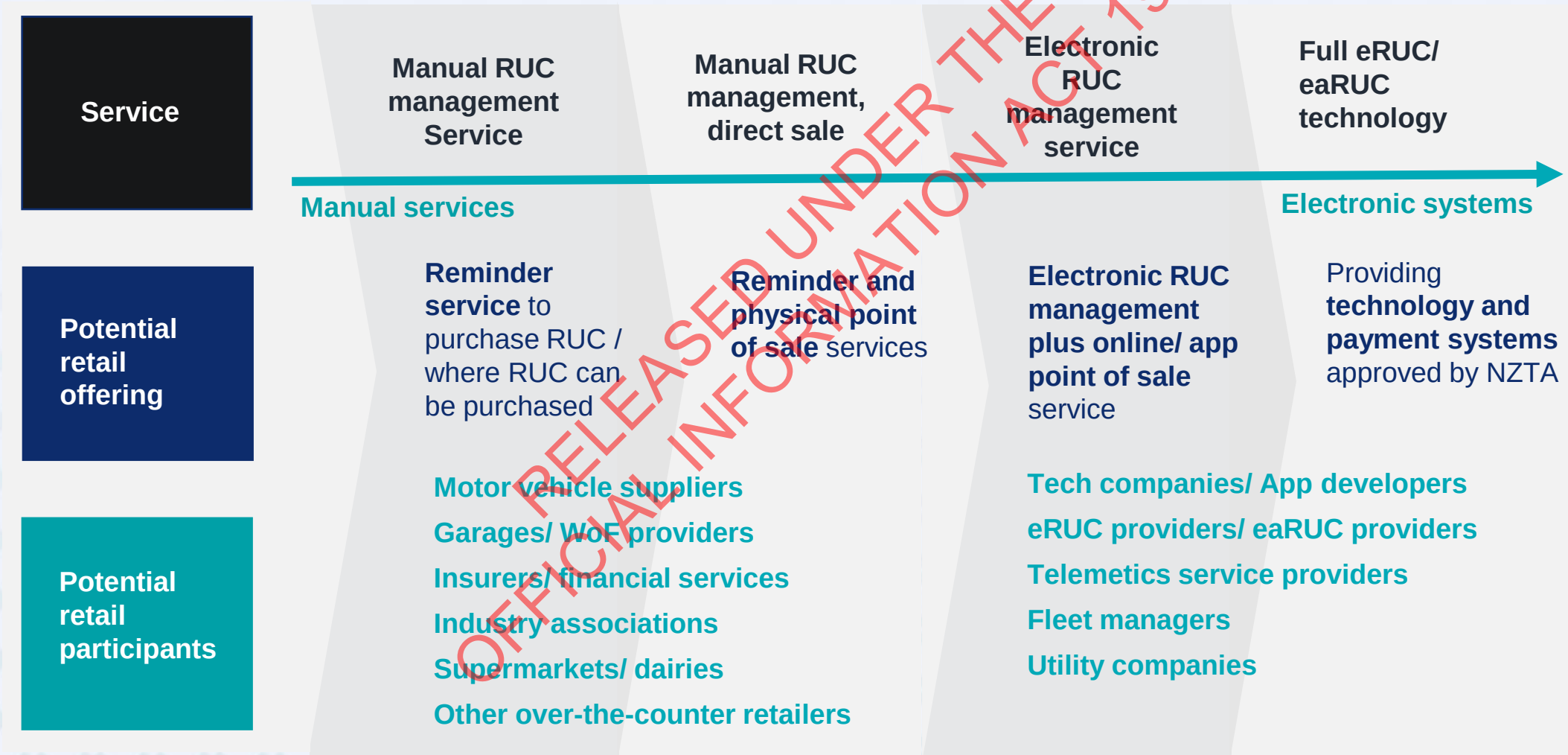
The Government is keen to review **RUC retail arrangements** to ensure they **suit the changed conditions** and provide an **easy transition and ongoing service provision** for new users.

Objectives in considering RUC retail purchase settings include:

1. **Ease of payment**
   As far as possible, paying for road use should be easy, with a range of options
2. **Provides user choice**
   Users can **choose from various providers** with services tailored to individual needs
3. **Market-led**
   Providers tailoring offerings to serve the user, resulting in **improved user experience**
4. **Revenue security**
   Balance a **user-friendly system** with ensuring revenue security

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RUC retail opportunities



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What are the commercial opportunities connected with RUC retail?

We expect the sale of RUC may augment existing commercial activities and may generate customer interactions, attract new customers, or present an opportunity for providing value-add services, e.g.:

Payment bundling

Enabling the bundling of RUC with other services (e.g. broadband, power, rates, phone and transport) for ease of payment to a single trusted payee

Finance/ payment smoothing

Subscription/smoothing to reduce the impact of lumpy payments. This may include offering post-usage options or charging regular flat fees based on estimated usage

Technology solutions

App and/or telematic services for vehicle distance recording, RUC payment and associated fleet management services

Advertising

Website and app advertising at point of sale. Sale of information to advertisers (with the express permission of customers)

Data aggregation

Selling anonymised aggregated data gained through the provision of electronic RUC retail services (with the permission of users)

Other retail services

Purchase of RUC alongside the purchase of other items

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What we want to know

A summary of questions in the RFI response form is set out below – not all questions will be relevant to all respondents, please feel free to answer selectively

About you
To what extent is the provision of RUC retail services something you currently do?

Level of interest
What is the nature of the RUC retail service you are interested in?

Commercial proposition
Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

Technology
What role might technology offered by your business play in the future RUC retail market?

Barriers
What might help or hinder you from participating in the RUC retail market?

NZTA
How can NZTA's activities enable and encourage RUC retailers to participate?

Revenue security
How can RUC retail market participants assist with balancing a user-friendly system with ensuring revenue security?

Consumer protection and support
Do you have any initial views on how you might ensure appropriate protection of consumers (eg. Complaints, remedy mechanisms)?

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Next steps



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MINISTRY OF TRANSPORT
TE MANATŪ WAKA

OC2250006

13 February 2025

s 9(2)(a)

Dear s 9(2)(a)

I refer to your email dated 13 January 2025, requesting the following under the Official Information Act 1982 (the Act):

> *Can you advise when you will be making submissions on the RFI publicly available, please?*
>
> *For our part, we have indicated where we think the commercial sensitivity of our response justifies withholding particular sections and are happy for the other parts to be released when the time comes. We would appreciate being consulted if you feel otherwise, of course.*
>
> *Please also consider this a request under the OIA for copies of the other responses.*

25 documents fall within the scope of your request. We are releasing seven responses with redactions made to protect the privacy of natural persons under s9(2)(a) of the Act, three of which also have redactions made under s9(2)(ba)(i) of the Act.

18 responses are being withheld under section 9(2)(ba)(i) of the Act *to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.*

I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

Note that we plan to proactively release a list of the names of parties that responded to the RFI, and a summary of the themes (which will not attribute themes to specific parties).

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HEAD OFFICE: PO BOX 3175, Wellington 6140, New Zealand.
TEL: +64 4 439 9000

AUCKLAND OFFICE: NZ Government Auckland Policy Office, PO BOX 106483, Auckland 1143, New Zealand.
TEL +64 9 985 4800

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website **www.ombudsman.parliament.nz**

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Yours sincerely



Matt Skinner
Manager, Revenue

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Kapsch TrafficCom

kapsch challenging limits

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: 12th December 2024

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SECTION 1: About the Respondent

1.1 Our profile

This is a Response by Kapsch TrafficCom New Zealand Ltd (the Respondent) to provide information.

Item	Detail
Full legal name:	Kapsch TrafficCom New Zealand Ltd
Trading name (if different):	As above
Physical address:	9 Hamilton Road, Herne Bay, Auckland 1147, New Zealand
Postal address:	P.O Box 334087
Registered office:	Level 14, 600 St Kilda Road, Melbourne, VIC, Australia
Business website:	https://www.kapsch.net/en
Type of entity (legal status):	New Zealand Private Company
NZBN number:	NZBN 9429033760506
Country of residence:	New Zealand
GST registration number:	Tax ID number: 098-070-826 Registered Company/Business number: 1883916
Consent to follow up (Likely to be in week commencing 16 December)	Yes, but please note most staff will be out of the office between December 23rd and January 4th. Availability after January 6th will not be an issue.

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1.2 Our Point of Contact

Item	Detail
Contact person:	s 9(2)(a)
Position:	
Physical location of contact person	Brisbane, Australia
Phone number:	NA
Mobile number:	s 9(2)(a)
Email address:	

SECTION 2: Our Requirements

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you

To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?

What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?

If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.

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The Extent of Kapsch's Provision of RUC Retail Services

Kapsch provides road user charging services in multiple jurisdictions around the world. We are a full-suite service provider, with solutions ranging from dedicated satellite and radio frequency tolling devices to data processing platforms, and back office, customer/account management and payment systems. Road user charging for all vehicles is a core part of our current and future solution portfolio, supported by a clear vision of delivering and executing such technically and politically challenging projects.

In New Zealand, Kapsch has already implemented road pricing infrastructure through Multi-Lane Free Flow (MLFF) tolling systems on roads such as the Auckland Northern Gateway Toll Road, Tauranga Takitimu Drive and Tauranga Eastern Link. Kapsch was responsible for planning, designing, developing, supplying, integrating, testing and commissioning these systems, which use highly automated MLFF Electronic Toll Collection (ETC) equipment and software to enable tolling on highways without requiring vehicles to slow down or stop. In these examples, we utilise advanced video analytics technology to accurately and efficiently charge each vehicle. This equipment can also be put to use for RUC enforcement by verifying vehicle location.

s 9(2)(ba)(i)

The Scope of Our Current Offering

Overview

Kapsch can calculate RUC using location-based data or manual reporting; we recommend and specialise in the former. Our RUC solution is built around our Geo Location Platform (GLP): software that uses satellite (GNSS) location data from any source to calculate distance travelled according to dynamic tariffs (location, time, vehicle type, emissions class etc.). The structure of the tariffs is set by the public authority, e.g. the New Zealand Government, according to the outcome it wishes to achieve (i.e. revenue generation, congestion reduction/management, air quality improvements etc.). Our RUC solution covers all areas of the value chain, however, our primary focus is on delivering a precise and defensible RUC transaction, which can be collected by Kapsch or by any third-party service provider.

Our location-based solution is supported by three key pillars:

1. Avoid isolated solutions by implementing a harmonised and data-agnostic approach
2. Seamless, choice-based delivery to the end user and added value to the public authority
3. Privacy and data protection at the core

Kapsch's vision consists of a transparent division of responsibilities between authorities, technology suppliers and retail service providers. This division also supports the establishment of a legal and practical separation between data subjects, processors and controllers, ensuring compliance with the most stringent data protection practices from all parties.

RUC Experience

We believe that offering choice to the end user – particularly at the points of data sourcing and service provision – is a key enabler of acceptance. We have demonstrated our ability to produce

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secure and precise transactions based on the use of satellite or kilometre data in several countries and across numerous projects. Kapsch also has demonstrable experience and references as both a technology supplier and a retail service provider, as outlined below:

1. **Bulgaria** – Delivery of technical services to a public authority and retail service providers in support of the nationwide satellite-based RUC programme for heavy vehicles. Services included in-vehicle devices, satellite data processing platform, roadside enforcement, transaction generation and back office software. Data from this project is shown in Table 1.

Table 1 Bulgaria RUC Figures

s 9(2)(ba)(i)



2. **Across Europe** – Retail road charging services were provided directly to the end customer – individual light vehicle owners and heavy vehicle fleets – via Kapsch's 100% owned subsidiary Tolltickets. Services included in-vehicle device distribution, back office software, customer account management, transaction generation, billing and payment collection. Data from this project is shown in Table 2.

Table 2 Tolltickets Figures

s 9(2)(ba)(i)



3. **Across Europe** – Satellite in-vehicle devices and technical services for heavy vehicle fleets were supplied to five retail service providers across Europe. Services included in-vehicle devices supply, satellite data processing platform and roadside enforcement. Data from this project is shown in Table 3.

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Table 3 Europe Figures

s 9(2)(ba)(i)

4. **Oslo, Norway** – Technical services were provided for a smartphone-based RUC pilot involving individual light vehicle owners. Services included a secure satellite data platform and data processing and transaction generation. Data from this project is shown in Table 4.

Table 4 Norway Figures

s 9(2)(ba)(i)

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More in-depth information about our solutions is further discussed in the sections below.

Level of interest in RUC services

What is the nature of the RUC retail service you are interested in offering:

1. **Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);**
2. **Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);**
3. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);**
4. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);**
5. **Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf); or**
6. **Another business model (or hybrid of the approaches outlined above)?**

Level of Interest in RUC Services

Kapsch is interested in offering the services outlined in Options 3, 4 and 5 above. For each of these options, our service offering is based on the technical capabilities we have developed and deployed in the reference projects listed in the *About You* section above. In each case, we demonstrate a proven capability to accurately measure and report vehicle distance travelled. We have delivered this service both as an agent of the charging authority and directly to end users via our daughter company Tolltickets. Both directly and indirectly Kapsch reporting devices and associated back office software have been certified by the charging authorities in over 12 European countries, including those applying the highest and most stringent Key Performance Indicators (KPIs).

In addition, we would like to explore the introduction of a somewhat different business model – Option 6 – which we outline below. s 9(2)(ba)(i)

[redacted]

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We believe that user acceptance represents a significant barrier to the introduction of RUC, even those that are replacing an existing form of taxation rather, like a fuel excise duty, than introducing a new one. We also understand that any form of road charge calculation based on the use of vehicle location data will encounter resistance. We also understand that the collection and use of such data is impossible without the explicit consent of the user/vehicle owner.

s 9(2)(ba)(i)

[redacted]

s 9(2)(ba)(i)

Commercial proposition

Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:

- **fleet management/telematic services**
- **bundling of utility like payments**
- **financial services to bundle and smooth payments**
- **sale of information to advertisers (with the express permission of customers) etc.**
- **efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases**

This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.

Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?

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An Integrated Approach

Specifically applying the business model proposed in the previous *Level of Interest in RUC Services* section, we recommend integrating RUC retail services with the tolling and traffic management services already provided by NZTA. This has been used to great success in similar Kapsch deployments in Denmark (under BroBizz) and Bulgaria (under TollPass) for their heavy vehicle RUC programs. For the New Zealand Government, this approach would realise the following benefits:

- Create an all-in-one integrated system, allowing NZTA to easily manage the various transport systems – tolling, traffic management and RUC – from a single point.
- Each of these sub-systems can share data and insights with the other to boost overall performance and user experience.
- As mentioned in our other response sections, it is possible to use the existing tolling infrastructure to support RUC, especially in enforcement, reducing new infrastructure costs.
- It facilitates better collaboration across departments and stakeholders, including public transport, freight logistics and emergency services.
- It would give end users a single account to manage their tolling and RUC, and even monitor traffic conditions to better plan their journeys.
- Managing RUC would then become a familiar experience to users as it would be similar to how they already manage tolls, lessening public education and acceptance concerns.
- The integrated system can leverage shared resources to reduce per-user or per-transaction costs and aid in economies of scale.

Any service that requires the use of a vehicle and therefore personal location data – which we believe is the most fair and accurate way to calculate a range of RUC – necessitates a degree of trust, a clear opt-in and a clear sense of value add from the end user. For example, pilots conducted elsewhere in the world have shown that individuals mistrust what are often perceived as government initiatives aimed at 'tracking' their movements. Yet the same people happily provide the same data to dozens of applications hosted on their smartphones. In Italy, over 7 million vehicles are equipped with tracking devices, at the driver's choice, as a means of receiving cheaper car insurance based on driving habits and vehicle location in the event of theft.

s 9(2)(ba)(i)

[redacted]

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s 9(2)(ba)(i)

[redacted]

Economies of Scale

The RUC programme is likely to have an initial, one-off fixed cost to establish the necessary infrastructure, systems and processes. This can involve in-vehicle devices, roadside equipment, software, communications infrastructure, public education campaigns, etc. Therefore, including more vehicles in the programme from the start offers significant economies of scale with the following benefits:

- A larger pool of vehicles generates higher total revenue, which offsets the programme's setup costs more quickly.
- Faster revenue recovery can then allow the New Zealand Government to reinvest in infrastructure improvements or reduce future rate hikes, which in turn support public acceptance.
- A larger pool would allow bulk procurement of in-vehicle devices at discounted prices.
- Including more vehicles ensures a perception of equity, as all road users contribute based on usage, reducing resistance to the programme.

Also note, employing an integrated approach as mentioned above would reduce some of this initial cost by reducing the amount of new infrastructure and equipment.

Lead Times

The lead times of hardware – in-vehicle devices, roadside infrastructure and equipment, consumables, back office hardware, etc. – would need to be considered in the early stages to ensure the RUC programme launches as planned.

The commercial viability and lead times associated with third-party RUC deployment depend on how easily the service can be integrated. s 9(2)(ba)(i)

[redacted]

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s 9(2)(ba)(i)

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance, or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

- **how the technology works**
- **what data is collected**
- **What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)**
- **how you ensure the reliability and security of the system**
- **how revenue security is protected**
- **how user privacy is protected**
- **what benefits it offers customers compared to the existing system**
- **whether the technology is stand-alone or integrated into existing devices (cars or phones)**
- **whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles**

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

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How Our Technology Works

Our RUC technology is based on Kapsch's Geo Location Platform (GLP), which enables satellite tolling, road user charging and location-based detection for transport agencies and service providers. The GLP is a device-agnostic, cloud-native application consisting of a series of micro-services, each delivering a specific functionality such as map matching, trip building, and charge report rating and calculation. These combined micro-services turn raw location data into precise, defensible and, ultimately, billable road usage charges.

Upon processing the data within the GLP, information is sent over to the Kapsch Commercial Back Office (CBO). The CBO manages customer relationships using various customer channels, including customer service centres, retail outlets, and web and mobile applications. It is an event-based financial system, based upon generally accepted accounting principles (GAAP)-compliant processes.

The architecture of the CBO contains modules that operate as self-contained, isolated services or microservices. This modular approach provides the flexibility to add new features with limited impact on the system while in operation, reducing the cost of system upgrades.

The Data We Collect

To enable the calculation of RUC we collect location-based data consisting of:

- Satellite (GNSS) coordinates (longitude, latitude and time stamp)
- Speed
- Vehicle heading/direction
- Position accuracy (± number of metres of accuracy)

s 9(2)(ba)(i) [redacted]. We also collect vehicle data, however, the precise nature of this data depends on the desired outcome of the charge. For example, to charge different rates for electric or low emissions vehicles we would need to collect this data as well, or to charge heavier vehicles a higher rate we or the service provider would need to identify vehicle weight or number of axels etc.

Depending on the separation of responsibilities between the technology supplier and service provider we may also need to collect end-user data, such as vehicle licence plate, name, address and payment information for billing and account management purposes.

Revenue Collection Services We Provide

Our services cover both revenue collection and traffic management, analysis and insights.

s 9(2)(ba)(i) [redacted] This carries the benefit of being able to deliver one or multiple outcomes such as congestion reduction, air quality improvement or revenue generation. Our traffic-focused services can deliver actionable insights to urban or

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interurban road operators such as congestion and traffic level reporting, vehicle routing, traffic signal optimisation etc.

How We Ensure the Reliability and Security Of Our System

Kapsch operates a Security and Monitoring Control Centre (SMCC), which consists of a set of modules for technical, operational, performance and security monitoring of our RUC system. Other steps we take to secure our system include:

s 9(2)(ba)(i)



How Revenue Security is Protected

s 9(2)(ba)(i)



How User Privacy is Protected

Our solution is built on privacy and security by design. The privacy-by-design concept ensures that the solution processes only collect data relevant to the business and an established data retention management (time to live) ensures timely data clean up, thus the solution is fully compliant with legislation outlined in the European GDPR directive, which continues to be among the most stringent in the world. An additional benefit of the privacy-by-design approach is that the small data footprint per road user keeps operations costs low.

The security-by-design concept encompasses the security mechanisms realised both in solution architecture and software, e.g. encryption in transit/at rest and the aspect of access protection. Access protection is guaranteed by role and privilege management, restricting access to needed

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parties only. Penetration tests were performed by a third party and proved that the intrusion prevention solution works, adding confidence to our existing system security. Having a third party conduct the tests allowed us to further improve our system.

Penetration tests were performed by a third party which helped prove that the intrusion prevention solution works and also provides confidence in the existing system security. This allowed us to identify any security risks or opportunities to further improve the overall design

s 9(2)(ba)(i)

[redacted]

The Benefits Our Solution Offers Customers Compared to the Existing System

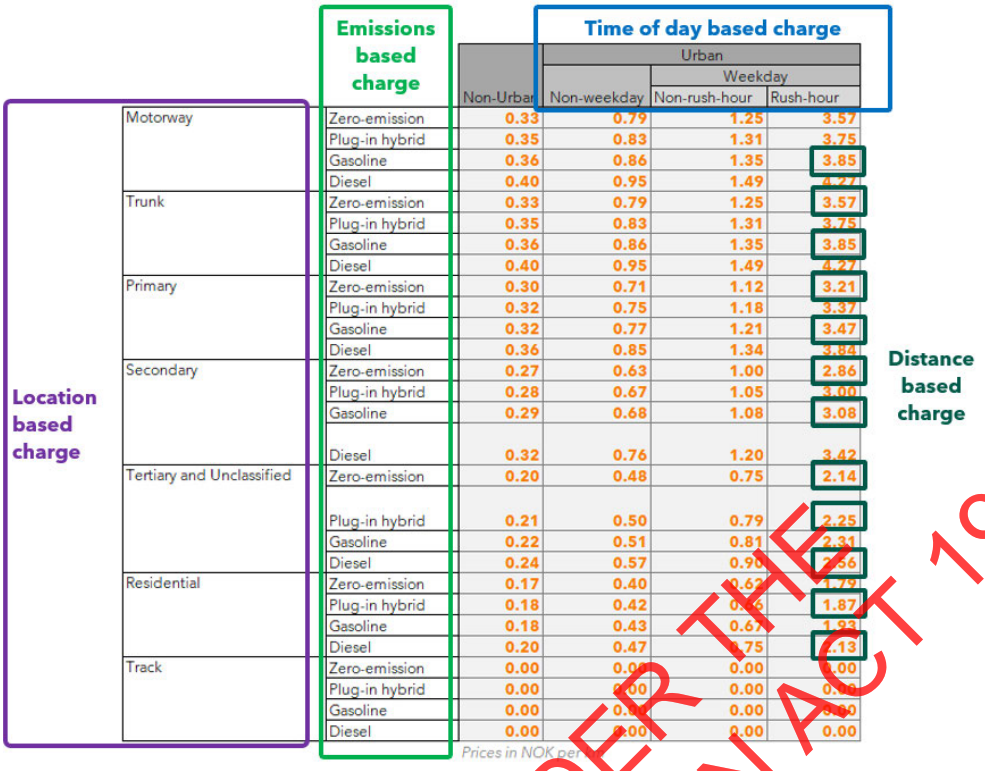
Kapsch strongly believes that RUC programmes based on the use of vehicle location data can deliver multiple complementary outcomes to both users and authorities. These are most evident at the urban level, where adjustments to the tariff can be used to deliver outcomes targeting specific problems, as illustrated in Figure 2.



