

OC260307

14 May 2026

Tēnā koe [REDACTED]

I refer to your emailed request to New Zealand Transport Agency Waka Kotahi under the Official Information Act 1982 (the Act). The following parts of your request were transferred to the Ministry of Transport on 15 April 2026:

*“Any assessments, discussions, or documentation relating to privacy implications of electronic mileage tracking or similar systems
Any modelling or analysis comparing the current fuel excise system with a universal RUC system, particularly in relation to impacts on low-consumption or fuel-efficient vehicles”*

In relation to the first part of your request relating to privacy, the Ministry has interpreted your request as relating to current government work to transition the light vehicle fleet to RUC. The government is currently focused on improving the RUC system through the Land Transport (Revenue) Bill. Most of the commentary regarding privacy has occurred within this context.

The government has stated that it is not mandating electronic road user charges that report real time movements. The primary focus is removing the administrative burden of physical RUC licences, such as the requirement to print and display them on windscreens. Electronic road user charges will remain voluntary.

The Ministry has engaged with the Office of the Privacy Commissioner on the Bill and received feedback. The Ministry provided a departmental report to the committee that included information addressing privacy. This report will likely be released on the Parliament website shortly. (Document 9)

In relation to the second part of your request on comparing the excise system, light electric vehicles, which includes plug-in vehicles, became subject to road user charges on 1 April 2024. Other low consumption or fuel-efficient vehicles, such as petrol hybrids, continue to contribute through fuel excise duty. Some of the information released to you shows comparisons between the amounts paid through fuel excise duty and road user charges.

There are 9 documents that have some information within the scope of your request that are detailed in the document schedule attached as Annex 1. The document schedule outlines how the documents you requested have been treated under the Act. Of these, 4 documents are provided to you.

Certain information is withheld under the following sections of the Act:

9(2)(a) to protect the privacy of natural persons

- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(h) to maintain legal professional privilege

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.

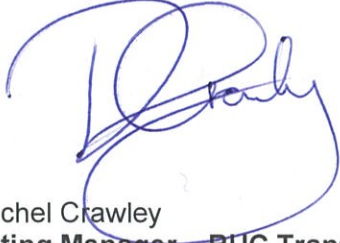
The remaining 5 documents are refused under section 18(d) of the Act as the information requested is or will soon be publicly available.

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



Rachel Crawley
Acting Manager – RUC Transition

Annex 1: Document Schedule

Doc #	Date	Title of Document	Decision on request
1	December 2023	Current light vehicle taxes and charges	Refused under section 18(d) as the document is already publicly available at: www.transport.govt.nz/assets/Uploads/EV-RUC-redacted-for-web.pdf
2	January 2025	Fleetwide transition to road user charges – current state and next steps	Document released. Some information withheld under section 9(2)(f)(iv).
3	13 June 2025	Updated draft cabinet paper on RUC transition (OC250534)	Document released. Some information withheld under section 9(2)(f)(iv).
4	24 June 2025	Transitioning to road user charges – Cabinet paper	Refused under section 18(d) as the document is already publicly available at https://www.transport.govt.nz/assets/Uploads/Transitioning-to-Road-User-Charges-Initial-Decisions-Redacted.pdf
5	16 July 2025	Updated draft cabinet paper: modernising the system and preparing for the fleetwide transition (OC250619)	Document released. Some information withheld under section 9(2)(a).
6	N/A	Office of the Privacy Commissioner (OPC) feedback on the LEG paper / the Bill	Document released in full.
7	23 July 2025	Road User Charges: Modernising the System in Preparation for the Fleetwide Transition	Refused under section 18(d) as the document is already publicly available at: www.transport.govt.nz/assets/Uploads/Road-User-Charges-Modernising-the-System-in-Preparation-for-the-Fleetwide-Transition-Redacted.pdf
8	17 July 2025	Regulatory Impact Statement: RUC retail market – enabling reforms	Refused under section 18(d) as the document is already publicly available at: www.transport.govt.nz/assets/Uploads/RUC-RIS-updated.pdf
9	N/A	Ministry of Transport's departmental report to the Transport and Infrastructure Select Committee on the Land Transport (Revenue) Bill	Refused under section 18(d) as the information will soon be publicly available on the Parliament website at: https://bills.parliament.nz/v/Bill/d31385e9-dd9d-4cbd-c52d-08de22297aa7?Tab=sub

