

# Road User Charges – services for vehicle owners

Request for Information (RFI) – information session

10 December 2025

# Agenda

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- 01** Welcome and introduce presenters
- 02** Context - what you need to know about RUC in NZ
- 03** RFI overview – what we want to know and why
- 04** The RFI documents and how to respond
- 05** Themes from questions we have received so far about the RFI
- 06** Next steps

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# 01 Welcome and introductions

Presenters:

**Anna Wilson-Farrell**

Director - Revenue

**Matthew Skinner**

Manager, RUC Transition Policy

**Rachel Crawley**

Principal Policy Advisor, RUC Transition Policy



## 02 Context - what you need to know about RUC in NZ

- The Government has announced that the entire vehicle fleet will transition to paying road user charges (RUC)
- Currently, most of the light vehicle fleet pays solely fuel excise duty (FED) – this is included in the price of fuel and is paid at the pump.

### **Some statistics**

- **4.9 million** total vehicles in the fleet
- **869 vehicles per 1,000 people** (highest rate in the world, United States second with 860)
- **\$4 billion NZD** (\$2.26 billion USD) total net revenue earned from RUC, FED and Annual Vehicle Licensing contributions
- **3.6 million vehicles** transitioning to the new RUC system.



## Some facts about travel and RUC in New Zealand

**Private vehicles** are the main way people travel, making up 93% of distance travelled.

**In rural areas**, driving is often the only practical option.

RUC applies to all **heavy** vehicles (over 3.5 tonnes) and any light vehicle that doesn't use petrol, such as **diesel** or **electric** vehicles.

The system is **cost recovery**, designed to ensure all road users contribute fairly to the cost of maintaining and improving the road network.



# How RUC works in New Zealand

- The current system for light vehicles that pay RUC – diesel, electric light vehicles and plug-in hybrid electric vehicles – is **largely manual**.
- Vehicle owners have to **self-monitor** their odometer readings and **prepay** for their road use by purchasing a RUC licence in 1,000 km blocks.
- A **label displayed on the windscreen** is enforced by Police, with the odometer checked during annual vehicle safety inspections.
- Rather than extending this system to the entire light vehicle fleet, the **Government wants to attract private sector innovation** and has proposed law changes to create the conditions for a competitive market to develop.



# The system needs to cater for a diverse range of needs



Low mileage



Rural driver



No smartphone



Avoidant



Time poor



Cost-conscious



Privacy-conscious



Light vehicle fleet



Future-user

## 03 RFI overview – what we want to know and why

- We want to hear from domestic and international companies with technology, systems or ideas that could make complying with RUC easy and cost effective for New Zealanders.
- There are opportunities beyond RUC to align with other technology innovations – in future, there could be solutions that allow people to pay all their road-related charges in a single monthly payment.
- To get there, we must have reliable technology and a range of retail options.
- Paying for road usage should be easy, cost-effective and provide choices for people to do so in a way that suits their circumstances and protects their privacy – whether this is online or over-the-counter.
- The Ministry is **not seeking to procure services** through this RFI – your responses will inform our policy advice on next steps for the fleetwide transition to RUC.



# What we want to know

## Market participation and interest

1. Do you currently, or plan to, offer RUC services?
2. What RUC services are you interested in providing in the future?
3. What aspects of the system are you not interested in providing services to support, and why?

**Request for Information – Road User Charges: Services for Vehicle Owners**

The Ministry is seeking a system for road user charging services that is easy to use, cost effective and protects privacy. We want to hear from domestic and international companies with technology, systems or ideas that could make complying with Road User Charges (RUC) cheaper and easier for vehicle owners in New Zealand.

**Current: 2025**

Most light vehicles pay fuel excise duty that is included in the price of fuel. For the owners of 1.3m vehicles subject to RUC, the payment system is largely manual and self-monitored.

**By 2027**

New technology and service options will be available for existing RUC vehicle owners (1.3m+ vehicles). From 1 July 2027, 1000+ heavy electric vehicles will also be subject to RUC.

**Beyond 2027**

All vehicle owners will have to pay RUC (4.9m+ vehicles). Decisions on dates for the full transition will be made once the market is ready.

**How do vehicle owners pay in 2025?**

FED	RUC
<b>Fuel Excise Duty:</b> <b>3.6m</b> petrol vehicles	<b>Road User Charges:</b> <b>1.3m</b> - 974,000 light diesel vehicles - 128,000 light electric vehicles - 195,000 heavy vehicles

Automatic – included in price

Purchase petrol and pay FED

Monitor distance travelled

Purchase RUC

Most owners of light vehicles pay RUC under the current system and display a paper label on the vehicle screen. Electronic RUC services are used by approx half of all heavy vehicles, and less than 1 percent of light vehicles.