Figure 2 Common problems and desired outcomes for urban areas

As part of our RUC pilot in Norway, Kapsch was able to demonstrate how the implementation of a more dynamic charging tariff (demonstrated in Figure 3) could deliver these different desires. While we typically recommend that RUC programmes start on a simple tariff structure, this same table can be modified and/or applied to New Zealand.

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Location based charge		Emissions based charge	Time of day based charge				Distance based charge
				Urban			
				Weekday			
			Non-Urban	Non-weekday	Non-rush-hour	Rush-hour	
	Motorway	Zero-emission	0.33	0.79	1.25	3.57	
		Plug-in hybrid	0.35	0.83	1.31	3.75	
		Gasoline	0.36	0.86	1.35	3.85	
		Diesel	0.40	0.95	1.49	4.27	
	Trunk	Zero-emission	0.33	0.79	1.25	3.57	
		Plug-in hybrid	0.35	0.83	1.31	3.75	
		Gasoline	0.36	0.86	1.35	3.85	
		Diesel	0.40	0.95	1.49	4.27	
	Primary	Zero-emission	0.30	0.71	1.12	3.21	
		Plug-in hybrid	0.32	0.75	1.18	3.37	
		Gasoline	0.32	0.77	1.21	3.47	
		Diesel	0.36	0.85	1.34	3.84	
	Secondary	Zero-emission	0.27	0.63	1.00	2.86	
		Plug-in hybrid	0.28	0.67	1.05	3.00	
		Gasoline	0.29	0.68	1.08	3.08	
		Diesel	0.32	0.76	1.20	3.42	
	Tertiary and Unclassified	Zero-emission	0.20	0.48	0.75	2.14	
		Plug-in hybrid	0.21	0.50	0.79	2.25	
		Gasoline	0.22	0.51	0.81	2.31	
		Diesel	0.24	0.57	0.90	2.56	
	Residential	Zero-emission	0.17	0.40	0.63	1.79	
		Plug-in hybrid	0.18	0.42	0.66	1.87	
		Gasoline	0.18	0.43	0.67	1.93	
		Diesel	0.20	0.47	0.75	2.13	
	Track	Zero-emission	0.00	0.00	0.00	0.00	
		Plug-in hybrid	0.00	0.00	0.00	0.00	
		Gasoline	0.00	0.00	0.00	0.00	
		Diesel	0.00	0.00	0.00	0.00	

Prices in NOK per

Figure 3 Example RUC pricing table

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Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What policy, legislative and regulatory setting would need to change or be made easier to enable you to invest in offering RUC retail services?

Barriers

In our view, the barriers to implementing RUC on the scale envisaged by the New Zealand Government are political and legislative, rather than technical. The viability of satellite-based road charging has been proven in many different countries across the world by various suppliers, including Kapsch. It continues to be successfully deployed as an approach to road tolling. All examples of scheme failures are typically due to reversed political decisions or a lack of political will to implement what can often be a divisive solution.

Awareness of this reality is why we consistently promote a solution that is built on the foundations of user choice, opt-in and privacy by design, and includes options whereby users can record distances travelled manually. We also see the benefits of a regulated system of information exchange based on published ISO standards.

s 9(2)(ba)(i)

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NZTA

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. **Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);**
2. **Providing RUC retail services to customers directly (through its website and App);**
3. **Collecting and administering the RUC revenue; and**
4. **Receiving the statutory fee for RUC transactions.**

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

NZTA's Activities

Kapsch's role in the RUC programme would be that of a technology supplier, providing in-vehicle, roadside and back office hardware and software. We have also been working closely with NZTA for many years in related road pricing applications and understand their processes. Because of this, we do not have specific advice or feedback on NZTA's activities crowding out third parties.

s 9(2)(ba)(i)

On another note, in countries where kilometre-based charges are legally defined as a tax, we typically see a requirement for users to have a 'free' method of calculation and payment. In this case, the costs of collection are borne by the charging authority and may have an impact on their business case.

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Revenue security **How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?**
Revenue Security For RUC licences, providing a user-friendly system and ensuring revenue security go hand-in-hand; users are more likely to purchase and pay on time if it is easy to do so. The following list suggests how this can be done, specifically for electronic RUC applications: s 9(2)(ba)(i)

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Consumer protection and support

Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?

Consumer Protection

To ensure appropriate protection of consumers, our system incorporates a comprehensive case management module within the Commercial Back Office (CBO). This module promotes proper traceability and follow-through for all customer issues, utilising alerts and tasks to enhance response times and overall customer management. By integrating the features described below, we aim to provide robust consumer protection and support, ensuring that all customer issues are handled efficiently and effectively.

Case Management:

- Case Generation: Cases can be initiated either by a CBO operator or automatically by the system.
- Assignment and Resolution: Once a case is registered, it is assigned to an operator who is responsible for resolving the issue. Cases can be modified, reassigned, reclassified, resolved, or cancelled as needed.
- Automated Alerts: Automated alerts ensure timely updates and actions, improving the efficiency of issue resolution.

Flexible Solutions:

- Customer Service: The CBO system is designed to meet the diverse needs of customers and road operators, offering solutions such as financial adjustments, credits, and debt management.
- Payment Options: To provide consumer flexibility and choice in RUC purchases, we offer various payment options. These options are designed to accommodate different consumer preferences and financial situations, ensuring a seamless and user-friendly experience.

Payment Options

In our previous RUC deployments, the price for the end user was determined by the tolling service provider or, in the case of heavy vehicles, the fleet service provider. As general advice, offering flexible payment options, such as prepaid, postpaid and/or subscription, can make it convenient for users and encourage timely and accurate payments which in turn boosts revenue security for the programme.

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[Optional] Additional information
If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.

Public Acceptance & Communication

The importance of public education and acceptance should not be overlooked. From our previous experience in RUC projects around the world, we have seen they play a large part in the programme's success. All too often anti-RUC parties are far more successful in their messaging and the public is not sufficiently educated in the alternative view.

We believe that RUC can be more successful when it is more ambitious. Revenue collection alone is a much harder proposition to implement and an easier target for opponents. It is our view that RUC should consider the additional outcomes that can be delivered as part of a location-based scheme such as improved air quality, reduced congestion, noise reduction, investment in public transport, fleet greening etc., as a core part of the scheme design.

2.2 Assumptions

Assumptions
Please state any assumptions you have made in relation to the Response.

- We assume that road user charges are legally defined as a tax, rather than a charge or optional fee.
- We assume that third party service providers can legally collect this tax on behalf of the authority.
- We assume that individual users must have an option to pay their RUC without incurring service fees.
- We assume that enforcement and/or the delivery of an enforcement system is not a part of this RFI

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SECTION 3: Respondent's declaration

Topic	Declaration	Respondent's declaration
RFI-Terms:	I/we have read and fully understand this RFI, including the RFI-Terms. I/we confirm that the Respondent agrees to be bound by them.	Agree
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	Agree
Details of conflict of interest:	Not applicable	

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DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

s 9(2)(a)

Signature: _____

Full name:

Title/position:

Name of organisation: Kapsch TrafficCom

Date: 12th December 2024

Instructions for Respondents

1. Check that you have all the relevant documents, including:
   - The Request for Information (RFI) which outlines what information is needed.
   - The Response Form (this one) to fill out your response.
   - The RFI-Terms.
2. Before filling out this form, read the RFI carefully, particularly Section 2 (Our Requirements).
3. Please follow the layout of this Response Form:
   - Don't change the section headings and sequence as this needs to be consistent across all Respondents.
   - Insert any extra images or graphs either as part of your answer or in a separate attachment (but make it clear in the Response Form that you have done so).
   - The combined file size including all attachments that can be sent to procurement@transport.govt.nz is 20MB.
4. Everything highlighted in **PURPLE** in this document is information for the Respondent (you). Delete these **PURPLE** parts before sending the Response Form. Everything shaded in BLUE is customisable by you. When you have completed these areas please un-shade them.

   The purple boxes are Respondent Tips. Delete these after reading.

   Write your response in the blue sections. Un-shade the blue once you have filled these out.
5. Remember to make a note of the Deadline for Questions. Feel free to ask us anything if it is unclear.

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Checklist for Respondents

Before you submit your Response…	
1. Fill out all sections of the Response Form.	X
2. Remove all the purple 'Respondent Tip' boxes from this Form.	X
3. Delete the **PURPLE** instructions from this Form.	X
4. Un-shade the **BLUE** highlighting where you fill out your answer.	X
5. Prepare your Response Send a digital copy by email to procurement@transport.govt.nz	X
6. Arrange for the Response to be submitted electronically before the Deadline for Responses.	X

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ClearRoad, Inc.

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: 12/11/2024

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SECTION 1: About the Respondent

1.1 Our profile

This is a Response by **ClearRoad, Inc.** (the Respondent) to provide information.

Item	Detail
Full legal name:	ClearRoad, Inc.
Trading name (if different):	ClearRoad
Physical address:	99 Wall St. Ste 1518 New York, NY 10005
Postal address:	99 Wall St. Ste 1518 New York, NY 10005
Registered office:	16192 Coastal Hwy Lewes, DE 19958
Business website:	www.clearroad.io
Type of entity (legal status):	Corporation
NZBN number:	N/A
Country of residence:	USA
GST registration number:	Overseas
Consent to follow up (Likely to be in week commencing 16 December)	Yes - Available beginning 16 December

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1.2 Our Point of Contact

Item	Detail
Contact person:	s 9(2)(a)
Position:	
Physical location of contact person	Montreal (Canada)

Item	Detail
Phone number:	N/A
Mobile number:	s 9(2)(a)
Email address:	

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SECTION 2: Our Requirements

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you

To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?

What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?

If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.

ABOUT CLEARROAD

ClearRoad specializes in providing end-to-end solutions for Road User Charging (RUC), with a focus on addressing the unique challenges of a scalable, efficient, and user-friendly implementation. RUC is at the core of ClearRoad's identity and our solutions are purpose-built to support the purchase, management, and administration of RUC programs across jurisdictions.

Our approach is modular and flexible, enabling components to function as part of a fully integrated system or as standalone modules that enhance existing frameworks. This flexibility allows us to tailor our solutions to the specific needs of different regions, partnering with local operators to deliver the greatest value.

ClearRoad's technology-agnostic approach to distance reporting ensures compatibility with a wide range of vehicles and recording methods. This is complemented by robust data handling practices and operational protocols designed to enhance accuracy, minimise fraud and ensure a seamless user experience. By leveraging distance recording technologies already available in vehicles or accessible to drivers, we reduce operational costs while improving user acceptance and promoting program sustainability. Our system supports both automated and manual distance reporting, offering users more options while safeguarding privacy and ensuring compliance.

Being technology-agnostic allows ClearRoad to support all vehicle types and integrate seamlessly with current and future connected vehicle technologies, as well as adjacent industries such as tolling, time-of-use (congestion) charging and other ITS systems. We believe that our open architecture and collaborative approach enhances potential for interoperability and fosters innovation.

Our solutions addresses four key challenges currently faced by RUC: cost-effective distance reporting and operation, scalability to accommodate millions of users, high accuracy and reliability for revenue assurance, and adaptability to support evolving program requirements.

Through years of experience in live RUC programs, extensive pilot projects, and research and development, we have defined best practices, refined our tools, and implemented robust systems. These efforts have ensured that we deliver high-quality solutions and outcomes that meet the needs of both the government and end-users.

OVERVIEW OF SERVICES

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ClearRoad's RUC solution offers a comprehensive suite of services to enable full end-to-end RUC implementation including distance reporting, transaction processing, account management and backoffice operations, invoicing, payment collection, data monitoring and reporting, and customer support.

Our modular architecture offers flexible and tailored implementation for diverse program needs. We seamlessly integrate with different third-party providers, existing government systems, and support a variety of distance recording options such as: On-board Devices (OBD), OEM Vehicle Telematics, and our own Smartphone App and Odometer Photo Capture developed by ClearRoad.

Offering different distance recording solutions allows us to give users more options and ensure compatibility across a broad range of vehicle types. Complemented by robust data handling practices, our solution improves accuracy, minimises fraud, and ensures a seamless user experience.

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Both programs focus on fuel-efficient and zero-emission vehicles.

In these live programs, ClearRoad's distance recording solutions have been rigorously vetted and calibrated for accuracy and reliability. For each recording option, we have developed and implemented protocols to minimise noncompliance and ensure revenue security. Operational practices and system processes, refined through experience, allow us to address high-risk areas effectively.

PILOTS & RELATED EXPERIENCE

Our solutions are designed to integrate seamlessly with adjacent industries such as tolling and ITS, fostering collaboration and delivering cohesive, efficient outcomes. Our pilot projects demonstrate our ability to align with diverse systems and stakeholders.

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These projects highlight our expansive experience with RUC, our dedication to continuous improvement and research, and our ability to connect and align with diverse systems to deliver cohesive and efficient solutions.

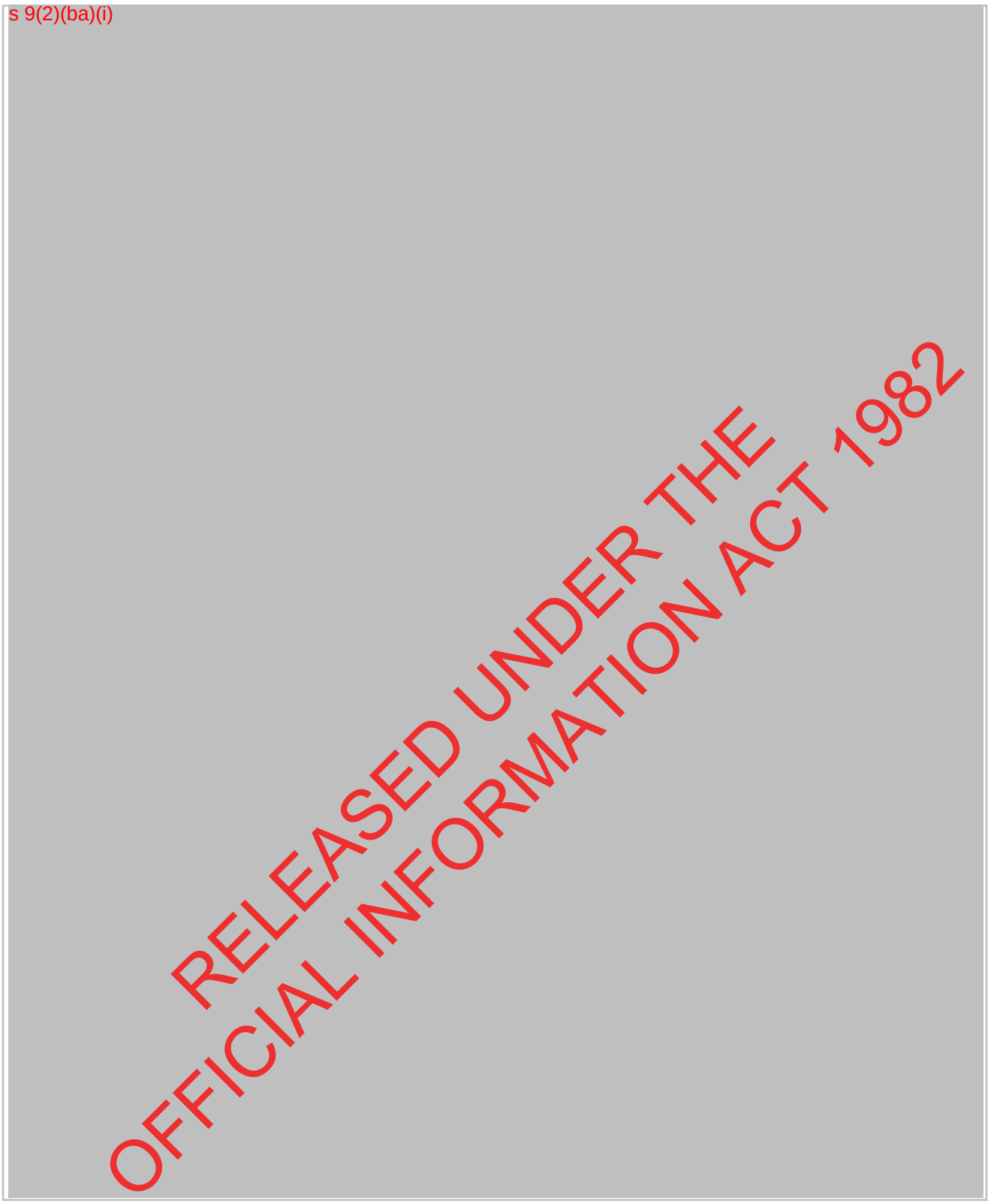
Level of interest in RUC services

What is the nature of the RUC retail service you are interested in offering:

1. Manual RUC management service (but no direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);
2. Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);
3. Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);
4. Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);
5. Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf); or
6. Another business model (or hybrid of the approaches outlined above)?

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Commercial proposition

Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:

- fleet management/telematic services
- bundling of utility like payments
- financial services to bundle and smooth payments
- sale of information to advertisers (with the express permission of customers) etc.
- efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases

This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.

Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?

From our experience, RUC retail services can be a standalone business opportunity under specific conditions. The viability depends on the chosen business model, operational efficiencies, and the integration of value-added services. Below we outline three potential models and their commercial considerations.

A. A COMMISSION-BASED MODEL ON RUC SALES

A commission-based model is a straightforward approach that has proven commercially viable in US RUC programs. In these cases, RUC account managers (CAM) are certified and contracted by the government to manage RUC operations but are standalone businesses. CAMs are incentivized on a commission-based model based on user enrolment in the program.

It is an open, but regulated market that encourages competition among CAMs – encouraging service differentiation and innovation to attract and retain users. By aligning incentives with performance, it ensures high-quality service delivery and creates a standalone business opportunity.

B. AS A STANDALONE BUSINESS WITH ADMINISTRATIVE FEES

This model involves charging an administrative fee for managing RUC accounts and providing end-to-end customer support. It allows for a specialised approach, ensuring a seamless experience for users while promoting innovation in RUC-specific services.

However, one potential challenge is competition from subsidized government alternatives which provide RUC services at a lower cost. If NZTA offers such alternatives, it may limit the competitiveness of private RUC providers. Ensuring a level playing field would be critical for commercial success of this model.

C. BUNDLING RUC WITH NON-RUC SERVICES

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Another option is to integrate RUC with complementary services such as fleet management, utility payments or telematics. While this approach may offer added value to users, we have not observed significant success globally for the non-commercial vehicle segment, in bundling RUC with other services to offset costs effectively.

In the tolling industry, we see more and more interest to bundle tolling with other services such as parking, gas purchase and more, but have seen limited adoption with marginal volumes. While possible, this model is complex and may require significant market maturity and user education to succeed.

OPERATIONAL EFFICIENCIES

For any of the models above, commercial viability depends on implementing efficient and cost-effective operational design. Below, we recommend some strategies to help achieve this:

- *Low-Cost Distance Recording Solutions:* Leveraging existing and readily available technologies such as vehicle telematics or phone-based reporting reduces infrastructure and device costs for users, improving acceptance and scalability.
- *Digitised Operations:* Automating billing, licensing, and other administrative functions can minimize overhead and accelerate deployment.
- *Reduced Physical Infrastructure:* Avoiding the need for physical locations, physical license displays, or installation services for recording devices reduces operational complexity and costs.

These measures not only enhance profitability but also reduce lead time for rollout and scale, making RUC services more attractive to users and providers alike. In the 'Barriers' section, we highlight some legislative changes that should be considered in order to support RUC retailers in becoming commercially viable.

MINIMUM SCALE CONSIDERATIONS

Clear guidance for minimum scale is challenging without further financial analysis of the retail market. However, programs like Oregon RUC have shown that government support in covering some initial set-up and certification costs can encourage participation from vendors and help achieve scale.

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

- how the technology works
- what data is collected
- What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)
- how you ensure the reliability and security of the system
- how revenue security is protected
- how user privacy is protected
- what benefits it offers customers compared to the existing system
- whether the technology is stand-alone or integrated into existing devices (cars or phones)

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- whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

ClearRoad's technology can support New Zealand in transforming its RUC retail market by addressing the distinct needs of non-commercial vehicles. By leveraging existing technologies for distance recording, ClearRoad reduces program costs and operational expenses, offering a seamless, user-friendly RUC system for the larger population.

Our modular and open architecture system design allows us to integrate with both existing infrastructure and future transportation needs, offering flexibility for program evolution and enabling more complex road pricing models such as variable location-based pricing.

Drawing from our experience, we have found that in these early stages of RUC adoption and setup, it is crucial to implement systems that avoid locking NZTA into restrictive RUC operations. Instead, these systems should be designed as future-proof solutions capable of adapting to changing transportation trends and program evolution.

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To further ensure resilience, our team has established strict business continuity and disaster recovery protocols. Over time, we have introduced different measures to prevent and address common risks and adapt to unique use cases. Additionally, each distance recording option is equipped with specific security features, such as fraud detection, tamper alerts, unplug event detection, and frequent connection checks, to further enhance system integrity and reliability.