Fleetwide transition to road user charges – current state and next steps

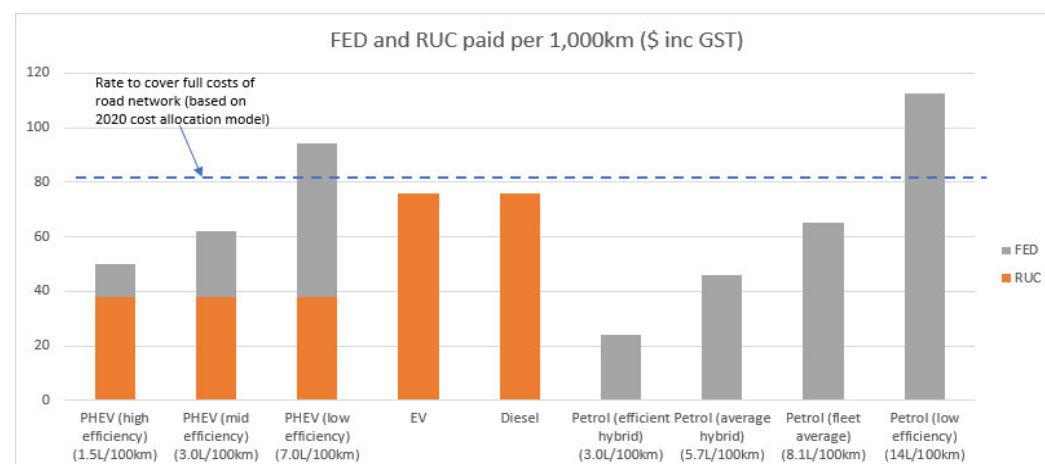


FIGURE 1: COSTS RECOVERED BY VEHICLE FUEL TYPE UNDER CURRENT SETTINGS

- In July 2024, Cabinet:
 - endorsed the Revenue Action Plan that includes transitioning light petrol fleet from paying FED to RUC as a necessary first step
 - agreed that the fleetwide transition would begin as early as 2027, with a target transition date of 1 April 2027
- Minister Brown:
 - directed the Ministry to work toward having legislation ready for introduction on Budget night 5.9(2)(iv)
 - publicly noted a desire to see legislation to be introduced in 2025 and NZTA system improvements to begin in 2026. The New Zealand Transport Agency (NZTA) has advised it will need a minimum of 12 months for implementation.
- The draft Government Quarterly Action Plan also notes that by March 2025 – *we will take decisions on the legislative framework and transition approach required to deliver the fleetwide transition from Fuel Excise Duty to Road User Charges. This will be followed by the further development of the policy and operational framework which will continue to be refined until the transition begins in 2027.*
- Given this direction, the Ministry has developed a transitional approach to move light petrol vehicles into the existing RUC framework and deliver system improvements to improve payment options and enhance compliance. This would be an intermediate step toward delivering eRUC. A key challenge of this approach is that it relies on willing compliance. Detecting non-compliance remains difficult as there are limitations on distance travelled and RUC purchasing information.
- In December 2024, the Ministry completed a request for information (RfI) that revealed new information including: the availability of in-vehicle technology for electronic RUC, the potential ease of fuel company sale of RUC at the pump and the potential for in-vehicle tech for newer vehicles. This information could impact on the deliverability of previously discounted options. For example: in vehicle tech could remove the requirement for bespoke technology and enable accurate distance travelled information (enabling an easier and cheaper shift to eRUC for individual motorists).

Actions / Decisions – You can decide how you wish to progress this work programme

Option 1 – progress legislation to be ready for introduction on Budget night	Option 2 – introduce legislation later in 2025 [Ministry recommended approach]
The timeframes are constrained - policy approval, legislative drafting and approval to introduce legislation are all required. Your immediate focus/decisions would be needed on: the transition approach, compliance and enforcement options, funding of search and rescue activities, treatment of very light vehicles, options to procure RUC retail services, and NZTA systems investment/approach to account-based system.	Budget night introduction is not a critical milestone to enable transition to begin in 2027. With an additional 3-4 months, we can complete further analysis to determine if a transition to eRUC could be accelerated. This would involve: • Finalise vehicle fleet modelling • Testing the assumptions and desirability of the refund system • Consider market settings to enable third-party RUC retail services • Analysing approaches to incentivise eRUC for light vehicles and mandate a subset of heavy vehicles onto eRUC. Under this option, you may also wish to take an update to Cabinet in March ahead of substantive policy decisions to meet the Government's Quarterly Action Plan milestone.

- There are over 4.5 million vehicles in New Zealand - 3.4 million vehicles contribute to the National Land Transport Fund through fuel excise duty (FED), and 1.1 million pay road user charges (RUC).