**How will vehicle owners pay in 2027?**

FED	RUC
<b>Fuel Excise Duty:</b> <b>3.6m</b> petrol vehicles	<b>Road User Charges:</b> <b>1.3m+ 1000+</b> heavy electric vehicles from 1 July 2027

Automatic – included in price

Purchase petrol and pay FED

Monitor distance travelled

Purchase RUC

Greater range of electronic RUC services available for light vehicles

**How will vehicle owners pay beyond 2027?**

RUC
<b>Road User Charges:</b> <b>4.9m+</b> vehicles

Monitor distance travelled

Purchase RUC

Greater range of electronic RUC services available for light vehicles

**Useful background information**

New Zealand has a live database with details of every registered vehicle in the fleet (the Motor Vehicle Register). Changes to vehicles are recorded in the Motor Vehicle Register when a vehicle is sold, registered or has its regular road safety checks.

**RUC helps to pay for roads**

Revenue from fuel excise duty and RUC is paid into the National Land Transport Fund, which funds transport infrastructure. Other sources of revenue include vehicle registration fees and tolls (New Zealand has three toll roads). In future, congestion charging is likely to be introduced.

**We want to know what services you could provide to support vehicle owners**

**Services offered should support us to deliver a RUC system that:**

- reflects these principles:
  - end-user focus
  - revenue protection
  - future proofing
  - market-led solutions
  - rapid results
- meets the needs of users:
  - low mileage
  - avoidant
  - rural driver
  - time poor
  - no smartphone
  - cost-conscious
  - privacy conscious
  - light vehicle fleet
  - future user

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# What we want to know

## *Technology*

1. Do you have access to **technology** to deliver your proposed RUC service, or is new technology required? If new technology is required, how long would it take to design and deliver it?

## *Barriers and enablers*

2. Beyond the law changes being introduced, are there any other **regulatory, technical or commercial barriers** to market entry?
3. What **enablers or safeguards** need to be in place to protect users and revenue?

## *User experience*

4. With reference to the **user scenarios** in the information memorandum, how would your services support simple, seamless services for different customer groups?

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Low mileage driver – prefers not to prepay RUC

- Careful with spending and worries about multiple expenses being due at once
- Walks most places, drives only once or twice a week for short distances
- Tops up petrol as needed to reduce upfront cost

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Rural driver – private roads and off-road

- Lifestyle block, owns several types of vehicles – a utility vehicle, a farm bike, a truck and a 4-wheel drive
- Mostly drives on the farm and on private roads, with some state highway travel
- Works long hours on the farm, with limited time to work on administration
- Concern about keeping track of requirements for each vehicle.

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Avoidant (inadvertent)

- Owns an electric vehicle and has purchased RUC
- Intends to comply, but unclear about how the pre-pay system works (assumes it is annual, like vehicle licensing)
- Loses track of distance travelled.

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Avoidant (unaware, resistant)

- Owns an affordable, older model car
- Money is tight - cancelled car insurance as it is expensive and the car failed its last warrant
- Hasn't heard of road user charges
- Allowed registration to lapse

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### No smartphone

- Lives in a small rural town close to everything they need
- Doesn't own a smartphone
- Owns a computer, but rarely uses it
- Has paid utilities (power, landline, gas) via direct debit with the same companies for many years so doesn't pay much attention to bills
- Mostly uses cash for daily purchases.

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Time poor

- Successful professional in a strong financial position, rarely monitors spending
- Prefers to pay for services such as cleaning, tax returns and other 'life admin', happy to sign up to services that make life easier and tends not to read the fine print
- Loses track of when things are due and relies on reminders to pay bills – would prefer to pay everything all at once
- Regularly travels on toll roads for weekend road trips, commutes at rush hour each day, parks in the city.

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Cost-conscious

- Frugal, enjoys monitoring spending and net worth on a budget spreadsheet
- Always looks for the best deal
- Makes payments on the day they are due to maximise interest on the money in their bank account
- Drives to the fuel station with the cheapest price at the pump to fill up.

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Privacy-conscious

- Works long hours in a demanding job and is willing to pay for services to make life simpler
- Concerned about cyber security and privacy
- Always reads the fine print before signing up to any service
- Careful about sharing personal information and has switched off 'share my location' on their smartphone.