PRIVACY PROTECTION

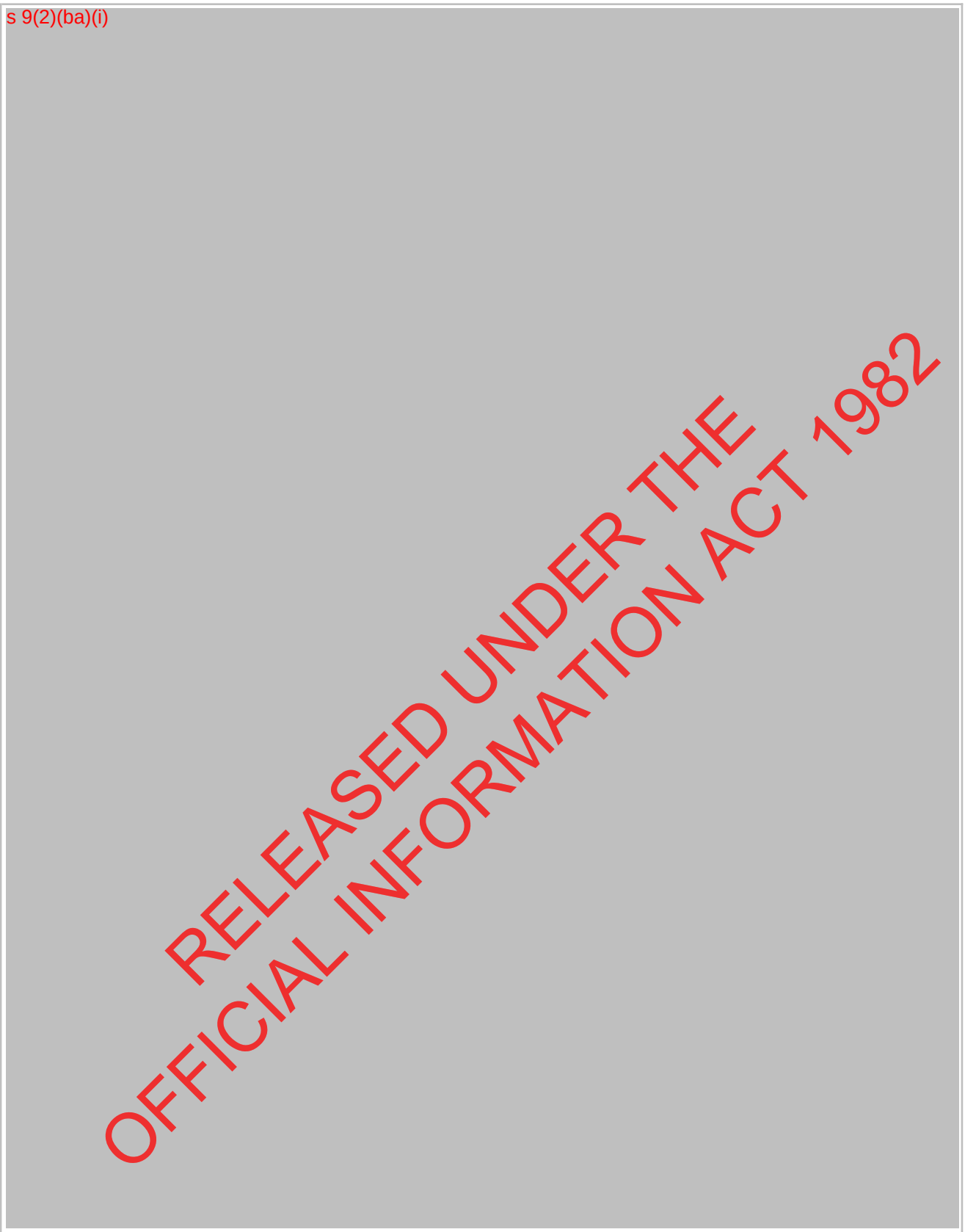
ClearRoad safeguards user privacy by collecting only the information necessary to meet program requirements, particularly if RUC is offered as a standalone service. Our solution complies with consumer privacy protection laws, such as GDPR and similar frameworks such as OCPA in the US State of Oregon.

We employ data anonymization protocols when sharing information with third parties (e.g. payment platforms, other retailers) and enforce strict data access protocols based on administrative roles. Additionally, we have implemented data purging protocols aligned with program requirements, such as automated removal of trip data and location data after a certain period of time (e.g. RUC program in Oregon), and support full deletion of user data on-demand (right to be forgotten).

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STAND-ALONE OR INTEGRATED TECHNOLOGY

ClearRoad's data processing module is agnostic to distance recording devices. We leverage existing devices and technologies, while adding RUC specific enhancements. We are able to integrate with additional distance recording options and third-party providers if needed to offer

more user choice. With some of our proprietary distance recording options (e.g. odometer photo capture) we are able to operate our system as a standalone.

Our solution can be applied standalone or integrated with a variety of services. The modular design and open architecture is built with the future in mind, allowing smooth integration with existing infrastructure and capable of adapting to evolving transportation trends and program evolution.

PROFESSIONAL INSTALLATIONS OR MODIFICATIONS

All of the distance recording options we currently offer are straightforward and easy for drivers to use or install on their own. They do not require professional installation or modifications, thus reducing operational expenses or additional financial burden to customers. However, some distance recording options are inherently more cost-effective than others: OBD devices are particularly costly to scale as they require the purchase of additional hardware, while utilising smartphones and OEM vehicle telematics are low cost options that are readily widely available.

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Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What legal, administrative or policy setting would need to change or be made easier to enable you to invest in offering RUC retail services?

We have identified two primary barriers that could partially hinder our ability to provide RUC services under the current NZTA RUC program:

1. RESTRICTIONS ON THE DISTANCE RECORDING TECHNOLOGIES

Many sections of Code of practice for electronic road user charges management systems are geared towards the use of an onboard unit provided by ESPs. This approach limits the commercialization of alternative, widely adopted distance recording technologies for light vehicle users, such as smartphone or OEM telematics.

Examples of restrictive provisions include:

- Section 3.4. - “ESPs will need to provide at least three electronic distance recorders of the type and model for which they seek approval.” *This requirement implies that the ESP can actually provide some sort of device which would be hard to do if the device is already in the vehicle or if the device is a smartphone.*
- Section 5.2 - “The distance recorded must be derived from at least two independent sources and cross referenced against each other. The sources may include, but are not limited to; wheel revolutions, GNSS and inertia subsystems.“ *There are some limitations for other distance recording technologies to provide 2 independent sources for each trip. For some of them, odometer readings as a single source should be enough on its own.*
- Section 5.2 - “display the electronic distance licence and distance travelled in accordance with section 19 of the Act and in the form prescribed in Schedule 2 of the Regulations (either as an integrated part of the electronic distance recorder, or on one or more separate electronic display panels)”. *This requirement implies that the ESP can customize the device and the display of the information in the vehicle.*
- Section 5.4 - Electronic distance recorders should operate normally in the face of drops, shocks, vibration, humidity, altitude, rain, dust, sand, temperature extremes (-30°C to +80°C) and thermal shock. Testing to SAE J1455 is highly recommended. In cab mounted EDR’s should comply with IP code rating IP54, the housing of externally mounted electronic distance recorders should comply with IP66 rating.*This requirement implies that the ESP will provide specific type of after-market telematics devices.*
- …

The RUC Act defines a ‘distance recorder’ broadly as “any other kind of distance recorder approved by the RUC collector”. However, the definition of an ‘electronic distance recorder’ is more restrictive, referring specifically to “a distance recorder provided by an electronic system provider.” (RUC Act 2012, pt 1, s 5, ss 1). This can create and potentially limit leveraging existing recording technologies already built into vehicles or in the hands of the vehicle owner.

COMPARISON WITH OREGON DOT

We encountered a similar situation with one of our clients, Oregon DOT, who initially prescribed only OBUs for distance recording. Over time, Oregon expanded to other distance recording technologies and solutions. Oregon now offers three options for distance recording. This has successfully increased adoption by accommodating a wider range of vehicles and offering user more choices. A similar approach in New Zealand could enhance accessibility and user acceptance.

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2. EXPANDING RUC BEYOND THE CURRENT RUC LICENSE MODEL

Ref: RUC Act 2012. pt 2, s 9, ss 3
The RUC Act 2012. pt 2, s 9, ss 3 states that “subsection (1) does not apply if there is evidence that the RUC vehicle is registered under an appropriate alternative payment scheme.”

While this suggests that RUC licenses are not the sole method of payment, greater legislative clarity is needed to explore and implement alternative payment models, such as pre-payment, post-payment pay-as-you-go.

Limiting RUC payments to pre-purchased licenses restricts users’ flexibility and may discourage the adoption of certain distance recording methods.

SPECIFIC LEGISLATIVE CHALLENGES:
The Act provides provisions for alternative payment schemes under specific circumstances:

- Part 89, Section 1 (i) “prescribing alternative payment schemes for paying road user charges for RUC vehicles issued with an electronic distance recorder, including prescribing different alternative payment schemes for different RUC vehicles”
- Part 89, Section 1 (j) “specifying forms of evidence of registration under an alternative payment scheme for RUC vehicles fitted with an electronic distance recorder:”

However, these provisions explicitly apply to vehicles fitted with electronic distance recorders as currently defined, potentially excluding newer technologies like OEM telematics and smartphones. Expanding the scope of ’electronic distance recorders’ to include these technologies would facilitate broader adoption and allow for innovative payment schemes.

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By addressing these barriers, NZTA can foster a more inclusive, user-friendly, and technologically advanced RUC system that encourages broader participation while benefiting from future technological advancements.

NZTA

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);
2. Providing RUC retail services to customers directly (through its website and App);
3. Collecting and administering the RUC revenue; and
4. Receiving the statutory fee for RUC transactions.

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

We suggest the following considerations for NZTA's current responsibilities and propose additional areas where NZTA can further encourage RUC retailer participation:

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Revenue security

How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?

Based on our experience in both RUC and tolling, we have made the following observations:

- Emphasis on user choice. By having a variety of RUC retail options, users have the opportunity to select their providers based on their preferences and specific needs. Users can change providers if they are unsatisfied with a provider's service. Word-of-mouth and vendor ratings can be critical to RUC retailer success. This incentivizes providers to enhance the user experience.
- Create a fair but competitive RUC retail environment. This includes implementing standards and requirements to ensure revenue security and program compliance across all RUC retailers, while leveraging a program model (ex. commission-based, KPIs) that

incentivises providers to improve their offerings and services, differentiate from competition, and innovate different aspects of their product and operations. With some of the business models and standards mentioned in earlier sections of this response, RUC retailers are also incentivized to implement effective RUC revenue collection approaches, diversify payment options and billing methods, while providing friendly customer service and comprehensive terms and conditions.

- Collaborative approach. As a RUC provider, we have worked closely with state governments to suggest programmatic improvements based on actual customer feedback, performance reporting, and on-the-ground experience.
- Best practices. Best practices promoted by NZTA or recommended by the market can provide baseline operational improvements across all RUC retailers.

Alongside some considerations mentioned in other parts of this response, the above are initial suggestions that can assist to balance a user-friendly system with revenue security.

Consumer protection and support

Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?

As a third-party RUC service provider, we are committed to ensuring robust consumer protection and support. Drawing from best practices in our global RUC projects, we propose the following measures:

CUSTOMER SERVICE

- Close monitoring of customer service metrics to identify and address areas for improvement;
- Establishing standard operating procedures for complaints management, privacy and data handling, and various use case workflows;
- Collaborating with the NZTA help desks to address consumer concerns and questions efficiently.

TRANSPARENCY AND ACCOUNTABILITY

- Ensuring NZTA reviews and approves our terms and conditions and privacy policies to align with local regulations and standards;
- Maintaining transparency with users by obtaining proper permissions and agreements and agreements and providing clear visibility of terms, conditions and privacy policies.

PAYMENT OPTIONS

- Offering multiple payment options to provide flexibility and choice for consumers, including pre-paid, post-paid, and pay-as-you-go models, along with support for various payment platforms such as credit cards and mobile wallets (e.g., Google Pay, Apple Pay).

These measures will ensure consumers have a reliable, transparent, and user-friendly experience while maintaining compliance with regulatory and privacy standards.

[Optional] Additional information

If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.

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We have attached with our RFI response a short summary of lessons learned from our experience with the Utah and Oregon live RUC programs. Although both programs do not yet mandate all non-commercial passenger vehicles to be enrolled in RUC, we believe they still provide a wealth of information and lessons that can help inform other RUC program designs. We also provide some insight on the different distance recording options we mention in our response. The attached file is marked as 'commercial in-confidence'

2.2 Assumptions

Assumptions
Please state any assumptions you have made in relation to the Response.
None

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SECTION 3: Respondent's declaration

Topic	Declaration	Respondent's declaration
RFI-Terms:	I/we have read and fully understand this RFI, including the RFI-Terms. I/we confirm that the Respondent agrees to be bound by them.	Agree
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	Agree
Details of conflict of interest:	not applicable	

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DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

Signature: s 9(2)(a)

Full name: s 9(2)(a)

Title/position: s 9(2)(a)

Name of organisation: ClearRoad, Inc.

Date: 12/11/2024

Instructions for Respondents

1. Check that you have all the relevant documents, including:
   - The Request for Information (RFI) which outlines what information is needed.
   - The Response Form (this one) to fill out your response.
   - The RFI-Terms.
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   - Insert any extra images or graphs either as part of your answer or in a separate attachment (but make it clear in the Response Form that you have done so).
   - The combined file size including all attachments that can be sent to procurement@transport.govt.nz is 20MB.
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   ☐ The purple boxes are Respondent Tips. Delete these after reading.

   ■ Write your response in the blue sections. Un-shade the blue once you have filled these out.

5. Remember to make a note of the Deadline for Questions. Feel free to ask us anything if it is unclear.

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Checklist for Respondents

Before you submit your Response…	
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4. Un-shade the **BLUE** highlighting where you fill out your answer.	☒
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6. Arrange for the Response to be submitted electronically before the Deadline for Responses.	☒

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Fast NZ Limited

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: **December 12, 2024**

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SECTION 1: About the Respondent

1.1 Our profile

This is a Response by **Fast NZ Limited** (the Respondent) to provide information.

Item	Detail
Full legal name:	Fast NZ Limited
Trading name (if different):	Fast Enterprises/Fast NZ
Physical address:	C/-21 Richmond Hill, Glenside, Wellington, 6037, New Zealand
Postal address:	C/-21 Richmond Hill, Glenside, Wellington, 6037, New Zealand
Registered office:	C/-21 Richmond Hill, Glenside, Wellington, 6037, New Zealand
Business website:	www.fastenterprises.com
Type of entity (legal status):	NZ Unlimited Company
NZBN number:	5724589
Country of residence:	New Zealand
GST registration number:	117-068-139
Consent to follow up (Likely to be in week commencing 16 December)	**Yes**. We expect any follow up would happen in the week beginning 16 December. Confirm your availability in week beginning 16 December: **Yes**

1.2 Our Point of Contact

Item	Detail
Contact person:	s 9(2)(a)
Position:	
Physical location of contact person	
Phone number:	
Mobile number:	
Email address:	

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SECTION 2: Our Requirements

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you

To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?

What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?

If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.

Fast Enterprises (FAST) develops and implements enterprise software that serves as the single solution and system of record for the administration of government programmes. Our FastCore™ government software platform, the foundation for our line of programme-specific software solutions, is in production for the administration of thousands of programmes, services, and schemes managed by over 100 agencies worldwide. These agencies include New Zealand Inland Revenue Department, which implemented our FastCore software as the basis for its Business Transformation Programme, the largest and most complex system-modernization project in the agency's history.

FastCore is also in production (or is being implemented) for the administration of vehicle and driver programmes and schemes for 24 U.S. state motor vehicle agencies. These motor vehicle agencies use their modern FastCore solutions as the system of record for administering vehicle services (through use of our FastVS software solution), driver services (with our FastDS solution), or as a single and seamlessly integrated system for both driver and vehicle services (with our FastDS-VS solution).

The 21 U.S. state agencies that use FastCore for the administration of vehicle programmes and schemes manage many of the same functions and services as NZ Transport Agency Waka Kotahi (NZTA), including vehicle registration, licensing, certification, plating, and additional compliance, safety, and enforcement regulations and fees for light and heavy vehicles and vessels. Agencies that represent 19 U.S. states and three Canadian provinces also use FastCore for administering their International Fuel Tax Agreement (IFTA) schemes. IFTA simplifies interstate motor carriers' reporting of fuel-use taxes, allowing them to establish and maintain a single fuel tax license for multiple vehicles and file a single consolidated fuel tax return in their base jurisdiction. Like New Zealand's Road User Charges (RUC) scheme, IFTA involves vehicle mileage tracking. Carriers monitor and record the distance traveled by their vehicles across jurisdictions and report these distances as part of their quarterly tax returns. FastCore's built-in interface integration layer, which enables data exchange with external systems and eliminates need for middleware, also allows U.S. state agencies to obtain commercial vehicle mileage and safety information from federal agencies, like the U.S. Federal Motor Carrier Safety Administration.

Our FastCore solution for vehicle services administration, FastVS, was designed specifically for transport agencies. Its flexible baseline features and functions for vehicle services, which are operable

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upon installation, can be rapidly configured to provide complete functionality for agency-specific programmes and schemes, like vehicle registration, licensing, permitting, inspections, certifications, and RUC. With FastCore as an agency's centralized solution, system transactions and updates to vehicle and customer information are applied immediately across all agency programmes and schemes. This accurate, real-time vehicle and customer information supports staff in efficiently and effectively conducting tasks and services throughout all agency business areas, provides law enforcement personnel with certainty in compliance and enforcement actions, and presents customers with clear and current information for complying with their vehicle regulations and financial obligations.

In addition to features and functions designed specifically for the administration of vehicle services, schemes, and programmes, FastVS also contains FastCore functionality that is built into all our software solutions. This includes the same FastCore financial engine used by Inland Revenue to successfully process over $115 billion in 2023-24 tax and revenue, as well as additional built-in components and capabilities for business rules, reporting, workflow, task management, online self-services, billing, payments, and more. This fully featured functionality provides agency users, partners, and customers with a consistent and comprehensive user experience across all agency services and schemes. It also significantly reduces an agency's IT footprint and associated maintenance and support burden by eliminating need for the complex mix of third-party applications, point solutions, plugins, and other ancillary systems and licensing agreements required by alternative systems.

While FastVS contains complete functionality for serving as the single solution for all agency services and schemes, like RUC, its built-in enterprise service bus and interface management functions also enable agencies to easily exchange data with external technologies and retail services. With FastVS as NZTA's system of record, the agency can process real-time customer and vehicle information through multiple retail service channels, both with FastCore's built-in web portal features and through interface with virtually any external third-party retail service and technology that helps customers purchase, measure, or manage their RUC. This approach provides the agency with a single source of truth for all vehicle and scheme information without restricting the agency or customers to select technologies and retail service channels. To expedite interface development, authorized interface partners and external retail service providers can access published interface definitions and documentation within FastVS to establish, test, deploy, and manage their Application Programming Interface (API) connections with the solution.

Level of interest in RUC services

What is the nature of the RUC retail service you are interested in offering:

1. **Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);**
2. **Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);**
3. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);**
4. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);**
5. **Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-**

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guidelines/docs/ERUC-code-of-practice.pdf); or

6. **Another business model (or hybrid of the approaches outlined above)?**

Our business model is based on the implementation of FastVS—our prebuilt and production-proven solution designed specifically for transport agencies—as NZTA's single and modern system of record for RUC and other agency programmes and schemes. While FastVS can be used solely for RUC scheme administration, combining RUC with vehicle registration in the same modern system provides your agency and interface partners with a single source of truth that eliminates need for the multiple interfaces (and third-party applications) in use today. In addition, FastVS can be fully implemented as the system of record for complete vehicle programme and scheme administration in just 18 months. This 18-month schedule has been successfully achieved on every one of our FastVS system-modernization projects for 21 U.S. state transport/motor vehicle agencies.

FastVS enables a more effective foundation for RUC that simplifies and streamlines interfaces with, and acceptance of, a wide variety of retail services, electronic distance recorder (EDR) solutions, and additional private-sector technologies. As the single and centralized source for vehicle and customer information, FastVS will enable options for expanding services beyond on-demand RUC retail services. For example, data exchange between FastVS and electronic distance recorder (EDR) solutions can enable service providers to offer customers the convenience of automated monthly RUC billing. As the single source of truth, FastVS also provides law enforcement with consolidated and accurate real-time information during traffic stops and roadside inspections.

Commercial proposition

Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:

- **fleet management/telematic services**
- **bundling of utility-like payments**
- **financial services to bundle and smooth payments**
- **sale of information to advertisers (with the express permission of customers) etc.**
- **efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases**

This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.

Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?

Use of FastVS as NZTA's modern system of record will provide a flexible foundation for RUC, and other agency services and schemes, that enables a broad and diverse range of retail services, commercial solutions, and additional offerings and options. As the agency's single source of truth and centralized system for all financial functions, FastVS will allow service providers to offer their agency-approved services and solutions through a single interface for exchanging real-time customer and vehicle information with the system. FastVS' built-in enterprise service bus and interface-management

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functions provide robust API management and services that simplify, streamline, and expedite the development of interfaces for integration with third-party services and solutions, without the cost, complexity, risk, and overhead of third-party middleware.

FastVS has built-in functionality for managing and maintaining all interfaces, including modern, real-time, web-service interfaces, like Representational State Transfer (REST) web services with JavaScript Object Notation (JSON) payloads, as well as batch interfaces and file transmissions from older systems and communication protocols. Agencies can also provide external interface partners and third-parties with access to FastVS' API developer portal, which is in production for Inland Revenue. The portal supports third-party retail service and solution providers in streamlining and expediting their development, testing, and deployment of interfaces for data transfer with FastVS. Some of the portal's primary features include:

- An API catalogue and online development documentation.
- Functions for web-services development and testing.
- Tracking for required testing scenarios, including completion of agency-required authorization steps.
- Approval and certification functionality for specific approval of interface-partner APIs, as well as IP address whitelisting.
- Self-service API credential maintenance (certificates, API keys, username/password).
- Open API (Swagger) support.
- Cross-Origin Resource Sharing (CORS) support, for integration with front-end java-script clients (such as cell phones, web browsers, and tablets).

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance, or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

- **how the technology works**
- **what data is collected**
- **What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)**
- **how you ensure the reliability and security of the system**
- **how revenue security is protected**
- **how user privacy is protected**
- **what benefits it offers customers compared to the existing system**
- **whether the technology is stand-alone or integrated into existing devices (cars or phones)**
- **whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles**

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

FastVS operates as a single solution and touch point that enables service providers to offer customers the convenience of fully automated set-it-and-forget-it services for paying charges for RUC, vehicle registration, tolls, and other charges through a direct debit/credit model and associated customer

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payment agreements. It also expedites customer interactions and transactions by requiring minimal customer-identifiable information for accurately calculating charges, generating one-time fees, and providing routine consolidated billing for RUC and other charges, like toll fees. As the system of record for all agency programme and scheme information, FastVS automates the association of verified customer information with applicable vehicle information (like vehicle type, weight, and VIN) within the solution. As a single source of real-time vehicle and customer account information that can provide system access to a variety of authorized service and solution providers, FastVS promotes a diverse mix of customer-based services and technical solutions. In the United States, for example, third-party businesses are frequently used to manage vehicle registration and regulatory compliance on behalf of companies that operate vehicle fleets.

FastVS' built-in financial functions automatically calculate charges for customers (or transmit charge information to third-party retail services and solutions) and provide complete functionality for associated billing, correspondence, payment receipt processing, refunds, collections, and account reconciliation functions. Like all system events, financial transactions are applied immediately to customer accounts and vehicle information, providing real-time updates across all applicable agency services and schemes. Use of FastVS financial functions for all agency services and schemes provides a consistent and unified framework for calculating and generating fees, automating bill statements, processing payment receipts, issuing refunds, conducting agencywide accounting, and providing scheduled and on-demand financial reporting.

