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separating the requirements around display of eRUC licences from the requirements for the ehubo measurement device would potentially enable greater innovation in eRUC technology.

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| 41 | We propose to consult on clarifications to the requirements around the display of RUC licences on a vehicle using an eRUC device. |
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*Reducing the cost of independent review of RUC assessments to Waka Kotahi would assist with its enforcement of the RUC Act*

- 42 When a vehicle operator is issued an assessment by Waka Kotahi for unpaid distance, the vehicle operator may apply for a review of the assessment under section 55 of the RUC Act.
- 43 Waka Kotahi must then arrange for an appropriately qualified independent person to review the assessment. Waka Kotahi currently contracts EY to review assessments that relate to calculations (mainly relating to light vehicles) and contracts barristers to review more complex assessments (for example, that may raise issues of law). Following an independent review, the assessment may be appealed to the District Court.
- 44 Waka Kotahi is concerned at the cost of the independent reviews of assessments, which can be between \$1,500 and \$2,000 a day depending on the level of case complexity. If a barrister is involved, the overall cost can be between \$5,000 and \$10,000. Waka Kotahi is concerned that the cost of the review is often greater than the value of the assessment. Waka Kotahi also suspects some operators use these assessments to cause delays, allowing them to either liquidate the affected company, or have Waka Kotahi cancel its assessment. Waka Kotahi advises of the 635 independent reviews completed between October 2018 and 2020, only one invoice was amended as a result of the independent reviews – an increase of \$10.09.

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| 45 | We propose to consult on an amendment that would seek to reduce Waka Kotahi's costs for independent reviews of RUC assessments, while ensuring that the independence of reviews is maintained. |
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*Extending an operator's time to request an independent review of an assessment would benefit assessment applicants*

- 46 Once Waka Kotahi has issued an assessment for unpaid RUC, section 53 of the RUC Act requires that the person makes an application for an independent review of the assessment within 20 working days. Waka Kotahi cannot provide an extension to this period or exercise discretion to consider the circumstances of the owner or operator, or allow the person to apply for a review after the 20 working day time period.

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| 47 | We propose to consult on an option to enable extensions to the 20 day time limit to apply for an independent review of a RUC assessment. |
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*Allowing Waka Kotahi to use historic RUC rates when carrying out an assessment would lead to assessments that are fairer to those required to pay*

- 48 The RUC legislation requires Waka Kotahi to use the current RUC rate when assessing any unpaid RUC, even if the underpayment occurred when the rate was

lower. This is likely to be a concern for assessments occurring immediately before an increase in RUC rates.

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| 49 | We propose to consult on an option to enable Waka Kotahi to use the rate that was in place at the time the underpayment was alleged to have occurred when issuing an assessment for unpaid RUC. |
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## CONCLUSIONS AND NEXT STEPS

- 50 As with the companion briefing that proposes measures that could increase the uptake of low emission vehicles, we have not discussed the proposals in this paper with stakeholders outside of Government.
- 51 Should you agree, officials will include these items for consultation in the discussion document being proposed in the companion paper. Officials will also include these items in the Cabinet paper, which you will take to Cabinet in July 2021 asking for approval to release the discussion document.
- 52 Once Cabinet has approved the release of the discussion document, we will work with Waka Kotahi to publicly consult on the changes. We would then return to Cabinet in 2022 to seek Cabinet's agreement to a final package of recommendations for changes to the RUC Act (and its regulations as necessary) once consultation was complete.

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TE MANATŪ WAKA MINISTRY OF TRANSPORT