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Light vehicle fleet business owner

- Owns a fleet of light rental vehicles - consists of a mix of petrol, diesel, electric plug-in hybrid and hybrid vehicles, but most run on petrol
- For the vehicles that are subject to RUC, a part-time staff member maintains a register of odometer readings that is updated when vehicles are returned
- The staff member purchases RUC licences when vehicles are getting close to their kilometre limit.

## New Zealand vehicle owners have a diverse range of needs – user scenarios



### Future-user

- Travels frequently around the upper North Island for work and personal reasons
- Often drives at peak commuting hours
- Frequently uses travel apps to work out the fastest route
- Not bothered about the cost because time is precious - prepared to pay a bit more to get to their destination faster.

# What we want to know

## Market readiness

1. How long might it take for a market to develop? What are the dependencies?
2. How would your proposed RUC service support the future transition of petrol vehicles to RUC?
3. What do you see as the challenges that market suppliers may require government support to resolve?

## 04 The RFI documents and how to respond

Three RFI documents available on GETS and the Ministry's website

### 1. RFI form

- context
- instructions
- Process for questions



### 2. Information memorandum

- Key messages
- Facts
- User scenarios



We encourage you to ask any questions in December. We will provide responses to all participants.



### 3. Response form

- Template for providing responses
- Please email completed form to [RUC@transport.govt.nz](mailto:RUC@transport.govt.nz)



RFI responses  
due **13 Feb 2026**

# 05 Themes from questions we have received so far about the RFI

## Bill implementation

- *For example: when will paper labels be removed?*
- This change is proposed in draft legislation being considered by Parliament.
- The Government will set a specific commencement date by Order in Council once the legislation is passed and systems are ready. At the latest, this will be six months after the Bill has become law.
- The Bill is currently being considered by the Transport and Infrastructure Committee of Parliament. Public submissions are due on 8 January 2026.
- The Committee is due to report back to Parliament in May 2026.

# Themes from questions we have received so far about the RFI

## The legality of specific operating models

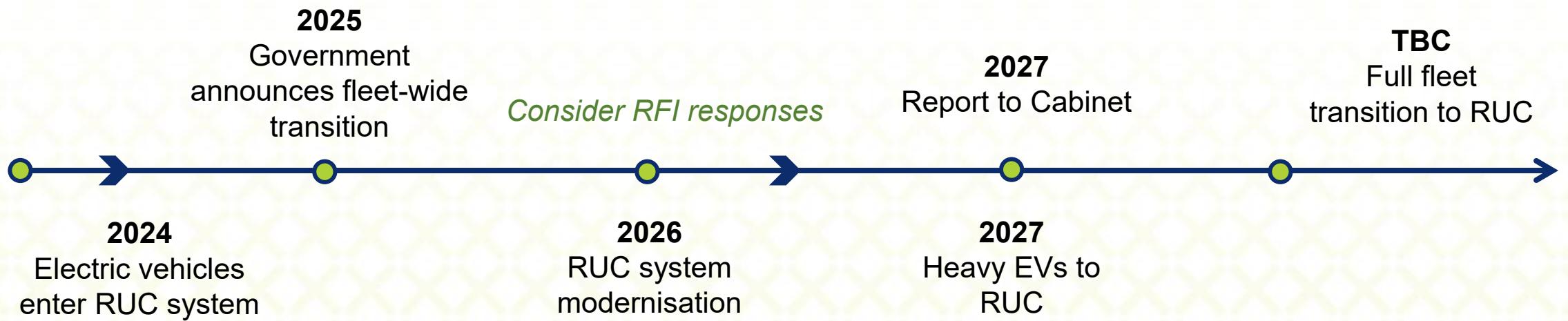
- *For example: Does the new legislation allow my innovative business model?*
- The legislation aims to be broadly enabling.
- More detailed system design will be included in regulations.
- RFI responses will help us inform future policy decisions including on the regulations.
- We recommend you submit to the Select Committee (by 8 January 2026) if you have an idea that might not be possible within the proposed legislation.

# Themes from questions we have received so far about the RFI

## Operational details and interaction with government systems

- *For example: How will my system need to update NZTA on RUC sales and how often do I need to transfer collected funds?*
- NZTA will issue a new Code of Practice and progress system improvements to respond to the legislation.
- Preparation for implementation is underway.
- You may wish to consider what requirements would best suit any proposed model and include this in your RFI response and/or make a submission on the Bill to select committee.

## 06 Next steps



Further information on road user charging in New Zealand can be found at <https://transport.govt.nz/area-of-interest/revenue/road-user-charges-system>

Questions about responding to this RFI should be directed to [RUC@transport.govt.nz](mailto:RUC@transport.govt.nz).