Inland Revenue's FastCore system of record provides similar financial functions and real-time information updates for the agency's multiple tax, revenue, and social services schemes. It provides customers with a summary of important information, including compliance and financial obligations, and generates statements of consolidated bill items for all applicable tax, revenue, and social schemes. FastVS can provide the same functionality for NZTA, enabling consolidation and true integration of all agency schemes for RUC, vehicle licensing and registration, and, potentially, other services for road toll fees, vehicle certifications, and more. Use of FastVS financial functions for all agency services and schemes will provide a consistent and unified framework for calculating and generating fees, automating bill statements, processing payment receipts, issuing refunds, conducting agencywide accounting, and providing scheduled and on-demand financial reporting.

Role-based security tools and functions built into FastVS provide system and security administrators with built-in functionality for defining application security controls, maintaining security groups, designating and protecting customer and financial data, managing and recording user access and activities, and performing many other security-related activities. FastVS also contains built-in security and privacy controls for protecting the confidentiality, integrity, and availability of sensitive information and data. It encrypts all data at rest and in motion, enables masking/tokenization of sensitive information, and has robust security, data management, and privacy safeguards based on security best practices and controls that comply with multiple compliance regimes.

Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What legal, administrative or policy setting would need to change or be made easier to enable you to invest in offering RUC retail services?

While implementation of the FastCore-based FastVS solution as NZTA's modernized system of record would not require major legal, administrative, or policy changes, it would entail a larger project undertaking that involves some business-process-reengineering activities. These activities, including

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organizational change management, would enable the agency to take full advantage of streamlined business processes made available by the solution's seamlessly integrated functionality, system automation, modern user interface, online customer self-service channels, and prevailing business and technical best practices.

Although implementation of FastVS should not require significant policy changes, FastVS supports efficient and effective policy agility through its configurable architecture and built-in business-rules engine. Its flexible configuration allows agencies to respond quickly to changes resulting from new legislation, policy adjustments, operational improvements, new functionality, and other factors. FastVS also provides full functionality for the lifecycle management of business rules, from rules creation and simulation to testing, deployment, and retirement. The FastVS business-rules engine supports the rapid implementation of most changes and configurations, without need for reprogramming, code modification, or complicated adjustments. Workflow, task management business processes, financial calculations, searches, screen navigation, forms, correspondence, Help content, security settings, and online portal functionality are just a few examples of the FastVS features and functions that can be implemented, modified, and maintained through configuration.

NZTA

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. **Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);**
2. **Providing RUC retail services to customers directly (through its website and App);**
3. **Collecting and administering the RUC revenue; and**
4. **Receiving the statutory fee for RUC transactions.**

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

Rather than crowding out third parties, we believe that the ease of access to a single system of record for RUC and other NZTA schemes will increase third-party participation by simplifying means to provide, maintain, and expand retail services and solutions. FastVS eliminates many of the technical roadblocks that third-party providers and solutions can experience when required to interface with a complex mix of agency systems and technology touchpoints. With single-interface access to accurate, real-time information for all customer and vehicle information, service and solution providers can focus more on providing convenience and value to customers and less on technical integration issues. Inland Revenue has achieved full integration with hundreds of accounting and payroll software providers that directly integrate into the agency's FastCore platform for the purposes of reporting tax, payroll, and social policy information.

In addition, since FastVS provides full functionality for administering virtually all aspects of vehicle programmes and schemes, like RUC, authorized retail service and solution providers can rely on the system to provide accurate real-time information, calculate all applicable fees, and manage financials and accounting, including billing and payment details. For example, providers of technology solutions, like EDRs, can interface with FastVS to offer integrated and convenient RUC payment options to their customers. Service providers can similarly interface with FastVS to obtain RUC billing information for inclusion in routine billing statements.

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Revenue security

How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?

Although pre-payment of RUC largely guarantees revenue security, a modern system that can manage real-time accounting of RUC usage, conduct automated scheduled billing, and accept multiple forms of payments can increase acceptance by consumers and offer them greater convenience without significantly impacting revenue. Use-based payments for RUC can also provide a more equitable system by not requiring users to pre-pay government charges before they are consumed.

In addition, monthly billing of RUC can incentivise vehicle owners to embrace modern solutions that automate distance reporting. While consumers who don't want to use EDRs or GPS-based solutions can continue to pre-pay RUC through retail services, vehicle owners who opt-in to the use of electronic solutions for recording and reporting distance would be eligible for pay-as-you-go billing. These owners would remain eligible as long as their real-time reporting and autopay source stays active. NZTA could also offer reduced rates or fees to further incentivise vehicle owners who embrace automated electronic reporting. Although dynamic fee structures can be difficult to manage across multiple systems, use of FastVS as NZTA's single and fully featured system of record for all programmes and schemes will allow your agency to easily set up and change fee-based business rules.

For consumers who do not want to change their current third-party RUC purchasing provider, the FASTVS solution can still maintain interfaces to the e-RUC providers so that there is no interruption of RUC revenue via purchasing from existing users that do not want to migrate to one of the new alternative billing models.

Consumer protection and support

Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?

FastVS' comprehensive features and functions enable agencies to provide consumers with multiple options for accessing modern services, support, and remedies for RUC purchases and compliance. We have found that compliance increases, and complaints are reduced, when consumers can choose the service channels and payment options that best meet their needs for complying with vehicle schemes, like RUC. In addition to providing consumers with online customer self-service features and payment options, FastVS also supports ease of interface with retail service providers, EDRs, and other RUC-related solutions.

Beyond traditional phone calls, mailed correspondence, and in-person visits, FastVS allows agencies to offer consumers multiple modern communication channels for addressing and resolving complaints and issues. The solution has built-in functionality for live and automated chat sessions, online intake forms for customer complaints and appeals, secure webmail within customers' online accounts, and additional electronic communication features. FastVS can use these channels to provide customers with status updates, activity reminders, submission confirmations, and other pertinent information. FastVS also supports full integration with agency interactive voice response (IVR) systems, as well as virtual communication platforms, like Zoom and Microsoft Teams, for conducting virtual meetings with customers and their representatives.

To support efficient and effective customer service and issue resolution, FastVS' Call Center functionality provides agency users with centralized access to all current and historical customer

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communications. From a single screen within FastVS, agency users have access to customer information from a variety of communication channels, including transcribed phone calls, e-mail and web messages, chat sessions, and other communication channels. This centralized access to all customer communications, coupled with workflow and task management functions used for tracking and managing customer issues and complaints, supports increased agency effectiveness in quickly remedying customer issues and complaints. The ability to track customer calls, emails, chat logs, and other communication channels is integrated into the customer record in FAST. This means when someone calls to get clarification on their account, dispute charges, or file a complaint against an e-RUC vendor, the NZTA call centre can quickly access customer and vehicle records to see previous information recorded on the account. This expedites problem resolution and can be configured to support consumer protection laws in each individual jurisdiction.

FastVS supports traditional and electronic payment methods and can accept virtually any form of payment accepted by an agency. It integrates with third-party payment hardware and systems to support multiple payment types, including debit and credit cards, electronic funds transfer (EFT), cash, paper and electronic checks, and digital payment options, like ApplePay, PayPal, Venmo, and GooglePay. For security purposes, our FastCore solutions, including FastVS, do not store or directly process any credit card or debit card information. Rather, FastVS integrates with third-party PCI-DSS payment-processing systems for behind-the-scenes payment processing. FastVS then processes the resulting payment transaction receipts and applies real-time updates to financials and customer accounts. FAST has successfully integrated with multiple New Zealand providers of PCI-DSS payment processing, including WorldLine and Windcave.

[Optional] Additional information

If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.

A myth perpetuated by many system integration and technology consultants is that government system modernization can only be achieved through projects in which select functionality is implemented in individual point solutions in multiple stages that are gradually undertaken. These small, individual solutions are then interconnected, like Lego blocks, to form a larger system based on a patchwork of function-based solutions. While this sounds like a safe, low-risk approach for delivery enterprise-level government systems, it rarely works. There are countless examples of government system-modernization projects in which agencies work with vendors to execute the first few stages of these types of systems. It is nearly impossible to find examples of these projects completing later stages successfully, because they typically don't make it that far. The complexity of integrating, deploying, managing, and upgrading a patchwork of disparate applications and general-purpose point solutions for enterprise-level government programme administration is simply too daunting.

The reality is that only major, substantive change can happen between government agencies when a fully featured and built-for-purpose solution for government is implemented by a competent vendor. This is why we recommend use of our FastVS solution not just for the administration of RUC, but for all NZTA programmes and schemes that support vehicle registration and tracking. The proof that this work can be completed successfully—and will make a significant and positive impact for New Zealand's citizens—can be seen in the FastCore system-modernization project that we successfully completed for Inland Revenue. This system-modernization project involved much more than just the implementation of one or two tax types in FastCore—dozens of tax, revenue, and social programmes were modernized through implementation into our single FastCore solution and system of record, on time and on budget.

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The advantage of doing full system replacement, rather than piecemeal function-based projects, is that it eliminates the large amount of technical debt that agencies acquire through decades of use of multiple applications and solutions. Agencies often feel their hands are tied because so many interdependencies exist between the many one-off systems required by their technical environment, and they are not sure which system to fix first. We often find that many of an agency's legacy systems were used as a quick fix for addressing problems or shortcomings resulting from other parts of the system. By implementing our single and proven platform designed exclusively for government programme administration, we have eliminated massive amounts of agency technical debt by decommissioning dozens, and even hundreds, of legacy subsystems. The result is a single and fully modernized system that can be supported by a single team of IT personnel that use built-in tools for successful production operation and ongoing improvement and enhancement.

2.2 Assumptions

Assumptions
Please state any assumptions you have made in relation to the Response
We have made no assumptions related to the information provided in this response.

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SECTION 3: Respondent's declaration

Topic	Declaration	Respondent's declaration
RFI-Terms:	I/we have read and fully understand this RFI, including the RFI-Terms. I/we confirm that the Respondent agrees to be bound by them.	**Agree**
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	**Agree**
Details of conflict of interest:		**Not applicable**

DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

Signature: s 9(2)(a)

Full name: s 9(2)(a)

Title/position: s 9(2)(a)

Name of organisation: Fast Enterprises

Date: December 12, 2024

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Instructions for Respondents

1. Check that you have all the relevant documents, including:
   - The Request for Information (RFI) which outlines what information is needed.
   - The Response Form (this one) to fill out your response.
   - The RFI-Terms.
2. Before filling out this form, read the RFI carefully, particularly Section 2 (Our Requirements).
3. Please follow the layout of this Response Form:
   - Don't change the section headings and sequence as this needs to be consistent across all Respondents.
   - Insert any extra images or graphs either as part of your answer or in a separate attachment (but make it clear in the Response Form that you have done so).
   - The combined file size including all attachments that can be sent to procurement@transport.govt.nz is 20MB.
4. Everything highlighted in **PURPLE** in this document is information for the Respondent (you). Delete these **PURPLE** parts before sending the Response Form. Everything shaded in BLUE is customisable by you. When you have completed these areas please un-shade them.

   ☐ The purple boxes are Respondent Tips. Delete these after reading.

   Write your response in the blue sections. Un-shade the blue once you have filled these out.

5. Remember to make a note of the Deadline for Questions. Feel free to ask us anything if it is unclear.

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Checklist for Respondents

Before you submit your Response…	
1. Fill out all sections of the Response Form.	☐
2. Remove all the purple 'Respondent Tip' boxes from this Form.	☐
3. Delete the **PURPLE** instructions from this Form.	☐
4. Un-shade the **BLUE** highlighting where you fill out your answer.	☐
5. Prepare your Response Send a digital copy by email to procurement@transport.govt.nz	☐
6. Arrange for the Response to be submitted electronically before the Deadline for Responses.	☐

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Kora New Zealand Limited

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: 12 December 2024

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SECTION 1: About the Respondent

1.1 Our profile

This is a Response by Kora New Zealand Limited (the Respondent) to provide information.

Item	Detail
Full legal name:	Kora New Zealand Limited
Trading name (if different):	Kora Fuel Cards
Physical address:	118 Carbine Road, Mt Wellington Auckland 1060
Postal address:	P O Box 51542 Pakuranga Auckland 2140
Registered office:	15 Ellis Street, Frankton, Hamilton
Business website:	www.kora.co.nz
Type of entity (legal status):	Limited liability company
NZBN number:	9429048871716
Country of residence:	NZ
GST registration number:	136-218-440
Consent to follow up (Likely to be in week commencing 16 December)	Yes

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1.2 Our Point of Contact

Item	Detail
Contact person:	s 9(2)(a)
Position:	
Physical location of contact person	118 Carbine Road, Mt Wellington, Auckland
Phone number:	0800 567 269
Mobile number:	s 9(2)(a)
Email address:	

SECTION 2: Our Requirements

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you **To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?** **What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?** **If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.**
We currently deliver aggregated fuel card services to our 13,500 customers. Our value proposition is about making it easy for people to save money on fuel by purchasing fuel on account – like a utility bill – for fuel. 85% of our customers are individuals. We see we are uniquely positioned to offer additional services such as a RUC to our customers as we can offer the convenience of 1 invoice for managing their vehicle everyday costs. From a technology standpoint we are well versed in API connectivity for being able to manage the services we offer. From a capability standpoint, we our team have been invoiced in fuel cards for over 10 years, and some staff have also worked in vehicle leasing before now and have experience with RUC and Rego issuance.
Level of interest in RUC services **What is the nature of the RUC retail service you are interested in offering:** 1. **Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);** 2. **Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);** 3. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);** 4. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);** 5. **Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf); or** 6. **Another business model (or hybrid of the approaches outlined above)?**

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Manual RUC management service including direct purchase of RUC as an Agent of NZTA
Commercial proposition **Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?** **As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:** • **fleet management/telematic services** • **bundling of utility like payments** • **financial services to bundle and smooth payments** • **sale of information to advertisers (with the express permission of customers) etc.** • **efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases** **This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.** **Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?**

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We do not see a commercially viable business for solely RUC unless they become the one stop shop for RUC only. It feels like a service that can dovetail nicely off existing services.

We are a fuel card vendor offering fuel purchases on account – much like a utility bill, but for fuel – so we see RUC purchases as a natural extension of our fuelling service. We would only offer RUC purchasing to our existing customer base – access to RUC purchases would become an add value feature.

There has to be a minimum value of return for anyone providing this service for the admin required. Whilst we envisage the process of buying RUC to be via an online service – administration is still required in the event of an error or for someone fraudulently charging RUC to an account that is not theirs - for us to manage non-payment by our customer is also an admin consideration.

Commercially – the purchase of the RUC needs to be instantaneous and immediately available for any person investigating RUC validity to see via a portal that indeed RUC is paid even if the label is out of date. And any labelling requirements need to be considered. If the delivery of a RUC label is to be via post – the costs associated with post need to be added to the cost of the RUC label as these costs continue to rise. Ongoing RUC purchases will not necessarily co-incide with an service that provides an economy of scale of the postage of the label.

In an ideal world – a RUC should be attached/linked to a vehicle rego and it should be managed electronically so that labels are not required. You can set similar limitations to registration issuing – where no valid RUC no Rego – just like no valid WOF no rego. If you remove the need to display RUV via a label you will inevitably save consumers on costs which can only be a good thing.

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance, or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

- **how the technology works**
- **what data is collected**
- **What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)**
- **how you ensure the reliability and security of the system**
- **how revenue security is protected**
- **how user privacy is protected**
- **what benefits it offers customers compared to the existing system**
- **whether the technology is stand-alone or integrated into existing devices (cars or phones)**
- **whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles**

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

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Our technology solution will not relate to telematics and vehicle tracking – we will focus on manual RUC purchase on account via an online process. There will be secure login and identity verification to allow for a purchase to occur. It will be a convenient, self service 24/7 user friendly experience for our customers.

Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What legal, administrative or policy setting would need to change or be made easier to enable you to invest in offering RUC retail services?

The barriers we see are ease of use of API access to enable the manual RUC purchase process, and how easily we can integrate the service and effectively be "accredited" to provide the service. If you have hundreds of new operators, then this process could be cumbersome if under resourced. We would expect an audit process to ensure integrity is being maintained around the process but again the complexity of this may put undue pressure and cost on the provider. We would also see commercials around the payment of the RUC to NZTA as very important as it would need to align with the income stream from our customers so that the debt is not being carried by us.

NZTA

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. **Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);**
2. **Providing RUC retail services to customers directly (through its website and App);**
3. **Collecting and administering the RUC revenue; and**
4. **Receiving the statutory fee for RUC transactions.**

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

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RUC retailers will participate if there is an opportunity to receive fair compensation for the work associated with providing the RUC service. Keep a level playing field and KPI's that relevant to all Third Parties as well as NZTA themselves – and consistency will be the key to a service being reliable and with integrity. If you structure the provision of service where there is a discount or other benefit when using solely NZTA managed services then this will naturally skew behaviour. So when the government is serious about allowing a third party to participate in the service – keep the playing field level for all.

Revenue security

How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?

The RUC service in the retail market will be a shift in consumer behaviour – communication about the change how the vehicle users are not being unfairly "taxed" will be vital. Education will be paramount when you consider the revenue implications if the message is wrong. So the key in our view is strong communication on the why, explaining the how, and allowing options for people so that its not onerous, it is easy and the costs is not so prohibitive that people will try to find loop holes around it to avoid paying.

Consumer protection and support

Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?

Our current product allows flexibility around payment so that we can align our invoicing with a customers pay day. We have weekly, fortnightly and monthly options. We would see our ability to also offer RUC service as a great inclusion to this service and we see it resonating with our client base. If there is a complaint on RUC – we can assist the process as they are already a customer with whom we have a relationship. Our services are also able to be viewed on an app – which shows the customers account, and we could set up a link to send a contact message to the RUC team at NZTA in the event of any issue that is specific to the RUC team, and therefore bypass a middle man so to speak. It will be an important consideration for the RUC team at NZTA to have robust processes to answer questions in a timely manner.

[Optional] Additional information

If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.

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Nothing further

2.2 Assumptions

Assumptions
Please state any assumptions you have made in relation to the Response.
We assume that we will validate our customer's identity so the transaction is approved and that there will be a way to validate the rego being used for the RUC purchase.

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SECTION 3: Respondent's declaration

Topic	Declaration	Respondent's declaration
RFI-Terms:	I/we have read and fully understand this RFI, including the RFI-Terms. I/we confirm that the Respondent agrees to be bound by them.	agree
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	agree
Details of conflict of interest:		

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DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

Signature: s 9(2)(a) _____

Full name: s 9(2)(a) _____

Title/position: s 9(2)(a) _____

Name of organisation: Kora New Zealand Limited _____

Date:12 December 2024 _____

Nuonic Pty Ltd

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: 12th December 2024

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SECTION 1: About the Respondent

1.1 Our profile

This is a Response by Nuonic Pty Ltd (the Respondent) to provide information.

Item	Detail
Full legal name:	Nuonic Pty Ltd
Trading name (if different):	
Physical address:	Suite 12 Level 11, 458 Brunswick Street, Fortitude Valley, QLD 4006
Postal address:	Suite 12 Level 11, 458 Brunswick Street, Fortitude Valley, QLD 4006
Registered office:	Suite 12 Level 11, 458 Brunswick Street, Fortitude Valley, QLD 4006
Business website:	https://nuonic.com.au/
Type of entity (legal status):	Limited liability company (registered in Australia)
NZBN number:	Not applicable
Country of residence:	Australia
GST registration number:	Australian Business Number 76 613 269 364
Consent to follow up (Likely to be in week commencing 16 December)	Yes For the week beginning 16 December we are available each day other than 17th between 1pm and 7pm NZDT After 6 January we are fully available.

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1.2 Our Point of Contact

Item	Detail
Contact person:	s 9(2)(a)
Position:	
Physical location of contact person	
Phone number:	
Mobile number:	

Item	Detail
Email address:	s 9(2)(a)

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SECTION 2: Our Requirements

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you

To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?

What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?

If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.

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Nuonic is an Australian owned and based software company that specialises in developing GPS tracking enabled or enhanced solutions for connected vehicle operators. Our interest in the commercial opportunities presented by the New Zealand RUC expansion relates to enabling greater use of GPS-enabled solutions and developing new user-friendly software and app-based solutions for calculating, paying and managing RUC. s 9(2)(ba)(i)

Our direct experience with RUC relates primarily to our involvement as the provider of calculation software for the Australian Federal Government's Large-Scale Heavy Vehicle Road User Charging Trial, a project conducted during 2023 and 2024 that utilised live GPS tracking data from multiple industry participants to calculate potential RUC charges for heavy vehicles under various proposed models and to compare those charges to the current Australian charging regime based on fuel excise and registration charges. The Trial involved over 1,000 vehicles operated by 22 participants using 8 different telematics services, for which Road User Charging 'mock' invoices were produced and delivered for a period of 12 months. For more information about the Trial see https://www.infrastructure.gov.au/infrastructure-transport-vehicles/transport-strategy-policy/heavy-vehicle-road-reform/national-heavy-vehicle-charging-pilot.

Our indirect experience s 9(2)(ba)(i) relates to the provision of a commercial service for automating Fuel Tax Credit (FTC) apportionment calculations using GPS data from telematics devices installed in commercial vehicles. FTC has many similarities to RUC as it involves calculations relating to vehicle activity, on and off road apportionment and financial charges (in fact, a component of the fuel excise in Australia that can be claimed as a tax credit under certain conditions is explicitly called the 'Road User Charge'). This service, called Prism (www.prismapp.com.au), is used by over 350 customers operating tens of thousands of connected vehicles to support their FTC claims.

s 9(2)(ba)(i)

Prism has been operating commercially since 2017 and in 2023 achieved an Australian Tax Office (ATO) Class Ruling for apportioning vehicle activity.

Through the development of Prism, the RUC Trial and other products, such as our recently-launched telematics data integration platform PathStack (www.pathstack.io), Nuonic has developed a unique combination of technology, experience and relationships that enable it to provide robust and innovative solutions to connected vehicle operators. Nuonic services customers ranging from single-vehicle family businesses to multi-nationals with fleets of thousands.

s 9(2)(ba)(i)

We are excited by the opportunities to provide or support RUC services in New Zealand, supporting the largest operational scheme globally. We believe that RUC based on direct and accurate measurement of vehicle activity is a profoundly superior approach for generating revenue

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to fund infrastructure operation and development compared to the regimes currently operating in most other developed nations. Unlike fuel taxes, which are an indirect proxy for vehicle activity, RUC not only offers a simpler and more transparent charging mechanism bus also enormous potential to provide impactful road usage insights to drive smarter infrastructure decisions and potentially influence road user choices. In our view it is only a matter of time before the RUC approach pioneered by New Zealand is adopted in Australia and globally. Our goal is to develop high-quality solutions that support this transition and provide the most accurate, cost effective and user-friendly experience possible.