- Over time the average fuel efficiency of petrol vehicles has increased - owners of efficient petrol or hybrid vehicles contribute less to travel the same distance than owners of diesel, electric and less efficient petrol vehicles. Fleetwide, FED is currently estimated to be under-recovering in the order of \$300 million per annum relative to the light RUC rate.

- Without policy intervention, the light vehicle fleet will transition towards RUC. RUC is forecast to be the dominant source of revenue in the mid-2030s and by early 2040 there are expected to be more light vehicles subject to RUC than those contributing via FED.

- The coalition agreement includes a commitment to replace FED with electronic RUC for all vehicles. The long-term vision for the land transport revenue system is to have an electronic pricing framework that incorporates a range of revenue and demand management tools (such as RUC, tolling and time of use charging).

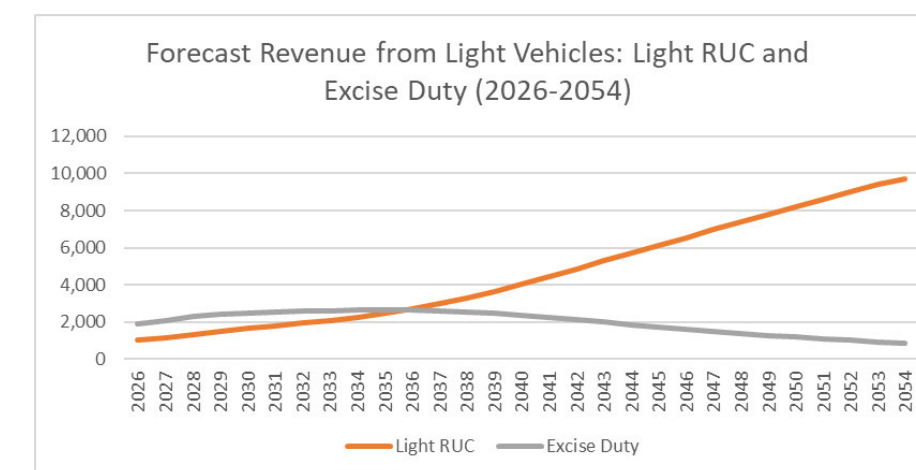


FIGURE 2: LIGHT VEHICLE REVENUE FORECAST UNDER CURRENT SETTINGS

Working draft – illustrative options for approach to fleetwide transition

As the options progress, we achieve higher compliance levels and revenue certainty, with a lower enforcement burden. However, there may be higher upfront costs.

Criteria	Option 1	Option 2	Option 3	Option 4	Option 5
	Natural fleet progression to RUC	Transition all light petrol vehicles to existing RUC framework with no system enhancements	Option 3A (current approach) Transition all light petrol vehicles to existing RUC framework with system improvements (improved payment options, enhanced compliance approach). OR Option 3B (as above, plus incentivising eRUC for the light vehicle fleet)	As per option 3, and mandate eRUC for some heavy vehicles	Transition all vehicles to mandatory eRUC. eRUC could be provided by in vehicle tech, on board devices or a new technological solution.
Key benefits, challenges and next steps	Given EV uptake, we anticipate the majority of vehicles will be paying RUC by the early 2040s. In the meantime, FED is under-recovering by up to \$300M per annum relative to the light RUC rate. s 9(2)(f)(iv)	Will enable transition to begin by 2027. Users will find the RUC framework difficult to navigate and compliance will be lower than other options. NZTA will need investment to enforce RUC compliance and there will be revenue impacts (bad debt from the EV transition is approximately 80 percent recoverable).	Will enable transition to begin by 2027 and is an intermediate step toward full eRUC. A key challenge of this approach is that it relies on willing compliance. Detecting non-compliance is difficult as we have limited information on distance travelled and RUC purchasing. A major constraint is the lack of on-road detection and enforcement. Under 3B, the benefits of eRUC are brought forward by incentivising uptake, whilst reducing some of the challenges of 3A.	This will accelerate the heavy vehicle transition to eRUC, and it could enable dynamic pricing for heavy vehicles. There are no public providers of e-RUC services. Current providers have signalled unwillingness to take on difficult customers/low credit ratings. Under this option, timeframes are less certain, and it will add complexity to the transition. There is a proportion of the heavy vehicle fleet that will be resistant to eRUC.	Enables dynamic pricing and potential consolidation of time of use charging, tolling, and MVR. This will result in efficient network management, improved investment signals and potentially wider safety and environmental benefits. Mandatory eRUC will be a large and complex shift for government and the public.
Transition timing	N/A	Mid-2027	Mid-2027	2030	TBC
Scope of further advice		We can provide further advice on the pros and cons of this option.	To deliver option 3A, the Ministry will provide you with a briefing on outstanding matters (SAR, transition approach, revenue impacts of transition, very light vehicles, account-based system, fuel supply, compliance and enforcement, options to procure RUC retail services, and NZTA systems investment). To deliver option 3B, the Ministry recommends completing further analysis on incentivising a voluntary eRUC system fleet ownership and analysis, legislative design, viability of a refund system, and consultation and engagement strategy) and the matters above.	As for option 3, plus advice on a minimum: - Consider implications of mandating eRUC including regulatory approach. - Review and rewrite eRUC Code. - Develop contractual and procurement arrangements for default e-RUC provider. - Scope approach to sector consultation. - Scope legislative requirements.	As for option 4, plus at a minimum: - Analysis on fleet dynamics to inform timing, potential phasing, and nature of transition. - Further investigation of currently available technology. - Develop exemption regime. - Further scoping of communications and engagement, including addressing privacy concerns.