Level of interest in RUC services

What is the nature of the RUC retail service you are interested in offering:

1. **Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);**
2. **Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);**
3. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);**
4. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);**
5. **Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf); or**
6. **Another business model (or hybrid of the approaches outlined above)?**

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Our interest is in offering RUC retail services that utilise technology to provide users and government with accurate and high-quality RUC management services that deliver more insight and value to all parties.

We have identified two categories of service where we believe we are ideally placed to offer new, high-quality solutions:

1 – A single app to provide multiple electronic RUC purchasing and management options with easy upgrades to more advanced options.

This service provides a single point for users to access all manual and electronic RUC options, including direct purchase, RUC management services, EARUC and ERUC. This would be manifested as an app that allows users to select the approach they wish to take, with all required supporting tools in the platform and optional integrated hardware options for those methods requiring physical devices (including in-cab displays and tracking devices).

For customers who prefer traditional methods, the app would offer a modern suite of RUC management tools including scheduled RUC licence purchases and recharge reminders. We would seek to enable direct RUC purchase through the app as an agent of NTZA.

For customer seeking more automated solutions, the app would offer ERUC services that allow customers to connect approved telematics devices to the platform for automatic distance measurement, off-public road apportionment and RUC purchase. We would seek to provide these services for a range of telematics devices, using the concepts outlined in the second service category detailed further on in this section.

Users of both solutions would also be able to optionally add connected in-cab screens to display their RUC licences and we would actively include integrations with any new or emerging technologies relevant to RUC management, such as Co-Operative Intelligent Transport Systems (C-ITS) or Vehicle to Vehicle (V2V) integrations to support RUC data access to relevant authorities or agents.

By offering both manual and electronic RUC services, we allow the user to right approach for the with the option to easily upgrade should they choose to. Intelligent use of data would also be a key focus, providing more value to users and, privacy rules permitting, government with respect to optimising the use of vehicles and road infrastructure.

s 9(2)(ba)(i)

Nuonic has the experience and tools to analyse large volumes of complex vehicle activity data efficiently, yet make the process and results accessible to end users. Bringing this all together into an accurate and user-friendly app will offer a new option for New Zealand road users that will increase value and save time for all parties.

2 – A telematics service add-on to provide RUC services with any accredited telematics device via data integration.

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This solution is similar to the FTC service we provide in Australia, by enabling telematics service providers to offer RUC as an optional add-on service using a third-party provider (Nuonic) that specialises in the process.

Developing an ERUC solution under the current framework is a significant undertaking for telematics providers, requiring capital investment and local knowledge to develop a solution that is not (currently) transferable to other regions. This presents a barrier to many globally recognised telematics providers entering the New Zealand market however, the devices offered by these global providers are just as accurate and advanced as those provided by the existing ERUC providers (in fact, many used shared components or manufacturers).

Our proposal is to work with NZTA to establish an accredited set of telematics device standards, relating to accuracy, reliability and any other aspects relevant to assuring the correct measurement of RUC-related factors. This may be considered similar to the Transport Certification Australia (TCA) Type Approval process for accrediting telematics devices. We would then seek accreditation for RUC calculation and management software using the data recorded for accredited telematics devices.

With these two components established, the New Zealand ERUC market could be served by any telematics provider that achieved accreditation for their device(s) and integrated them with our ERUC service. We expect this would result in the following benefits:

- Increased competition in the telematics market by allowing new entrants to participant that do not have the ability to build a highlight localised feature in a global platform, potentially lowering costs and offering new technology options for road users.

- Less 'lock-in' to specific telematics vendors for road users, as they would have more options to switch providers while keeping the same RUC (system) account, with all their history.

- Clear delineation of responsibility between vehicle activity measurement and RUC management. This allows each side to specialise in their area of expertise. We have seen the benefits of this approach with FTC where our focus on this area and experiences working with data from many device providers has allowed us to gain insights and develop solutions that may not be visible to vertically-integrated providers.

- Increased control of the application RUC rules for government, such as the classification of specific locations or the treatment of device errors, across different providers.

- Greater insights available to government through access to the RUC outputs of multiple parties using different devices connected to a single RUC calculation platform.

While this solution would require modifications to NZTA's assessment and regulatory approach, we believe these changes would represent a natural evolution of the existing processes.

For both RUC services outlined in this section, our approach would be founded in being highly responsive to customer needs, regulatory guidance and technology evolution. Like with Prism we would remain telematics-agnostic, providing objective high-quality results founded on the principles of accuracy and transparency for all stakeholders.

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s 9(2)(ba)(i)

Commercial proposition

Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:

- **fleet management/telematic services**
- **bundling of utility like payments**
- **financial services to bundle and smooth payments**
- **sale of information to advertisers (with the express permission of customers) etc.**
- **efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases**

This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.

Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?

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Nuonic's current view is that RUC retail services are likely to be commercially viable as a standalone business for both of the service proposals outlines in our answer to the previous question.

Service 1 – Electronic RUC purchase and management app

Providing RUC services via a mobile app under a low per-user cost and revenue model is likely to be viable if the number of monthly active users using a paid component of the service reaches scale in the order of 10's of thousands of users. s 9(2)(ba)(i)

There are various options for generating revenue from apps of this type including subscription charges for providing efficient RUC management tools or service fees added to RUC purchases. s 9(2)(ba)(i)

For users that select advanced ERUC options in the app using digital hardware devices, additional revenue could be generated from the device sales, or referrals to device sellers, and other value-adding data services such as analytical dashboards and reports.

Service 2 – Electronic RUC add-on service for telematics providers

This service proposal offers two pathways for commercialisation, either (1) charging the telematics providers fees to offer the integrated solution to their customers as part of a package or (2) charging the end user directly for using the ERUC service.

s 9(2)(ba)(i)

For both service proposals we also see the potential to assist users in optimising RUC costs through smart financing and bulk RUC purchasing. s 9(2)(ba)(i) Revenue could be generated through a combination of RUC admin fee differentials for bulk and retail purchases, subscription fees for optimised services and possibly financing options to offer 'pay as you travel' rather than 'pay in advance' to users.

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance, or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

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- how the technology works
- what data is collected
- What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)
- how you ensure the reliability and security of the system
- how revenue security is protected
- how user privacy is protected
- what benefits it offers customers compared to the existing system
- whether the technology is stand-alone or integrated into existing devices (cars or phones)
- whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

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Our current operating technology, used in our Prism and PathStack products, is a collection of data processing and analysis modules specifically designed for working with detailed vehicle activity data recorded by telematics devices. These modules include components related to the extraction of location, state and specification data from our partner and integrated telematics providers and components related to standardisation and temporal and spatial analysis of that data. s 9(2)(ba)(i) All our technology is fully developed in house and fully owned IP.

Our telematics integration technology works with existing devices, including aftermarket telematics tracking units and OEM vehicle tracking services which are built in to the vehicle by the manufacturer. We are continuously expanding our integrations and partnerships, with the aim to include as many providers as possible.

The specific data collected and used by the technology is documented on the relevant product websites. For Prism, our FTC solution, the telematics input data specification is available on the public help centre here: https://help.prismapp.com.au/Home/data-input-specification. For PathStack, our newer general-purpose telematics integration platform, details of data used is available here: https://docs.pathstack.io/api-reference/introduction. Both of these products are actively developed and we continually add new data and devices as they become available.

By monitoring location, movement, and operational data, these systems can calculate and validate distance measurement using various inputs (including GPS positions and Odometer readings) and distinguish between on-road and off-road travel, allowing precise, reliable and auditable RUC/FTC calculations.

Nuonic takes user privacy and security seriously, all our software development considers these requirements as a fundamental component of our product and code design. Our public statements regarding these matter are available here:

- https://docs.pathstack.io/legal/privacy-statement
- https://docs.pathstack.io/legal/security-statement

Having originated from a financial service licensed parent entity with ISO 27001 certification, Nuonic has adopted many of the practices required to hold these accreditations. Each product we offer is considered individually from security and privacy perspectives, with appropriate terms, design and risk management and recovery plans developed to support it. To date Nuonic has not experienced any security breaches or exposure of confidential customer data.

For the proposed RUC services outlined in previous answers, revenue security would form a core component of the solution design. As RUC licence purchase would require integration with NZTA systems, we would expect to complete a comprehensive testing sequence together with NZTA to validate the correct handling of the processes, including financial transactions and errors, and obtain the required approvals and verification from NZTA well prior to making any solution available in production to end users.

s 9(2)(ba)(i)

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Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What legal, administrative or policy setting would need to change or be made easier to enable you to invest in offering RUC retail services?

Investing in the development and delivery of new RUC retail market services could be made more attractive by simplifying, clarifying and opening several of the requirements stated in the current administrative and policy settings. We have identified the following items as being potential detractors that could be changed without adverse impact on the RUC scheme:

- Remove the requirement to display physical RUC licenses in favour of linking RUC electronically to registrations records and/or showing your RUC licence on a handheld device upon request by an authorised agent or officer.

- Permit, simplify and clarify processes to enable RUC agents to bulk purchase RUC KM for distribution to end users using new models (e.g. 'pay as you travel'). The intent would be to lower the administrative costs of RUC purchases by delegating more of the work to approved technology-enabled retailers.

- Separate approval processes and requirements for hardware devices used to record distance from the calculation and management software used for RUC. More specific recommendations on this point are provided in the answers to the next question relating specifically to NZTA's role.

- Update section 9.1 of the Code of practice for ERUC management systems to allow approvals for ERUC, EARUC and other to be given to companies incorporated in New Zealand with a director residing in Australia.

These items are non-exhaustive and we expect that there are other measures which could reduce the barriers in providing RUC retail services without detracting from revenue security or user experience. We would seek to work collaboratively with NZTA through the product and service development cycle for our proposed RUC service options to identify other items which may be addressed to expedite the delivery of new RUC retail services to road users.

NZTA

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. **Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);**
2. **Providing RUC retail services to customers directly (through its website and App);**
3. **Collecting and administering the RUC revenue; and**
4. **Receiving the statutory fee for RUC transactions.**

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

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As Nuonic does not currently participate in the New Zealand RUC market, our view is based on our current understanding of the requirements for RUC agents and service providers. Based on this, we think that NZTA may be able to reduce the risk of crowding out private RUC retailers and encourage participation by taking the following actions:

- Clearly delineate the role of NZTA and private companies in the RUC retail market so that they avoid direct competition or provide greater third-party developer access via modern APIs to Government RUC systems on which to build new solutions.

- Separate approval of distance measurement devices from approval of RUC charging and management services using distance measurement data.

- Build on section 5 of the Code of practice for ERUC management systems to move from a set of recommendations to a solidified general set of standards for approval of electronic distance recorders for use in RUC.

- Allow telematics service providers to obtain approval for their electronic distance recorder as suitable for use in RUC, in isolation of the other components required for a full ERUC service.

- Build on section 7 of the Code of practice for ERUC management systems to move from a set of recommendations to a solidified general set of standards for RUC calculation and management software.

- Allow software companies to obtain approval for their RUC calculation and management software, in isolation of any devices used to record the distance required as an input to the RUC calculations.

- Work towards providing standardised data sets for common elements used in RUC calculations, such as an approved complete set of off-public road geofences, available to all approved providers.

- Consider offering grants or other incentives for business that can offer, and deliver, innovative solutions in the RUC retail market that clearly meet one or more of NZTA's and the Governments strategic objectives for the scheme.

We believe the items listed above would help to provide a level playing field so that third-party RUC service providers would compete on service quality and value-adding innovations. Providing transparent governance and compliance frameworks based on explicit criteria and simplifying the processes to gain and commissions would provide clarity to all market participants and improve commercial outcomes for all stakeholders.

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Revenue security

How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?

We believe that new RUC retail services outlined in this response can assist with ensuring revenue security while balancing user experience through the following factors:

- Making the RUC purchasing process easier and less costly through app-based solutions. While some of these already exist, there appears to be significant scope to increase user friendliness through intelligent design and value-adding data analysis tools at very low cost.

- Allowing more competition in the ERUC-approved telematics space through general approval of devices and separation of RUC management software. This would offer new options to fleet users, lowering their costs and potentially increasing the user base choosing to use automated ERUC through telematics. Automated ERUC should offer the greatest revenue security and the best user experience for this cohort of users.

- Allowing more flexibility in the purchase of RUC capacity by agents, to offer retail users more choice related to payment options and timing of purchases.

- Working with vehicle manufacturers and technology providers to develop in-vehicle RUC solutions that do not require the purchase of additional hardware (such as telematics devices) to utilise advance ERUC methods with off-public road concessions.

Generally, increased user friendliness is driven by increased accessibility to markets as more entrants can compete on the experience offered to users rather than on acquiring the approvals needed to enter the market. Any actions taken that increases accessibility, while maintaining compliance, is likely to see more user experience options being offered and the users can then select their preferred option.

Consumer protection and support

Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?

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Our approach to ensuring appropriate protection of consumers for any service we provide starts with employing highly knowledgeable staff that are available for customers to speak with and who genuinely care about the service they provide. There is no substitute for direct engagement with a person who understands the domain and has the ability to take action to resolve an issue.

Supporting our people serving our customers, we also ensure that the following measures are taken:

- All data is transmitted and stored securely, anonymously where appropriate, and in compliance with all applicable laws.
- Provide clear and complete details on how our system works and how to use it, so that it is transparent to the user on what data is collected and how it is processed. Our s 9(2)(ba)(i) platforms have extensive online documentation and in addition to this we aim to provide hints in our application so that the user can be guided as they use the platform.
- Work closely with the relevant external stakeholders, such as the ATO and NZTA, to achieve the required knowledge, approvals or accreditations needed to provide a fit-for-purpose service.
- Promote customer knowledge and self-validation of any outputs we provide through the use of rich dashboards, reports and auditing tools using the data processed on their account.
- Providing clear feedback channels so that customers can raise any issues quickly.
- Implementing manual and automated internal processes to find identify any discrepancies or errors across all customer accounts as early as possible.

s 9(2)(ba)(i)

[Optional] Additional information

If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.

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2.2 Assumptions

Assumptions
Please state any assumptions you have made in relation to the Response.

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SECTION 3: Respondent's declaration

Topic	Declaration	Respondent's declaration
RFI-Terms:	I have read and fully understand this RFI, including the RFI-Terms. I confirm that the Respondent agrees to be bound by them.	agree
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	agree
Details of conflict of interest:	None identified	

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DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

Signature: s 9(2)(a) _____

Full name: s 9(2)(a) _____

Title/position: s 9(2)(a) _____

Name of organisation: Nuonic Pty Ltd _____

Date: 12 December 2024 _____

Optimal Fleet Solutions Limited

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: 7th December 2024

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SECTION 1: About the Respondent

1.1 Our profile

This is a Response by Optimal Fleet Solutions Limited (the Respondent) to provide information.

Item	Detail
Full legal name:	Optimal Fleet Solutions Limited
Trading name (if different):	OptiFleet
Physical address:	8 St Ives Drive, Camborne, Porirua
Postal address:	8 St Ives Drive, Camborne, Porirua
Registered office:	8 St Ives Drive, Camborne, Porirua
Business website:	https://www.optifleet.co.nz
Type of entity (legal status):	limited liability company
NZBN number:	9429030723467
Country of residence:	New Zealand
GST registration number:	108 887 850 New Zealand
Consent to follow up (Likely to be in week commencing 16 December)	Yes

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1.2 Our Point of Contact

Item	Detail
Contact person:	s 9(2)(a)
Position:	
Physical location of contact person	Wellington, New Zealand
Phone number:	s 9(2)(a)
Mobile number:	
Email address:	

SECTION 2: Our Requirements

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you

To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?

What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?

If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.

We are primarily a consultancy practice and data aggregator supporting B2B services for our commercial clients. Currently, we offer RUC monitoring through our app, with the option for automated RUC purchase if we have access to accurate odometer (odo) data. The odo data is collected from various sources, including driver reports, monthly fuel card data, GPS, and Global SIM data from OEMs.

We deal with all types of vehicles and cater to both B2B and B2C clients. While our B2B clients are our primary focus, we also serve B2C clients who utilise our online bid management system, TCO (Total Cost of Ownership) modelling, and Residual Value calculator. Our full suite of services includes, but is not limited to, a Virtual Vehicle Register (VVR), e-commerce bid management (own vs. lease), new car catalogues, composition and optimisation reporting, capital planning, and electric vehicle transition planning.

Although we do not currently provide retail RUC services, we are in the process of developing an offering in this area. Our future service will be API-compatible, which will allow us to integrate seamlessly with other sectors and enable them to include RUC services within their existing billing environments.

We are excited about the opportunity to expand our services into the retail RUC space and believe our extensive experience in data aggregation and fleet management provides a strong foundation for this expansion.

Level of interest in RUC services

What is the nature of the RUC retail service you are interested in offering:

1. **Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);**
2. **Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);**

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3. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);**
4. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);**
5. **Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf); or**
6. **Another business model (or hybrid of the approaches outlined above)?**

We will continue with our current RUC offering and we are also interested in offering the following RUC services:

1. Electronic RUC Management Services: This would involve electronic measurement and reporting of vehicle distance, with automated RUC purchasing directly as an agent of NZTA. This service would streamline the process for our clients, ensuring that RUC is purchased accurately and efficiently based on vehicle usage.

2. Full eRUC or eaRUC Solution: We are also interested in providing a comprehensive eRUC or eaRUC solution as a certified service provider approved by NZTA under the existing code or any revised version of the code. This would enable us to offer a fully compliant and integrated solution for RUC management.

We believe both approaches align with our capabilities and the evolving needs of our clients, allowing us to provide efficient and automated RUC solutions.

Commercial proposition

Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:

- **fleet management/telematic services**
- **bundling of utility like payments**
- **financial services to bundle and smooth payments**
- **sale of information to advertisers (with the express permission of customers) etc.**
- **efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases**

This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.

Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?

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We do not view RUC retail services as a standalone business opportunity. Instead, we believe it should be bundled with other frequently used apps, ideally those related to vehicles, fuel, service, transportation, fleet management and banking. For example, RUC could be integrated into apps from fuel providers (where users can buy fuel, get a car wash, and purchase RUC) or ride-sharing services like Uber (where users can order a ride, get food, and purchase RUC). Similarly, banking apps could offer RUC purchase options while managing accounts.

We would be able to offer these institutions access to our already developed portal via our API, allowing them to surface the RUC functionality within their user experience (UX).

We see the integration of RUC services into these broader ecosystems to enhance customer convenience and increase adoption, while also opening up additional commercial opportunities through bundling with other services such as fleet management, telematics, utility payments, or financial services.

Additionally, we believe the commercial viability of this approach depends on the scale and user base of the partner apps, as well as the ability to seamlessly integrate RUC services into their existing workflows. Lead time for integration and any necessary adjustments to existing legislative or administrative provisions would need to be considered to ensure smooth implementation.

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance, or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

- **how the technology works**
- **what data is collected**
- **What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)**
- **how you ensure the reliability and security of the system**
- **how revenue security is protected**
- **how user privacy is protected**
- **what benefits it offers customers compared to the existing system**
- **whether the technology is stand-alone or integrated into existing devices (cars or phones)**
- **whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles**

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

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We offer a Saas solution, we have access to NZTA aggregated register data (business tool only) and access to all vehicle data by plate and VIN including all compliance items, licence, WoF, CoF and RUC.

We are not currently collecting revenue for the items, we provide oversight to the status and empower the user to procure directly. We are developing our portal to automate the procurement of licence based on time and RUC based on odo, the owner will be able to tailor the distance before expiry to trigger to procurement and they will be able to tailor the amount of RUC packets based on 1,000km units

The availability will be governed by NZTA uptimes and normal SAAS securities will be deployed such as multi authentications, secure API keys, secure secret keys and random and forced key rollovers.

The procurement or RUC can be automated and to a degree set and forget, in this scenario the owner should never be non-compliant to the extent that labels would not be required as if checked by police or officials compliance would be always be up to date.

The service would be stand alone and could be accessed on phone or desktop.

SaaS service requires no hardware

Our business offers a SaaS solution that utilises data aggregation to support RUC-related services. We have access to NZTA's aggregated register data (business use only), as well as comprehensive vehicle data by plate and VIN, including compliance details such as licences, WoF, CoF, and RUC.

While we currently do not collect revenue directly, our platform provides oversight and empowers users to procure RUC licenses directly. We are actively developing a portal that will automate the procurement of licences based on time, and RUC based on odometer readings. Vehicle owners will be able to tailor the distance before expiry to trigger procurement and specify the RUC packet size (in 1,000km increments).

How the Technology Works:

- The technology collects vehicle data, including odometer readings, via multiple sources (e.g., driver input, fuel card data, GPS, OEM telematics). This data is used to track RUC requirements.
- The system will automatically notify users when RUC is nearing expiry and trigger procurement based on the vehicle's odometer data.

Services Provided with Technology:

- We provide distance measurement, RUC tracking, and automated reminders to purchase RUC based on odometer readings.
- The system empowers users to purchase RUC when needed, helping to ensure compliance with NZTA regulations without manual intervention.

Data Security and Reliability:

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- Our data, including backups, is securely housed in New Zealand and Australia within Amazon Web Services (AWS) cloud infrastructure, which is known for its strong security measures and global compliance certifications.

- We implement encryption for all data, both in transit and at rest, and access is tightly controlled with multi-factor authentication (MFA) and role-based access controls (RBAC).

- Our platform is continuously monitored for security threats, and regular security audits are conducted to maintain compliance.

Revenue Security and User Privacy:

- We ensure revenue security by offering automated procurement, ensuring that users are never non-compliant, even if their RUC is checked by authorities.

- User privacy is protected through strong encryption and secure data handling practices, and we ensure compliance with privacy regulations.

Benefits Compared to Existing Systems:

- The key benefits of our solution include seamless automation, reducing the risk of non-compliance and making RUC management more efficient for fleet and vehicle owners.

- Users can set it and forget it, allowing for a more convenient experience compared to the manual RUC management process currently in place.

Technology Integration and Requirements:

- The service is standalone and accessible via both phone and desktop. It does not require any additional hardware, as it integrates with existing devices like smartphones or telematics systems.

- The SaaS solution does not require professional installation and can be used as-is once integrated with vehicle data.

Application in Practice:

- While we are still in the process of developing full revenue collection capabilities, we are building a system that will be capable of automating RUC purchases in a secure and efficient manner, offering a seamless user experience that will help generate actual revenue in the future.

Data Security and Compliance: We take data security and compliance very seriously. Our data is stored securely within the AWS cloud infrastructure in New Zealand and Australia. AWS provides robust security measures and meets global compliance standards, ensuring our clients' data is well protected.

Security Measures:

- Encryption: All data, both in transit and at rest, is encrypted using strong protocols.

- Access Controls: We enforce multi-factor authentication (MFA) and role-based access control (RBAC) to restrict access to sensitive data.

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- Monitoring and Audits: Continuous monitoring of our systems for threats, alongside regular security audits.

Incident Response: In the event of a data breach or security incident, we have a well-defined response plan in place:

1. Immediate Containment: We quickly isolate affected systems to prevent further access.
2. Investigation: A thorough investigation will be conducted to understand the cause and impact.
3. Notification: We will notify affected parties according to legal and regulatory requirements.
4. Remediation: After identifying the root cause, corrective actions will be implemented to prevent future breaches.

We are committed to maintaining the highest standards of data security and privacy protection.

Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What legal, administrative or policy setting would need to change or be made easier to enable you to invest in offering RUC retail services?

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To effectively invest in and offer RUC retail services, several legal, administrative, and policy barriers would need to be addressed or streamlined:

1. Regulatory Clarity on RUC Retail Services: The current regulatory framework around RUC services is primarily geared toward traditional retail models, and there is limited clarity regarding digital and automated solutions. Clear guidelines or amendments to regulations would be needed to support the use of electronic and automated RUC services, particularly those that involve third-party APIs for RUC procurement.

2. Integration with NZTA's Systems: To provide seamless RUC management and ensure accurate reporting and compliance, integration with NZTA's existing systems needs to be streamlined. Access to the NZTA database and real-time updates of RUC status through secure APIs would help enable automated procurement and RUC monitoring, which could significantly improve efficiency and compliance for users.

3. Consumer Protection and Data Privacy: As RUC services increasingly involve the collection and use of sensitive vehicle data (odometer readings, driving behaviour, etc.), the regulatory environment needs to provide clear standards for data privacy and consumer protection. This would ensure that customers feel secure about their personal data, building trust in electronic RUC services.

4. Incentives for Innovation and Investment: Policies that provide incentives for innovation in the RUC sector, such as grants, tax benefits, or subsidies for technology development, would help reduce the financial risks of developing and deploying new solutions. These incentives could encourage businesses to invest in scalable and efficient systems, which could benefit both providers and consumers.

5. Flexibility in Business Models: RUC services should be allowed to be bundled with other vehicle-related services (such as fleet management or telematics) without being restricted to a single model. This would allow for more flexible and innovative business models that could drive broader adoption.

Addressing these barriers would help enable us to develop and scale an efficient, customer-friendly RUC service that integrates seamlessly with other vehicle-related services, ultimately improving compliance and convenience for users.

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. **Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);**
2. **Providing RUC retail services to customers directly (through its website and App);**
3. **Collecting and administering the RUC revenue; and**
4. **Receiving the statutory fee for RUC transactions.**

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

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To ensure NZTA's activities enable and encourage other RUC retailers to participate, the Government should focus on creating an open, competitive environment that allows reputable third-party suppliers to contribute to the collection of road tax. Specifically, the Government could:

1. Promote Fair Competition: By ensuring that NZTA's role remains focused on regulation and oversight, rather than directly competing with third-party providers, the Government can foster a competitive landscape where multiple RUC retailers can offer innovative and customer-centric solutions.

2. Encourage Partnerships: Facilitate collaboration between NZTA and third-party providers, allowing these retailers to integrate their services with NZTA's systems (e.g., via secure APIs). This would enable third-party suppliers to offer RUC services seamlessly, benefiting both the Government and consumers through enhanced choice and efficiency.

3. Support Innovation: The Government could create policies or incentives that encourage third-party innovation, such as providing grants or tax breaks for technology development in the RUC space. This would help attract new players and drive improvements in the service offering.

4. Ensure Transparent and Streamlined Approval Processes: Simplifying the application and approval processes for third-party RUC retailers would reduce barriers to entry and encourage more providers to enter the market, thereby increasing competition and service variety.

By adopting these measures, the Government could ensure NZTA's role complements and supports the broader ecosystem of RUC retailers, contributing to a more diverse and effective system for collecting road tax.

Revenue security

How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?

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Balancing a user-friendly system with revenue security in the RUC retail market requires addressing the risk of non-compliant vehicles—specifically, users who fail to pay for RUC or run non-compliant vehicles. Unlike the fuel tax, which collects revenue regardless of a vehicle's compliance, RUC relies on individuals actively purchasing and renewing their charges.

To mitigate this risk, the following measures could help:

1. Enhanced Enforcement and Monitoring: Prioritising the policing of non-compliant vehicles by authorities would ensure that vehicles which fail to meet RUC obligations are identified and penalised. This could include random checks or the use of automated systems (number plate recognition) to detect non-compliant vehicles in real-time.

2. Automation and Notifications: Implementing automated reminders for vehicle owners, triggered by odometer readings or usage patterns, could help reduce the likelihood of non-compliance. These reminders would encourage timely RUC procurement, creating a user-friendly experience while ensuring compliance.

3. Real-Time Compliance Monitoring: Providing an option for real-time reporting and verification of RUC status (via mobile apps or telematics systems) would give both users and authorities confidence that the appropriate charges are being paid, ensuring that non-compliant vehicles are quickly flagged.

By combining these approaches, the system could remain user-friendly while ensuring the necessary revenue security and compliance.

Consumer protection and support

Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?

To ensure appropriate protection of consumers, we would implement a clear and accessible process for complaints and remedies. We are committed to continuously improving our services based on user feedback. Any issues or concerns raised by customers would be promptly addressed through a defined resolution process, ensuring a high standard of customer support.

In terms of payment options, we would offer credit card and direct debit payment methods to provide flexibility and convenience for consumers when purchasing RUC. However, we would strongly advise against offering financing options for RUC purchases, as this could introduce unnecessary complexity and potential financial strain for customers.

We would also provide flexibility in terms of the distance before expiry and the volume of RUC that needs to be purchased, allowing customers to tailor their purchases based on their usage patterns. This ensures a personalised, user-friendly experience.

By focusing on customer feedback, clear remedy mechanisms, and flexible payment options, we would aim to maintain a high level of consumer protection and satisfaction.

[Optional] Additional information

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If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.

We believe that fostering a competitive and innovative environment for third-party RUC services will benefit both consumers and the broader economy. To enable greater third-party provision, it would be helpful to ensure that:

1. Clear and Flexible Regulatory Frameworks: Regulations should evolve to support new business models and technologies, including electronic and automated RUC services. This would help streamline the approval process for new providers and facilitate their integration into the existing system.

2. Collaboration with Existing Providers: Encouraging collaboration between third-party providers and NZTA would allow for smoother integration of RUC services into existing platforms, leveraging technology to improve both compliance and user experience.

3. Incentivising Innovation: Providing incentives for technological innovation in the RUC space, such as grants or tax breaks for development of new RUC solutions, would drive competition and improve service offerings.

We believe these steps will contribute to creating an environment that encourages the entry of new providers, leading to better services, increased convenience for consumers, and enhanced revenue collection for the government.

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2.2 Assumptions

Assumptions
Read the Question Please state any assumptions you have made in relation to the Response.
The following assumptions have been made in relation to our response: 1. Access to Accurate Data: It is assumed that the necessary data, excluding vehicle odometer readings, RUC status, and compliance information, will be accessible and accurate for third-party services to provide automated RUC management and reporting. 2. Regulatory Support: It is assumed that the regulatory environment will evolve to support the inclusion of third-party providers in the RUC retail space, allowing for integration with NZTA systems through secure APIs and ensuring compliance with relevant codes of practice. 3. Consumer Behaviour: It is assumed that consumers are willing to adopt more automated, technology-driven methods for managing their RUC, such as receiving reminders, setting purchase preferences, and automating RUC procurement.

Assumptions

4. Payment Flexibility: It is assumed that the payment methods of credit card and direct debit will be acceptable to consumers and will meet the security requirements of the RUC system.
5. Market Acceptance: It is assumed that there will be demand for third-party RUC services and that consumers and businesses will be open to bundling RUC with other vehicle-related services.
6. NZTA Collaboration: It is assumed that NZTA will be willing to collaborate with third-party providers, particularly in the development and implementation of a seamless process for the reporting, purchasing, and managing of RUC.

These assumptions form the basis of the proposed approach for providing RUC services and may evolve as further insights are gained or new regulatory frameworks are introduced.

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SECTION 3: Respondent's declaration

Topic	Declaration	Respondent's declaration
RFI-Terms:	I/we have read and fully understand this RFI, including the RFI-Terms. I/we confirm that the Respondent agrees to be bound by them.	agree
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	agree
Details of conflict of interest:	NIL	

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DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

Signature: s 9(2)(a) _____

Full name: s 9(2)(a) _____

Title/position: s 9(2)(a) _____

Name of organisation: Optimal Fleet Solutions Limited _____

Date: 7 December 2024 _____

Checklist for Respondents

Before you submit your Response…	
1. Fill out all sections of the Response Form.	☐
2. Remove all the purple 'Respondent Tip' boxes from this Form.	☐
3. Delete the **PURPLE** instructions from this Form.	☐
4. Un-shade the **BLUE** highlighting where you fill out your answer.	☐
5. Prepare your Response Send a digital copy by email to procurement@transport.govt.nz	☐
6. Arrange for the Response to be submitted electronically before the Deadline for Responses.	☐

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IntelliTrac New Zealand Limited

Request for Information (RFI) Response Form

Road User Charges – Retail Services

In response to the Request for Information

by: Ministry of Transport

Date of this Response: 10 December 2024

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

SECTION 1: About the Respondent

1.1 Our profile

This is a Response by IntelliTrac New Zealand Limited (the Respondent) to provide information.

Item	Detail
Full legal name:	IntelliTrac New Zealand Limited
Trading name (if different):	
Physical address:	14 Mahunga Drive Mangere Bridge 2022 Auckland New Zealand
Postal address:	P.O Box 59102, Mangere Bridge, Auckland 2151
Registered office:	C/o Findex, Level 29, 188 Quay Street, Auckland Central, Auckland 1010 New Zealand
Business website:	https://IntelliTrac .co.nz
Type of entity (legal status):	limited liability
NZBN number:	9429047487079
Country of residence:	New Zealand
GST registration number:	129-537-248
Consent to follow up (Likely to be in week commencing 16 December)	Yes – Available before 20th January and after 6th January

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1.2 Our Point of Contact

Item	Detail
Contact person:	s 9(2)(a)
Position:	
Physical location of contact person	Melbourne Australia
Phone number:	s 9(2)(a)
Mobile number:	
Email address:	

SECTION 2: Our Requirements

2.1 Responses

This document should be reviewed alongside the Information Memorandum and the RFI document (see GETS notice for all documents). Please increase the size of the answer box to fit your answers.

About you

To what extent is the provision of RUC retail services (ie. Providing services that support the purchase and management of RUC) something you currently do in New Zealand or another jurisdiction?

What is the scope of your current offering (i.e. types of vehicles, vehicle owners, and services)?

If you currently do not provide RUC retail services but are interested in the opportunity, include any current service offering in a similar sector, your level of experience in delivering that service, and why you are interested in the opportunity to deliver RUC retail services.

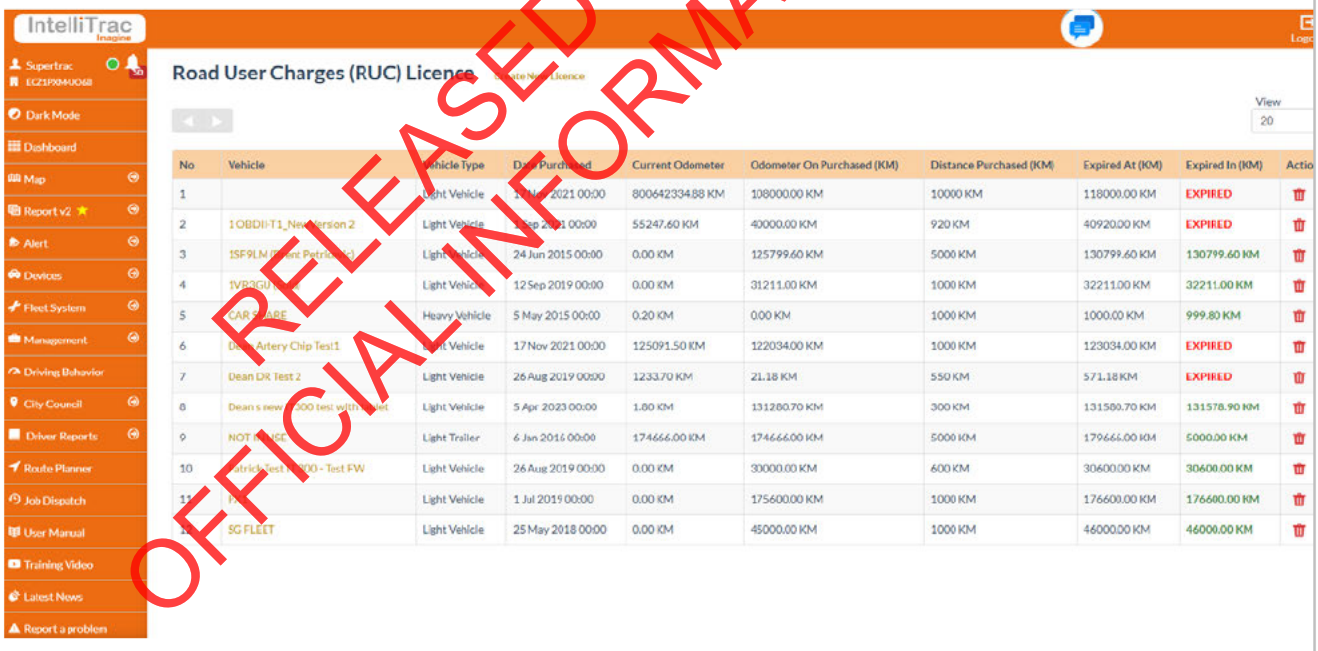
Currently IntelliTrac provide GPS vehicle telematics to monitor vehicle locations and distance travelled etc.

We have a simple RUC reminder and register service within our software, which

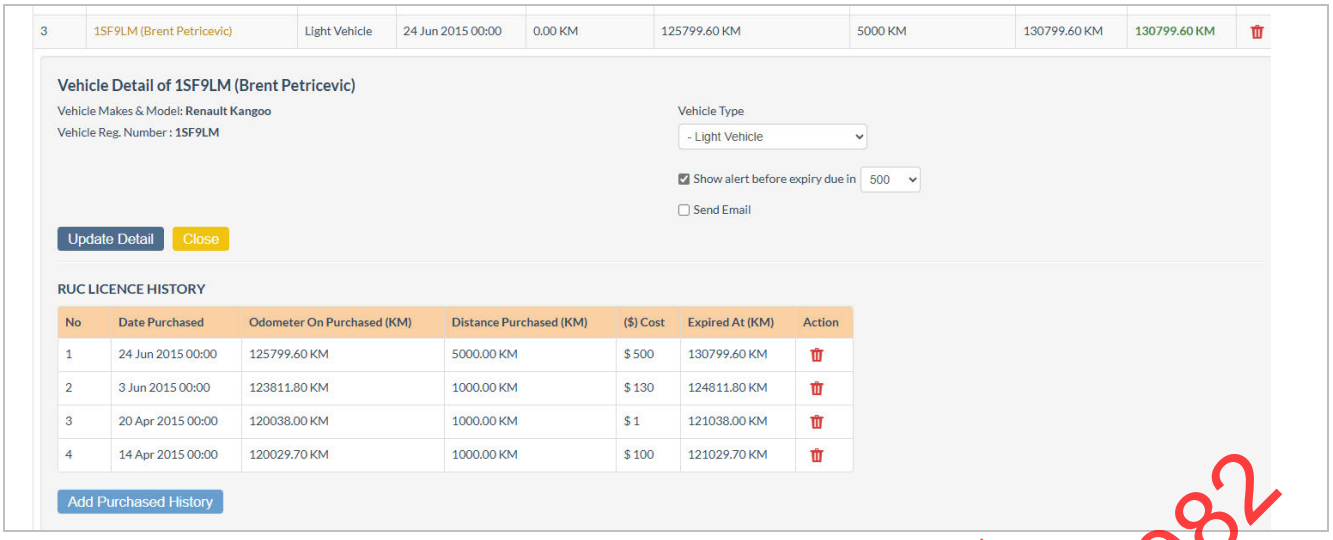
- Reminds clients when RUC is due
- Keeps a register of RUC purchases

For each vehicle in their fleet

Please see artifacts below from our internal R&D site (Apologies we cannot provide real data due to privacy)



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3	1SF9LM (Brent Petricevic)	Light Vehicle	24 Jun 2015 00:00	0.00 KM	125799.60 KM	5000 KM	130799.60 KM	130799.60 KM

Vehicle Detail of 1SF9LM (Brent Petricevic)

Vehicle Makes & Model: **Renault Kangoo**
Vehicle Reg. Number : **1SF9LM**

Vehicle Type
- Light Vehicle

Show alert before expiry due in 500
Send Email

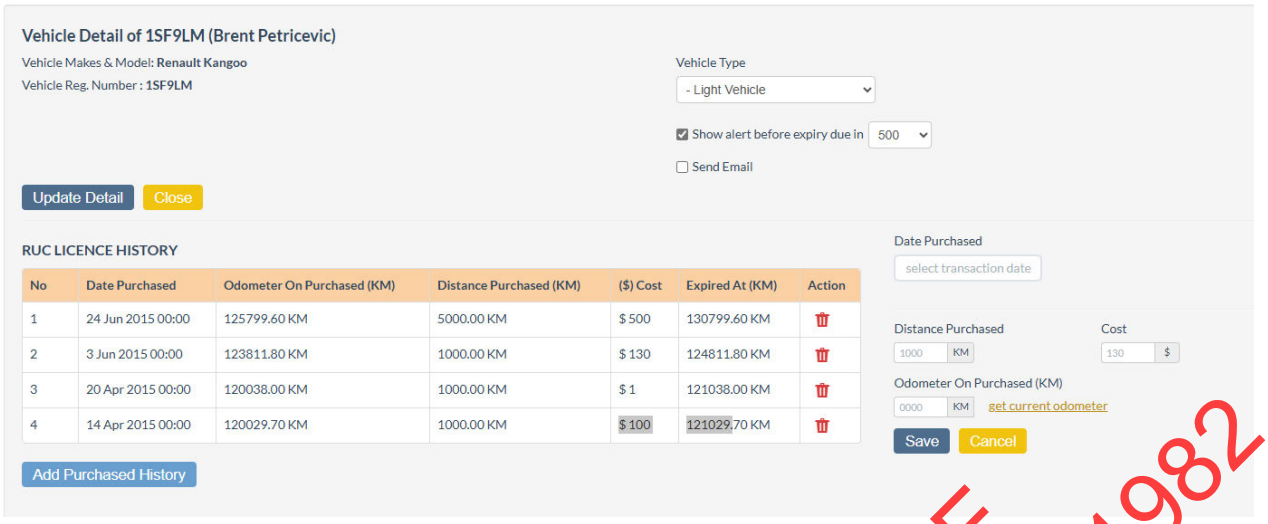
Update Detail | Close

RUC LICENCE HISTORY

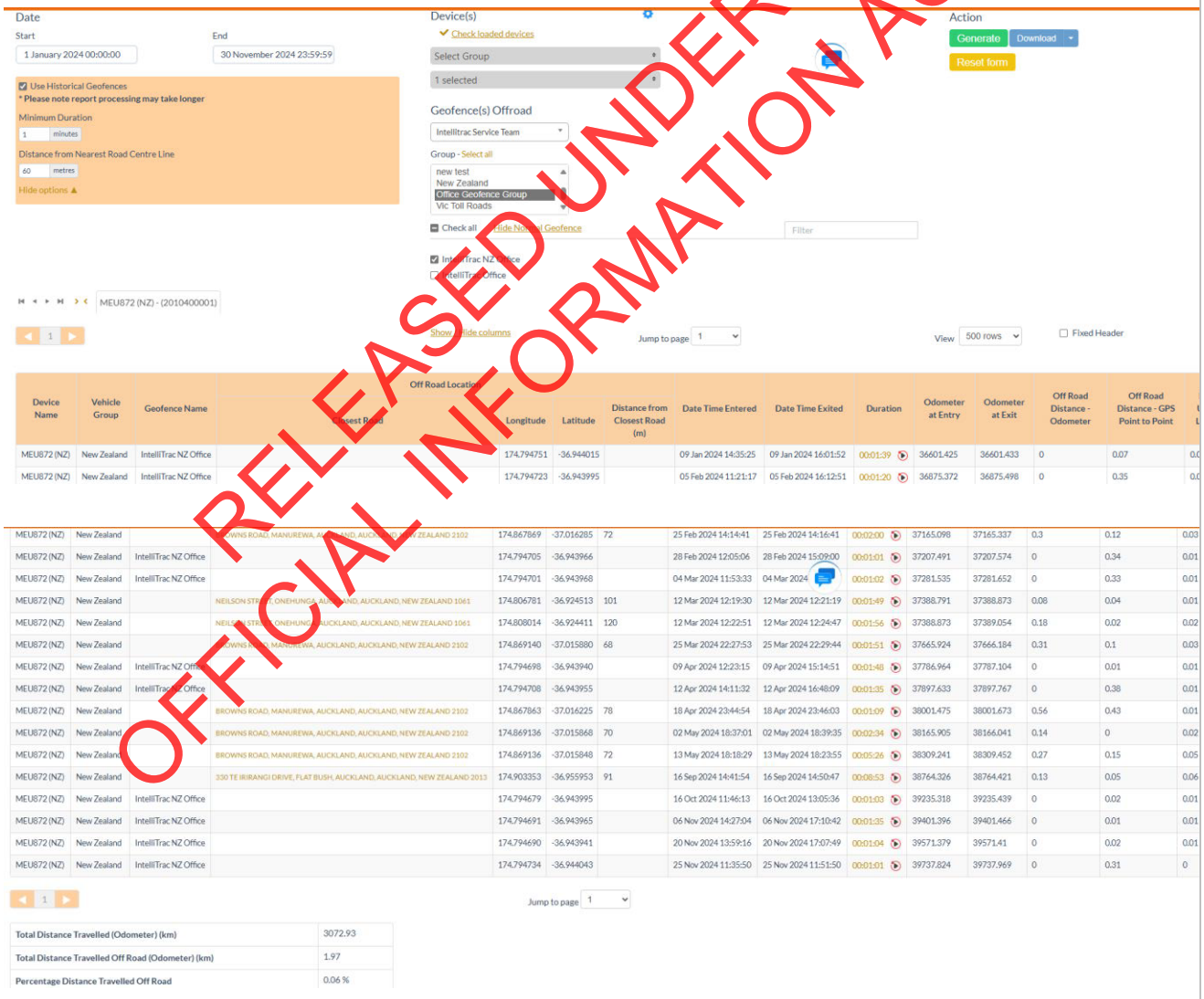
No	Date Purchased	Odometer On Purchased (KM)	Distance Purchased (KM)	($) Cost	Expired At (KM)	Action
1	24 Jun 2015 00:00	125799.60 KM	5000.00 KM	$ 500	130799.60 KM	
2	3 Jun 2015 00:00	123811.80 KM	1000.00 KM	$ 130	124811.80 KM	
3	20 Apr 2015 00:00	120038.00 KM	1000.00 KM	$ 1	121038.00 KM	
4	14 Apr 2015 00:00	120029.70 KM	1000.00 KM	$ 100	121029.70 KM	