13 June 2025

OC250534

Hon Chris Bishop
Minister of Transport

Action required by:
Thursday, 19 June 2025

UPDATED DRAFT CABINET PAPER ON RUC TRANSITION

Purpose

This briefing attaches a revised draft of the road user charges (RUC) transition Cabinet paper following departmental and Ministerial consultation.

Key points

- We have completed departmental consultation on the draft Cabinet paper. An updated version which reflects this feedback is attached.
- Most departments generally supported the draft paper, and we have made minor changes to reflect some feedback.
- The main substantive changes we propose are to respond to feedback from Ministerial consultation, including:
 - presenting three broad pathways for transitioning to RUC (responding to feedback seeking a clearer narrative)
 - comments on the potential for the use of in-vehicle technology for new vehicles (responding to feedback relating to greater ambition in mandating certain technology)
 - inclusion of five key principles to guide the transition and next steps.
- We have included detail on three possible pathways for the transition to RUC, and the rationale for Pathway 2 – the recommended approach.

Recommendations

We recommend you:

- 1 **provide feedback on the updated draft Cabinet paper**
- 2 **agree to lodge the Cabinet paper by 10:00am Thursday 19 June 2025 for consideration by the Cabinet Economic Policy Committee on 25 June 2025.**

Yes / No



Anna Wilson-Farrell
Director - Revenue

13 / June / 2025

Hon Chris Bishop
Minister of Transport

..... / /

Minister's office to complete:

☐ Approved☐ Declined☐ Seen by Minister☐ Not seen by Minister☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Anna Wilson-Farrell, Director - Revenue	s 9(2)(a)	✓
Matthew Skinner, Manager - RUC Transition		

UPDATED DRAFT CABINET PAPER ON RUC TRANSITION

- 1 An updated version of the road user charges (RUC) transition Cabinet paper is attached, reflecting feedback from departmental and Ministerial consultation, which took place between 5 and 10 June 2025.

Departmental consultation

- 2 From departments, we received the following feedback and have made small corresponding amendments to the paper:
 - 2.1 **Treasury:** Supported the paper being clear that the shift to RUC will not necessarily increase revenue but is primarily about addressing fairness among road users (as efficient vehicles currently pay less fuel excise duty). They viewed the proposals, aimed at boosting competition and efficiency in the RUC retail market, as sensible “no regrets” changes.
 - 2.2 **Infrastructure Commission:** While supporting the RUC transition, the Commission suggested broadening the paper's scope. They highlighted the need to address potential revenue risks, improve enforcement, analyse private versus public e-RUC cost-effectiveness, clarify the retail market, and emphasise the “manual” RUC system's ongoing importance. These points will be picked up in the next stage of work and on the August 2025 Cabinet paper.
 - 2.3 **New Zealand Transport Agency (NZTA):** Suggested clarity about what is meant by the “manual” description of its RUC system, wanted stronger acknowledgement of revenue risks, and sought clarity on their future RUC sales role and the competitive retail market plan. We have adjusted the reference to its system (“largely manual”) and emphasised the revenue risk more strongly.
 - 2.4 **Ministry of Business, Innovation and Employment (Fuel Markets):** Noted its preference for Customs to continue collecting the Petrol and Engine Fuel Monitoring Levy (a separate levy included in the cost of fuel) despite the RUC shift. No changes are required to address this.
 - 2.5 **Inland Revenue:** Sought clarification on a comment implying government inefficiency in tax collection. We have confirmed the paper is clear that it is referring to market structures and retail, not tax collection broadly, and the wording does not require changes.
 - 2.6 **Ministry of Social Development (Office for Seniors):** Noted that changes could benefit older people with less fuel-efficient cars who drive less but stressed the need for clear communication and easy processes. No changes are required to address this.
 - 2.7 **Office of the Privacy Commissioner:** While offering no immediate feedback, stressed the importance of safeguarding privacy as the market develops. We will continue to engage with the Office.