Add Purchased History

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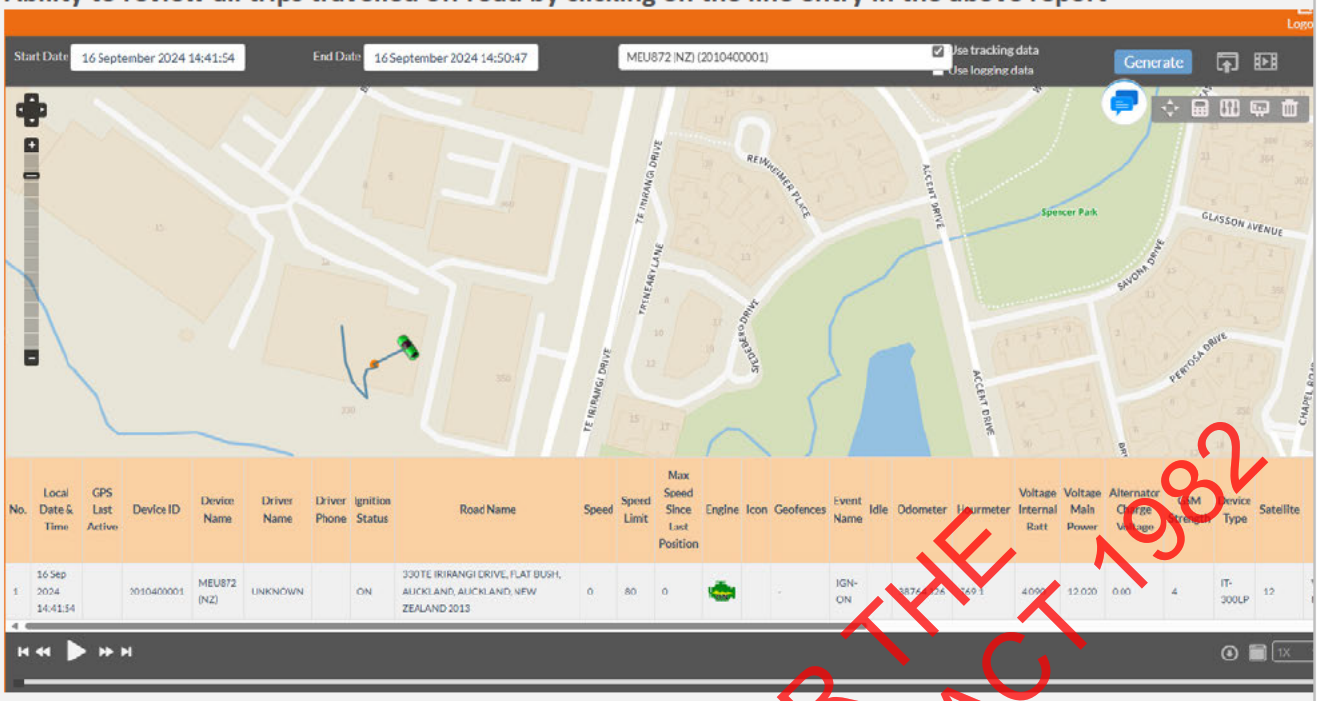


RUC Credits (Off Road Geofences) or travelling off a public road – determined by distance from Road Centre Line GIS Data.



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Ability to review all trips travelled off road by clicking on the line entry in the above report



Level of interest in RUC services

What is the nature of the RUC retail service you are interested in offering:

1. **Manual RUC management service (but not direct purchase of RUC). This could include a reminder service to purchase RUC and outline or link directly to where RUC can be purchased (online and in physical locations);**
2. **Manual RUC management service including direct purchase of RUC –as an Agent of NZTA. So that customers are reminded of the need to check and purchase RUC and when new licences are required, they can be purchased (either instore or online);**
3. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and providing reminders to purchase RUC licences (but not direct purchase of RUC);**
4. **Electronic RUC management services enabled by electronic measurement and reporting of vehicle distance and automatically purchasing RUC directly (as an agent of NZTA);**
5. **Full eRUC or eaRUC solution as a certified service provider approved by NZTA under the code or a revised version of the code (https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf); or**
6. **Another business model (or hybrid of the approaches outlined above)?**

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IntelliTrac's interest lies in the provision of

- GPS Based Electronic RUC management devices and services which provide electronic measurement and reporting of vehicle distance and location.
- Automatic purchasing of RUC (as an agent for NZTA)
- Full eRUC/eaRUC solution as a certified provider approved by NZTA

Commercial proposition

Do you think the commercial proposition of RUC retail services is a standalone business opportunity or one that is integrated with a range of other activities?

As the underlying cost of RUC is fixed, retail service providers will need to make a commercial return on activities other than the sale of underlying RUC. This would mean selling RUC as part of a broader offering, such as:

- **fleet management/telematic services**
- **bundling of utility like payments**
- **financial services to bundle and smooth payments**
- **sale of information to advertisers (with the express permission of customers) etc.**
- **efficiency of service offering enabling margin to be made on the administrative fees charged for RUC purchases**

This list is non-exhaustive, and any other commercial propositions you may suggest will be welcome, along with any description of what, if any, changes to existing legislative or administrative provisions would be needed to facilitate this.

Are there minimum scale factors that impact commercial viability? Is there a lead time that needs to be considered? What other factors should we consider regarding commercial viability?

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IntelliTrac's interest would be as follows:

Consumer Model

1. A consumer model in which IntelliTrac provides an OBDII plug and play GPS Telematics device which reads vehicle odometer from the Can Bus and provide the consumer with an App to view and monitor vehicle location (for security), view distances travelled, view historical RUC purchases and advise how soon additional RUC will need to be purchased.

   In future car manufacturers may have existing OEM telematics devices which may send a feed into IntelliTrac systems, thus not requiring IntelliTrac to provide an GPS Telematics device.



"IntelliTrac Easy"
Winner Canstar Innovation Award

At IntelliTrac we have spent years of research & development with hundreds of vehicles out in the field making the best OBDII Plug & Go GPS Tracking device in the world. Our R&D department was backed by a team of analysts, independent research facilities & major insurance companies to ensure device reliability & the reliability of data produced. We also engaged focus groups to provide feedback on ease of installation & ease of use.
With tens of thousands of the devices now sold, we are confident that we have produced the best product in its class.



Video Link https://youtu.be/GfNtr6tOAqU?si=9ogVyuRBNOQIzEhK

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2. The solution will provide an automated payment gateway to top up RUC at various dollar/km levels as selected by the consumer. Eg: when credit runs below $10 top up $76 (or 1000km)

3. The solution will provide a method of manually purchasing RUC or automatic direct debit from a credit card or bank account.

4. The solution will provide SMS and push notifications to alert the driver of

   - Low RUC Balance
   - Failed transactions
   - Credit Card Expiry
   - Zero RUC balance

5. Optionally the app will provide driving behaviour scoring (where data can be fed to insurers to provide pay how you drive insurance based on distance travelled and risk).

Business Commercial Fleet Model

1. With similar functionality to the consumer model, the business model would be integrated into IntelliTrac's Fleet Management GPS Telematics Solution to provide additional features which both the client and NZTA or IRD may require or introduce in the future. These would include:

   - An operational fleet management tool to provide vehicle activity reporting, exception alerts and driving behaviour scoring
   - Route planning and optimisation dispatched to an on board navigation system
   - Delivery and Work order Management
   - Financial Fleet Management (recording all operational costs of fleet)
   - Health and Safety such as
     - Vehicle safety inspection – Start of Day and End of Day
     - Electronic Work Diaries – Fatigue Management
     - On Board Mass Management – Logging weights or reading weights from vehicle scales
   - Logging other compliance such as FBT (Business and Private Use of passenger vehicles)

Technology

What role might technology offered by your business play in the future RUC retail market? Does your (current or planned) provision of RUC retail services use technology that you supply to measure and report distance, or support the reporting of distance from existing equipment (e.g. odometers or OEM telematics systems? If so, can you summarise:

- **how the technology works**
- **what data is collected**
- **What services you provide with the technology in connection with revenue collection (e.g. distance measurement, tolling, congestion charging, refunds)**
- **how you ensure the reliability and security of the system**
- **how revenue security is protected**
- **how user privacy is protected**
- **what benefits it offers customers compared to the existing system**

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- **whether the technology is stand-alone or integrated into existing devices (cars or phones)**
- **whether it requires professional installation (if it is not integrated) and whether it requires any modifications to be fitted for the purpose of providing RUC retail services for light vehicles**

Please describe any examples of where and when this technology has been applied in practice for RUC or similar purposes, to generate actual revenue.

IntelliTrac would provide a specialised GPS Telematics device which plugs into the vehicle OBDII or Can Bus in order to extract actual vehicle odometer. The solution would be catered for modern vehicles where actual odometer may be read directly from the vehicle. If this is achievable then tampering of the system would not alter any distance readings since once the telematics device is re-instated, it simply reads the odometer value from the vehicle can bus.

Where vehicles are older and odometer cannot be extracted from the canbus, then telematics devices would require seals and would require alerts etc. to be generated if unplugged or tampered with. Since GPS based odometer readings are not exactly displayed as per vehicle odometer, there would need to be an periodic calibration of electronic odometer data as compared to GPS odometer data. Studies and calculations show that the average discrepancy is approximately 3%. For example: At each RUC credit top up the road user would be requested to confirm the vehicle odometer via the RUC App.

Data collected would be GPS Location, Distance, Hours of Operation, Speed. GPS data can be cross referenced to GIS Mapping data to calculate distances travelled off road in order to claim RUC credits.

Data is collected and sent to the IntelliTrac cloud servers which it is processed and RUC reminders are issued to road users via email, SMS and push notifications. We can also issue alerts to drivers via a buzzer in the telematics device. Eg: 1 beep...RUC credit running Low. 2 Beeps RUC payment failed. 10 beeps - Zero RUC Credits. These can be activated upon starting the vehicle.

Our aim would be to integrate into automated payment gateways to collect RUC on behalf of NZTA.

Each vehicle would be provided a QR Code which would be attached to the vehicle windscreen which law enforcement officers may scan and retrieve RUC charges history, vehicle make, model, VIN, registration, odometer and other data etc.

End users will also be provided an App where they can view and manage their RUC and confirm odometer values reported by GPS as compared to what is visible on the odometer.

We currently provide Fuel Tax Credits reporting in Australia

We currently provide payment gateways, automated direct debits etc. for our clients in Australia within our telematics billing platform and our AutotradeOnly vehicle disposal platform in Australia.

Revenue would be protected ideally by NZTA providing a payment gateway API which IntelliTrac would have direct access too. IntelliTrac would be a conduit to the collection and funds would transfer directly between the road user and NZTA.

User privacy is protected via IntelliTrac and NZTA Privacy Policy and certification to ITSM standards such as ISO27001 or SOCII. All staff having access to personally identifiable information should be Police checked. IntelliTrac is the telematics provider to Australian Police and all staff are security cleared.

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IntelliTrac's OBDII device for general consumer, passenger vehicles and light commercial vehicles is a DIY installation. Heavy vehicles will require professional installation.

Barriers

To inform the policy, legislative and regulatory settings, we are interested in your view about the barriers to you achieving your commercial aspirations as a RUC retail services provider. What legal, administrative or policy setting would need to change or be made easier to enable you to invest in offering RUC retail services?

Clear requirements specifications, policy and procedures for approval and expedited approvals.

Streamlining compliance requirements with digital tools.

- Introducing a "sandbox" environment for testing new RUC services without regulatory penalties
- Providing tax incentives or grants for small providers to innovate in the RUC space

NZTA

NZTA plays an important role in RUC services as the Government's RUC collector.

Under current arrangements NZTA is responsible for:

1. **Approving (or declining) any RUC retailer application and appointing and contract managing Agents (some of whom operate under a contract and are paid a commission for RUC sales);**
2. **Providing RUC retail services to customers directly (through its website and App);**
3. **Collecting and administering the RUC revenue; and**
4. **Receiving the statutory fee for RUC transactions.**

The Government is keen to ensure NZTA's activities don't crowd out the role of third parties in the provision of RUC services. Are there measures that the Government should take to ensure NZTA's activities enable and encourage other RUC retailers to participate?

1. NTZA to provide a payment gateway API to all eRUC providers. This will streamline payments and create a uniform service provider solution.
2. eRUC devices will need to be provided to consumers. These would cost approximately $100 in volume. These should be provided to consumers by NZTA free of charge or at a reduced cost
3. eRUC devices will have on going costs due to sim card/connectivity and these costs will need to be borne by the consumer
4. The eRUC service provider when dealing with consumers would make a minimal margin and hence should be paid a small percentage of RUC collected in order to validate a business case.

Revenue security

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How can the RUC retail market assist with balancing a user-friendly system with ensuring revenue security?

A user-friendly consumer solution would be Web App and Phone App Based which will extract distance information from an on board telematics device and remind road users to pay their RUC. A payment gateway would provide a seamless and secure method for NTZA to collect revenue.

Revenue security would be further emphasised by data collected by the telematics device connecting directly into the vehicle CanBus.

A QR code on the vehicle will allow law enforcement officers to conduct random checks to ensure RUC is paid and up to date.

Consumer protection and support

Do you have any initial views on how you might ensure appropriate protection of consumers (e.g. complaints, remedy mechanisms)? Would you offer different payment options to enable consumer flexibility and choice in RUC purchases?

IntelliTrac would provide a RUC support team to handle any customer complaints. It is envisioned that the most common complain would be telematics devices which have been lost or stolen or occasionally faulty. A remedy mechanism would be to send new device to the consumer.

Other complaints may be incorrect odometer displayed. This may be due to devices losing connectivity to vehicle CanBus or OBDII port. Under such cases the device would revert to calculating odometer based on GPS and this would typically by 3% less than the actual vehicle odometer.

Payment options using an electronic method would be based on our recommended methodology for NZTA to provide a payment gateway and offer various methods of payment such as Credit Card, Poli, direct debit etc.

[Optional] Additional information

If there is other material you would like to make us aware of in considering the policy, regulatory and legislative settings to enable greater third-party provision of RUC services, please feel free to include it below. Avoid attaching company brochures and other advertising material. We can only receive 20MB via email.

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None at this stage

2.2 Assumptions

Assumptions
Please state any assumptions you have made in relation to the Response.
Our assumption is that 1. NTZA provide a payment gateway API to all eRUC providers. This will streamline payments and create a uniform service provider solution 2. eRUC devices will need to be provided to consumers. These would cost approximately $100 in volume. These should be provided to consumers by NZTA free of charge or at a reduced cost 3. eRUC devices will have on going costs due to sim card/connectivity and these costs will need to be borne by the consumer. Approximately $15 per month. 4. The eRUC service provider when dealing with consumers would make a minimal margin and hence should be paid a small percentage of RUC collected in order to validate a business case.

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SECTION 3: Respondent's declaration

Topic	Declaration	Respondent's declaration
RFI-Terms:	I/we have read and fully understand this RFI, including the RFI-Terms. I/we confirm that the Respondent agrees to be bound by them.	agree
Conflict of Interest declaration:	The Respondent warrants that it has no actual, potential or perceived Conflict of Interest in submitting this Response. Where a Conflict of Interest arises during the RFI process the Respondent will report it immediately to the Buyer's Point of Contact.	agree
Details of conflict of interest:	Not Applicable	

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DECLARATION BY THE RESPONDENT

I/we declare that in submitting the Response and this declaration:

- **the information provided is true, accurate and complete and not misleading in any material respect**
- **the Response does not contain any material that will infringe a third party's intellectual property rights**
- **I/we have secured all appropriate authorisations to submit this Response, and to make the statements and to provide the information in the Response.**

I/we understand that the falsification of information, supplying misleading information or the suppression of material information in this declaration and the Response may result in the Respondent being eliminated from further participation in any procurement process flowing out of the RFI, and may be grounds for termination of any Contract awarded as a result of such a procurement process.

By signing this declaration the signatory below represents, warrants and agrees that they have been authorised by the Respondent to make this declaration on its/their behalf.

s 9(2)(a)

Signature: _____

Full name: _____

Title/position: _____

Name of organisation: IntelliTrac New Zealand Limited _____

Date: 10-12-2024 _____

Sensitive

Office of the Minister of Transport

Cabinet Economic Policy Committee

Land Transport Revenue Action Plan: Report back on Road User Charges and Tolling Reform

Proposal

1 Out of Scope

2 This paper also seeks Cabinet's agreement to engage with the market on the potential design options for a new road user charges (RUC) system and further work to support a full report back in March 2025.

Relation to government priorities

3 Tolling to fund infrastructure and working to replace fuel excise taxes with electronic RUC for all vehicles is a commitment in the Coalition Agreement between the National Party and the ACT Party. Out of Scope

Executive Summary

4 Our transport revenue system is under significant pressure, with the Crown increasingly having to provide funding and debt capacity to build infrastructure. In July 2024, Cabinet agreed to the Revenue Action Plan, which set out a work programme to improve existing revenue tools and explore new ones.

5 My ultimate vision for the transport revenue system is an electronic road pricing system where different revenue tools (RUC, tolls, and time of use charging) work together. RUC would be the primary revenue tool, road users would have a range of ways to pay, and private providers would compete on retail products.

6 Implementation challenges and a limited public mandate means this system is some years away. I am currently aiming to start implementing in 2027. By moving petrol vehicles to RUC, we can take initial steps in the right direction to redesign and reform our land transport revenue system.

7 The design of the 2027 system, and the success of the transition will depend to a large degree on having a clear understanding of the market opportunities

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for private providers. We need to test with potential market participants what features will need to be present in the new system for them to be willing to enter the market. If Cabinet agrees, I will direct the Ministry of Transport to commence market soundings. I will report back in March 2025 on the results of these market soundings.

8 I intend to bring more detail on the key features and options of the new RUC system to Cabinet in March 2025, covering:

8.1 removing regulatory barriers impeding technological solutions

8.2 clarifying roles and responsibilities of key players

8.3 making RUC collection more efficient and reliable

8.4 protecting land transport revenue with appropriate tools to ensure compliance alongside commensurate enforcement

8.5 ensuring a smooth switchover from fuel excise duty (FED)

8.6 minimising the impact on the heavy vehicle fleet, where electronic payment of RUC is already well established.

9 Out of Scope

10

11

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Background

12 Out of Scope

Out of Scope

13 Out of Scope

14

15 Officials are working on the design of a new RUC system, including enabling greater use of technology and more private-sector participation. I have announced that the shift will begin in 2027, which will require significant work.

16 Therefore, I am seeking Cabinet endorsement to engage with industry to gauge their interest and explain the opportunity to the market. We also need to understand better what government can do to clarify the regulatory landscape before the private sector will commit to delivering the future solutions for our revenue action plan.

17 Out of Scope

18

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Key features of a new RUC system for the entire light vehicle fleet

19 Transitioning 3.5 million petrol vehicles to RUC is one of the biggest reforms undertaken in transport for some time. The reform needs to be done well to mitigate fiscal risks to the Crown and maintain public support for the reforms. A poorly designed or implemented system for the transition could lead to user frustration, non-compliance, and diminished public support.

20 RUC will become our transport system's primary revenue source, adapting over time to include dynamic charging. Additional tools (including tolling and time of use charging) will optimise the network. Crown funding will become the exception in this future system, and road users will fund the system through different providers. Road users will select the provider that best meets their needs. Paying for road use will be as simple as paying any other bill.

21 The current RUC system, with its origins in the 1970s, was primarily designed for commercial heavy vehicles. While it has been reformed over time, including in 2012, its fundamental structure remains rooted in that era. For most road users the payment of RUC is manual. Although electronic payment options exist, they are only cost-effective for the heavy vehicle fleet.

22 To ensure a smooth transition to a system where RUC is easy to pay, several key issues must be addressed before implementation begins in 2027. It is possible that some of the features described below may not be fully implemented by 2027, but I consider it important that the transitional system enables them.

Market participation is important, but we first need to gauge interest to inform system design

23 The private sector will play a critical role in our long-term system, with the potential to offer innovative solutions, better efficiency, and an overall more robust system. However, before we can design a system catered to the role we think providers should play, we need to understand what they want to offer, what they will be able to deliver by 2027, and what legislative changes and support they need from the Government.

24 Engagement with potential future participants will also provide an opportunity to test our proposed system design. I am seeking Cabinet agreement for the Ministry of Transport to carry out market testing with various entities, including existing eRUC providers, companies seeking to provide RUC services, software developers, utility companies, and financial institutions.

25 As part of this engagement, the Ministry will work with potential participants to understand what the system would need to look like to encourage a range of entities to participate in the market.

Minimising the revenue impact of transitioning the fleet to RUC

26 The amount of revenue received will be strongly influenced by compliance with the new RUC system. Different design features could have marked

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effects on the level of compliance. If light vehicles are subject to the current light RUC rate, initial modelling suggests that between 82-94 percent compliance will be necessary to achieve equivalent revenue to that expected from FED over 2027–2050 if we achieve compliance of 82–94 per cent. It is critical we have a thorough understanding of likely compliance and effects on revenue before we commit to a transition.

27 I have instructed officials to refine the modelling to better account for the revenue impacts of the various measures under policy development. These impacts will inform my proposals for Cabinet decision in March 2025 on the proposed transitional system.

Out of Scope



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More flexible payment options and additional purchase channels

33 People are more likely to comply if they can pay RUC when, and how they want to. Private providers can likely innovate and offer a greater range of options, if legislation allows it. NZTA has rolled out an app and plans to include the ability to pay RUC. Officials are also exploring additional payment channels, such as simple payment via bank apps.

34 People should also be able to buy as much or as little RUC as they want, as they can when they buy petrol. Current purchase settings (pre-purchasing in 1,000-kilometre increments) may create affordability challenges for some people. An online purchase of 1,000 kilometres for a light vehicle costs $76.00 with an additional $12.44 administration fee. Reducing administration costs and enabling people to purchase in smaller increments may help people manage cost flow and affordability issues.

35 There is also a possibility of enabling people to pay automatically after they have travelled. Provided electronic options are available, people could opt to receive invoices periodically rather than pre-purchasing. Safeguards would need to be put in place to ensure people do pay.

36 Automatic and post-pay arrangements represent a much larger change to the way the system works. If it is to be offered by NZTA it would require significant system change. Enabling automated and post payment would represent a much larger step towards the models that are used in utility sectors like energy and telecommunications.

37 To support changes like automatic and post-pay, each light RUC vehicle would likely need to have an account that is linked to an individual (or vehicle). This would make it much easier for people to make payments and identify those who are non-compliant. An account-based approach would require significant system changes (with associated costs) and is unlikely to be complete by 2027, but it would represent a real step forward for the system.

Greater involvement in RUC retail by private companies

38 Electronic RUC (eRUC) results in greater compliance for the heavy fleet but the current model is expensive for light vehicles. It is governed by a Code of Practice that sets out detailed regulatory standards and technology requirements. It requires an approved GNSS-enabled device to be installed in each vehicle. To act as an RUC electronic system provider, a company must be approved by NZTA through a process that can be long and costly. The current model is attractive to commercial vehicle fleet owners for other reasons (such as offering additional fleet management services) that are not relevant to individuals.

39 Recently, companies have emerged that offer lighter-touch electronic options, for example, enabling people to pay RUC through a third-party app. These are often referred to as electronically assisted RUC (eaRUC) solutions. Unlike eRUC, there is a lack of clarity on the regulatory standards and approval

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process that should apply for such lighter-touch solutions. There are also issues with accessing NZTA data efficiently and cost-effectively.

40 Enabling more electronic solutions for light vehicles involves carefully considering the right role for NZTA, and the incentives and readiness to enter the market for potential providers. To ensure a healthy market, the design of the system should be informed by consultation with potential market participants.

41 I envisage a system where private companies can operate alongside NZTA, either via a simple connection to the NZTA website or directly selling RUC to road users. Legislation will need to clearly set out the parameters of this, including any safeguards that private providers will need to implement to protect revenue. NZTA will also need to provide broader access to its data.

Out of Scope



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MINISTRY OF TRANSPORT
TE MANATŪ WAKA

9 October 2024 OC241161

Hon Simeon Brown
Minister of Transport

Action required by:
Friday, 18 October 2024

ROAD USER CHARGES – MARKET ENGAGEMENT

Purpose

To seek your agreement to the Ministry of Transport engaging with the market / private sector on interest in the road user charges (RUC) system, including providing innovative and user-friendly solutions for the transition to RUC.

Key points

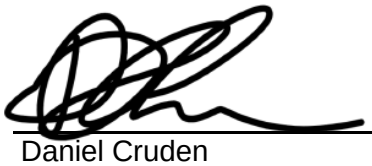
- Significant improvements to the existing RUC system are needed to transition the fleet. The system needs to be more user-friendly, prevent revenue loss, and maintain public acceptance.
- Work is underway on a package of improvements to the RUC system for 2027. In addition, officials are considering features that could form part of a future system but be implemented later.
- A key feature of a future system could be the involvement of the private sector, giving road users a choice of providers. Engagement is proposed with various private sector / the market to gauge their interest in the RUC system, especially in providing services to private motorists and testing the proposed key features of a future system.
- We propose engaging through an 'open' market process, advertising/notifying the engagement through the government procurement network. This includes identifying the full range of potential providers, preparing and releasing engagement documents, gathering and evaluating market responses, and incorporating the findings into policy. We will provide your Office with the market engagement documents prior to release.
- Attached is a draft memo (**Annex 1**) to notify your ministerial colleagues about the engagement with the private sector. The preparation of material will take around four weeks with market engagement planned to commence **by mid November 2024**, which will enable you to report back to Cabinet in **March 2025** as planned. We suggest circulating the memo to your colleagues before the market engagement started and issuing the press release when engagement once is ready to commence. **Annex 2** provides a draft press release for your review to announce the market engagement.

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Recommendations

We recommend you:

1	**agree** to the Ministry engaging with the market through a request for information process to understand existing and new providers' interests in providing fully automated/electronic RUC services and what support they would need to do so	Yes / No
2	**note** officials will provide your office with the draft market engagement material before we commence	
3	**provide feedback** on the draft memo updating your ministerial colleagues on work to transition the fleet to road user charges, notifying them of the upcoming market engagement	Yes / No
4	**review** the draft press release on the market engagement	Yes / No



Daniel Cruden
Acting Manager, Revenue Policy

Hon Simeon Brown
Minister of Transport
..... / ..... / .....

Minister's office to complete: ☐ Approved ☐ Declined

☐ Seen by Minister ☐ Not seen by Minister

☐ Overtaken by events

Comments

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Contacts

Name	Telephone	First contact
Daniel Cruden, Acting Manager, Revenue Policy	Out of Scope	✓

ROAD USER CHARGES – MARKET ENGAGEMENT

Purpose

1 This briefing outlines engagement with the private sector to improve the RUC system for the fleetwide transition. It includes a draft memo (**Annex 1**) for you to notify Cabinet colleagues of the engagement and a draft press release (**Annex 2**) to announce the market engagement.

Work to improve the RUC system for the fleetwide transition

2 Officials have been working on a package of improvements for the fleetwide transition and the likely key features of a future RUC system. One of the key features envisages the private sector having a more significant role in the RUC system, specifically, providing RUC services to private motorists. Officials would like to engage with the market/private sector to gauge interest in supplying RUC services to private motorists.

Encouraging private sector involvement

3 To gauge the private sector's interest and better understand the commercial opportunities, officials propose engaging through a request for information (RFI) process with private sector representatives to provide RUC services to private motorists, particularly electronic options.

4 The engagement aims to understand existing and potentially new providers' interests in providing fully automated/electronic RUC services or user-friendly services that interface to the NZTA-administered odometer-based RUC system.

5 Officials would also like to test some proposed vital features of a future RUC system with the market, as outlined in the memo to your colleagues (**Annex 1**).

6 The draft press release (**Annex 2**) aims to provide initial notification of the engagement to stakeholders (and the public more generally) and help attract interest from a wide range of potential private sector participants.

Key messages about the opportunity for the market

7 Key high-level messages to the market will be:

7.1 **government is seeking market participation:** The Government is eager to encourage market participation in providing RUC retail services, especially for light privately owned vehicles. An open request for information process will be employed to solicit feedback and gauge market interest.

7.2 **opportunity for large-scale market entry:** The transition will bring an estimated 3.5 million light vehicles under the RUC regime, creating a significant market opportunity for retail service providers. This influx necessitates a reassessment of the existing regulatory framework.

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7.3 **focus on automation:** The Government is particularly interested in solutions that automate or partially automate the RUC purchasing process, aiming to improve compliance and revenue collection. This presents a critical opportunity for providers in the market who can offer innovative technological solutions.

7.4 **potential for diverse business models:** A range of potential business models could exist. For example, existing electronic system providers (ESPs) could expand their services to cater to private motorists. In contrast, new entrants, including web/app providers, financial institutions, utility companies, advertising firms, and connected vehicle services, are encouraged to explore opportunities.

8 We have pitched the proposed press release at a higher level, given it will be released to the public more generally. You could use the (above) proposed key messages should potential market participants approach you but may form a basis for drafting the market engagement documents.

Proposed engagement process

9 The proposed approach is to adopt an 'open' market engagement process involving advertising/notifying the engagement through the government procurement network (known as GETS). A RFI process will be used to ensure fairness, gather consistent insights, and protect the Crown from perceptions of bias by providing the same information to all participating parties and collecting their input uniformly. Engagement will occur initially via a request for information process.

10 We will notify various existing RUC service providers (EROAD, Picobyte and Navman) and other companies that could be interested in providing RUC services. This could include telecommunications companies, broadband providers, banks, financial services firms, electricity retailers, and other transport service providers to gauge their interest in RUC and potentially in bundling RUC services with existing offerings.

11 Officials will review the responses, identify respondents for further engagement, and analyse the responses and prepare a short outcome report for the policy process. The Ministry is engaging external advisors to undertake this process from Monday 14 October 2024, and we will provide an updated timeline with specific dates as soon as possible. Although engagement material is now expected to be released in mid-November, this change of timing does not affect our overall timeframe of seeking substantive Cabinet decisions on reform in **March 2025**. Key next steps are set out in the table below.

Next steps on RUC transition		**Complete by**
Market scan	Officials analyse potential domestic and international providers of RUC retail services and aim to identify specific contacts within these organisations for engagement.	Late October

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Preparation of documents	Market engagement documents prepared (GETS notice + Information Memorandum + RFI forms).	Early November
Release of engagement documents	Market engagement documents released on GETS and officials to alert potential providers/respondents to the GETS notice. Existing electronic service providers and other potential providers or interested parties will be notified that the notice/documents have been released.	Mid-November
Follow up on market engagement	Market responses due (completes Request for Information (RFI)), follow up discussions.	Mid-December
Consideration of responses	Officials consider RFI responses, prepare initial advice.	January 2025
Briefing paper	Seeking initial policy decisions to inform the drafting of a Cabinet paper on the RUC transition.	February 2025
Cabinet paper	Report back to Cabinet on the next steps on the RUC transition, including seeking authorisation to begin drafting legislation.	March 2025

12 We propose sharing the market engagement documents with your office before making them available on GETS. The results from the market engagement will inform the policy proposal and will be a key input in your March 2025 report back to Cabinet on transitioning the fleet.

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ANNEX 1: DRAFT MEMO

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Memo

To:	Ministerial colleagues
From:	Hon Simeon Brown, Minister of Transport
Subject:	**Land Transport Revenue Action Plan: Update on Fleetwide Road User Charges**
Date:	October 2024
Classification:	In confidence

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Purpose

1 This memo provides information on the proposed engagement with the market on the potential design options for a new road user charges (RUC) system to enable the fleet to transition from paying fuel excise to RUC. I propose to report to Cabinet on this work in **March 2025**.

2 Improving the land transport system and reforming the revenue system are priorities for the Government. This paper relates to a specific commitment in the coalition agreement between the National Party and the ACT Party to replace fuel excise taxes with electronic road user charging for all vehicles, starting with electric vehicles (EVs).

Summary

3 The transition of light petrol vehicles to the RUC system is a significant transport reform. It will make RUC the primary revenue source for road funding and ensure all light vehicles pay the same cost per kilometre for their road use.

4 A successful transition is essential to avoid fiscal risks and provide public support. Most users still make manual RUC payments, and I would like to initiate a transition towards greater use of technology to improve public acceptability. Modernising the system to an electronic, user-friendly system will be crucial for smooth implementation.

5 I envisage the new system will have the following key features:

5.1 **greater private sector involvement:** the private sector will be critical in offering innovative solutions for the new RUC system. The Ministry of Transport plans to engage potential market participants, such as existing electronic RUC providers, software developers, and financial institutions, to understand their interests and what they can offer.

Out of Scope



5.4 **more RUC payment options:** providing more flexible payment options will make it easier for users to comply with RUC. New payment options, such as apps and set-and-forget payment systems, will provide users greater choice.

5.5 **a smooth transition from FED**: The phase-out of FED will be a critical part of the transition. Two approaches are being considered: a single-day switch or a phased transition. Both carry risks, and further analyses will determine the best approach to ensure a smooth changeover with minimal revenue impacts.

6 Given that market participation will be a key feature of the new system, the Ministry of Transport will undertake early engagement with potential market participants. Engagement will occur initially via a request for information (RFI) process.

7 This engagement will test and build interest in providing RUC services and understand their requirements. The participants could be a combination of existing RUC service providers and other companies not currently providing RUC services. It is envisaged other potential providers could include telecommunications companies, broadband providers, banks, financial services firms, electricity retailers, and other transport service providers.

Proposed high-level features of an improved RUC system

8 Transitioning 3.5 million petrol vehicles to RUC is one of the most significant reforms undertaken in transport for some time, and the primary rationale for the transition is to improve the fairness of the current revenue system. The transition must be done well to mitigate fiscal risks to the Crown and maintain public acceptability.

9 RUC will become our transport system's primary revenue source, adapting over time to include dynamic charging. Additional tools (including tolling and time-of-use charging) will optimise the network. Crown funding will become the exception in this future system, and road users will have a choice of payment providers. Road users will select the provider that best meets their needs. Paying for road use will be as simple as paying any other bill. Market participation is essential, as more use of technology will help reduce the costs of running the system and ensure the system has a real user focus.

10 Even if we were not proceeding with the transition, reform of the RUC system would be necessary as more electric vehicles and hybrids enter the vehicle fleet. To ensure a smooth transition to a system where RUC is easy to pay, several key issues must be addressed before implementation begins in 2027. Likely key features of the system are set out below.

Maximising the collection of revenue

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More flexible payment options and additional purchase channels

15 We need to provide more flexible payment options and additional ways to purchase RUC. People are more likely to comply if paying RUC is simple. In principle, people should be able to buy as much or as little RUC as they want, like when they buy petrol, to better manage costs.

16 We also need to consider new payment technology, including regular, automatic billing that is similar to how internet and electricity usage is paid for now. This would likely necessitate individual accounts. An account-based approach would require significant system changes (with associated costs) that NZTA does not consider is possible to implement by 2027. The private sector already offers account-based pre-pay options through the existing eRUC system, and there may be opportunities to expand this with greater private sector involvement in the RUC system.

17 Administrative fees will need to be reviewed to consider the more extensive RUC customer base, with an expectation for reduced fees.

Greater involvement in RUC retail by private companies

18 A key feature of the future RUC system will be the private sector. The current eRUC model is not cost-effective for private motorists, and the approval process for companies offering electronic systems is lengthy and costly. There is a need for a more streamlined electronic RUC model for light vehicles, allowing third-party companies to enter the market and provide an array of services. Private providers could offer road users more innovative and flexible payment options than currently provided by NZTA.

19 Recently, there has been an emergence of companies offering lighter electronic options, such as allowing users to pay eRUC through a third-party app, referred to as electronically assisted RUC (eaRUC). Unlike eRUC, there needs to be more clarity on the regulatory standards and approval process for these lighter-touch solutions.

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Out of Scope

Proposed market engagement

22 As mentioned above, the private sector will likely be a critical feature of a future RUC systems. I am interested in exploring and encouraging private sector involvement in retailing RUC, particularly for light privately owned vehicles. The private sector could bring:

22.1 **innovation and automation:** the private sector, particularly technology companies and existing ESPs, can contribute expertise in developing and implementing automated or partially automated RUC purchasing systems.

22.2 **diversification of services and choice:** encouraging private sector participation could foster a more diverse RUC retail market, providing consumers with a broader array of service options beyond NZTA.

22.3 **competitive administration fees:** increased competition from various providers could drive more competitive transaction fees for RUC retail services.

22.4 **bundled services:** private companies might offer RUC services with other products like telematics, financing solutions, or utility bills.

22.5 **tailored offerings:** different providers could cater to specific market segments, such as individuals, small fleets, with services tailored to their needs.

22.6 **expertise and resources:** Private companies can have better incentives and prioritise customer service and user experience to gain a competitive edge. This could lead to improvements in how RUC services are delivered.

23 The Ministry is proposing engagement with the private sector through an open request for information (RFI) process to gather feedback and gauge their interest in providing RUC services through different business models. Market engagement will likely involve existing electronic RUC service providers and other companies that could be interested in providing RUC services. This could include telecommunications companies, broadband providers, banks, financial services firms, and electricity retailers. I intend that market engagement to be conducted later this year.

Report back in March 2025

24 Following this and further policy work, I will report back to Cabinet in late **March 2025** and seek authorisation to begin working on the necessary legislative changes. That Cabinet paper will include details on:

24.1 NZTA's ability to deliver the features of the RUC system as set out above, including likely costs and timeframes

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24.2 the future market's ability to deliver the features set out above, based on the market engagement

24.3 legislative changes required to rebalance the *Road User Charges Act 2012* so that the RUC system accommodates new customers and the transition is seamless.

Communications

25 I have announced that the shift to RUC will begin in 2027. I am proposing to issue a press release on the market engagement. Market engagement documents will also be released to solicit feedback.

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ANNEX 2: DRAFT PRESS RELEASE

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Market engagement on a modern RUC payment system

The Minister of Transport, Simeon Brown, announced the Government is seeking private sector expertise to help in the move to the road user charge (RUC) system for all light vehicles.

"This month, the Government is beginning a market engagement exercise to better understand what technology solutions, apps or payment options could be used to create a modern fully automated RUC payment system," Mr Brown says.

"We're committed to replacing fuel excise duty with a user-friendly RUC system where users pay for the distance they drive on the roads. The shift to RUC will ensure that all road users contribute fairly to the upkeep of our roads, regardless of their vehicle type," he says.

"We want to make paying for road use as easy and simple as possible for New Zealanders. But we need to upgrade the largely manual payment system the New Zealand Transport Agency currently uses for collecting RUC from EVs, diesel cars and heavy vehicles.

"The private sector has a solid track record of providing innovative and user-friendly payment services in sectors such as banking, electricity and telecommunications. We want to leverage this expertise to develop an easy-to-use, simple solution for road users," added Mr Brown.

"The estimated 3.5 million light vehicles that will shift to paying RUC instead of fuel tax creates a significant market opportunity for retail service providers who can offer innovative solutions.

"Through the request for information on GETS, we're looking to understand the level of market interest in developing and providing innovative services to ensure we have a modern, easy-to-use payment system.

"Paying for road use could be as simple as paying any other bill, with flexible payment options and technological solutions. This is an example of this Government's appetite for greater use of private sector capability and capacity to help deliver user-focused public services.

Transitioning the light vehicle fleet to RUC was part of the National-ACT coalition agreement and is one of the actions in the Government's Revenue Action Plan to reform the transport funding system and deliver the transport infrastructure that our country needs sooner, says Mr Brown.

Notes to editor

- The Ministry of Transport will conduct the market engagement through an open request for information (RFI) on the Government Electronic Tender Service (GETS) to test and gauge market interest in providing RUC services.

- Market engagement will likely involve existing RUC service providers and other companies that could be interested in providing RUC services. This could include telecommunications companies, broadband providers, banks, financial services firms, and electricity retailers.

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MINISTRY OF TRANSPORT
TE MANATŪ WAKA

Summary of responses

RFI RUC – Retail services



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1.

Summary



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Market sounding summary

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Purpose

— This paper summarises key findings from the Ministry of Transport's (MoT) market sounding exercise on road user charges (RUC) retail services.

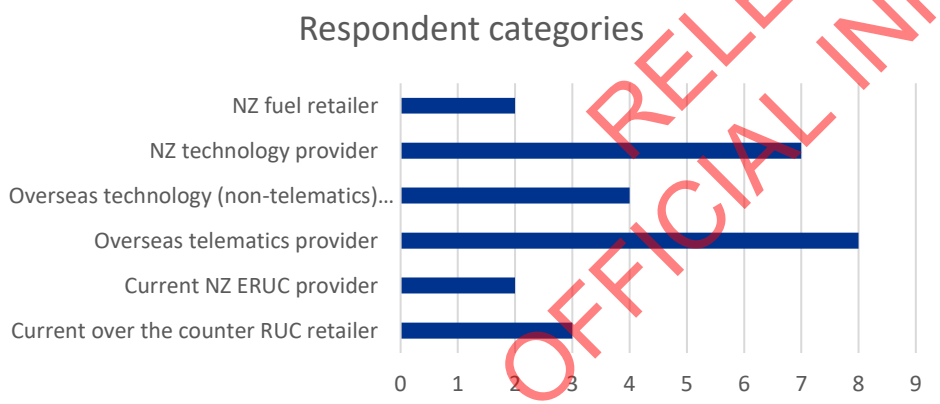
RFI approach

— MoT released a request for information (RFI) on GETS on 15 November 2025, with responses due by 12 December.

— We contacted potential respondents, alerting them to the RFI by email and phone calls. Existing ERUC and EARUC* providers, software, technology, telematic and electronic systems providers utilities, financial services providers, fuel companies, supermarkets, and other over-the-counter retailers were contacted.

Market sounding results

— We received 26 responses, as summarised in the chart below:



— We met with 11 of the respondents in December.

Key themes

Key themes from the RFI responses and meetings are summarised below. Refer to section 2 of this paper for a more detailed overview.

— There is strong interest from over-the-counter (OTC) incumbents, some fuel companies, ERUC providers, and technology and telematics companies. Banks, insurers, utilities companies, parking companies and supermarkets have not expressed an interest.

Out of Scope

— Using in-vehicle technology (in-built hardware) for newer vehicles to measure distance is likely to cost less than installing onboard units.

— Out of Scope

— Key challenges include the lack of clarity on eaRUC authorisation, physical labels in vehicles, connection to NZTA systems for new entrants and data checking costs.

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*Electronic RUC (eRUC) uses electronic distance recorders installed in the vehicle to measure distance, with RUC calculations handled by providers liable for the debt to NZTA.
Electronically Assisted RUC (eaRUC) facilitates purchase of RUC licences via an app or portal and can display RUC distance licences on a device mounted on the windscreen. eaRUC products do not have GPS.

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2.

Detailed feedback

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Key feedback – the market

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Market sounding feedback – the market	
Topic	**Key respondent feedback**
1: Interest in selling RUC	— There is strong interest from over-the-counter (OTC) incumbents, service stations, ERUC providers, and technology and telematics companies both in NZ and overseas. Out of Scope
2: Technology options	— In-vehicle technology that uses the vehicle manufacturer's existing in-built hardware is viable for newer vehicles, and there are several respondents that propose to use it to measure distance. NZTA is currently trialling this technology. The limitation is that vehicles manufactured before 2018 generally will not have the technology. The use of onboard telematics devices requiring installation is offered by some respondents, but in comparison to in-vehicle technology, appears expensive. — There are promising mobile apps available that send push-notification reminders to purchase RUC, and can either utilise manual inputs from users, odometer photographs, or connection to in-vehicle technology for distance measurement. They generally bundle the sale of RUC with other vehicle related purchases and administration.

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Key feedback – Commercial models

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Market sounding feedback – Commercial models	
Topic	**Key respondent feedback**
1. ERUC and Telematics providers	— The current eRUC providers exist to provide fleet management services with a focus on heavy vehicles. It is likely that the services they offer will be too expensive for individual consumers to take up in general. — For companies using telematics or recording vehicle data from in-car technology, serving consumers on a large scale is likely to require some form of development payment, guaranteed scale and/or ongoing revenue stream. — There are several parties that only have an interest in developing back-end systems or APIs for NZTA.
2. Other technology companies	— Most technology companies (ie. app developers/ eaRUC providers) are interested in the bundling of multiple vehicle-related services (eg. RUC, parking, WoF, registration, tolling). This can also include receiving revenue from the sale of services like insurance, vehicle finance, or vehicle inspection but there is still a need for fee revenue either from government or the user, and a need for a large user base. — Several technology companies noted that they would either require the government to pay an upfront SaaS fee, or for there to be a minimum guaranteed scale. One company mentioned 2 million users as a minimum scale in the absence of SaaS fees, with a per-transaction fee of 5 cents in the dollar charged to customers.
3. OTC providers	— There is interest from some OTC providers in offering a more advanced electronic product to compliment in-store services. — The idea of removing commission, and instead charging customers a service fee is interesting to agents – provided that NZTA is not competing against them with a subsidised service.
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