Updates from Ministerial consultation

- 3 We have also updated the paper to reflect comments passed on by your Office as set out below.

Including principles for the next stages of the work programme

- 4 Feedback suggested including overarching principles to guide the work programme. As we progress towards the August 2025 Cabinet report back, the principles will support us to ensure that legislative proposals and policy direction reflect Government priorities. We have included five principles in the paper, which are consistent with both the feedback from your Office, and the work the Ministry and NZTA have been doing. These principles are described in more detail in the Cabinet paper, and are summarised below:
- 4.1 End-user focus: Changes to the RUC system should consider end user satisfaction, including aspects such as cost, ease of use, and privacy.
 - 4.2 Revenue protection: Changes should aim to minimise revenue leakage and ensure effective sanctions against evasion.
 - 4.3 Future-proofing: Regulatory settings should have the flexibility to enable integrated road pricing in the future, including time and location.
 - 4.4 Market-led solutions: The system settings should enable retail service providers to compete and innovate.
 - 4.5 Rapid results: Improvements should be expedited, aiming to take clear and rapid steps towards fleetwide RUC, balancing the achievability of implementation.

Presenting a clear roadmap

- 5 Additional clarity was sought on milestones. We have amended the Cabinet paper to provide a clearer pathway towards a transition and an explicit recommendation that you report back in **August 2025** with greater detail on policy proposals and milestones on the preferred Pathway.
- 6 To prepare the August report back to Cabinet, we will provide you with advice in **July 2025**, and any additional changes will be considered as part of the August 2025 Cabinet paper. In preparing this advice, we will continue to work with NZTA on the expected costs and delivery timeline.

Other changes

Detail on transition pathways, and the preferred approach

- 7 At the Officials' Meeting on Wednesday 28 May 2025 you indicated that your priority for the RUC system is to get the system settings right before progressing with the fleetwide transition. Your preference was to take steps to enable competitive technological solutions within the existing system and then move the remaining fleet to RUC over time as technology and process changes improve the customer experience and lower the cost of collection.

8 We have incorporated more content about the potential pathways for the RUC transition and the rationale for this approach (Pathway 2) which is the recommended pathway in the Cabinet paper. Each Pathway has different implications for the timeline and alignment with the guiding principles. **Annex 1** provides more detailed analysis of each pathway against the principles.

8.1 **Pathway 1 - rapid 2027 transition to the current system:** This pathway enables a swift shift to the existing system by 2027, aligning with the Government's commitment to immediate action. It uses the current, largely manual RUC system, offering speed and decisiveness. However, this means moving to a system with limited upgrades, relying heavily on active user compliance to guarantee revenue. NZTA would retain a dominant retail role, potentially leaving limited opportunity for innovative, market-led retail solutions.

8.2 **Pathway 2 - future-proofing and market-led transition:** This pathway is focused on modernising the RUC system and developing a competitive retail market for RUC over 2025–2027, with a commitment to transition as soon as the market is ready. It aims for a user-friendly and potentially cost-effective system, competition among providers and encourages innovative electronic solutions. It relies on a competitive RUC retail market emerging. While we know there is interest from companies, there is a risk that if the market does not develop, the transition could be delayed.

8.3 **Pathway 3 - natural fleet transition to RUC:** This pathway also focuses on initial modernisation of the RUC system, but with no commitment of a hard switchover date. This allows for a gradual RUC transition as electric vehicle uptake increases, with petrol vehicles contributing via excise duty for a longer period. This approach offers a less disruptive transition for petrol vehicle owners than an immediate shift. However, its extended timeline means the fleet's transition to RUC would be delayed, leading to a portion of the fleet under-contributing through excise duty for many years. It also delays the full application of a "user pays" system for road funding. This approach would allow for incremental improvements to be made to the RUC system over time (including the development of a retail market), but not necessarily with the pace envisaged by pathway 2 due to the smaller market scale.

9 The Cabinet paper recommends Pathway 2: "future-proofing and market-led transition". By doing this, it **implicitly rejects** the "2027 transition" (expanding the current manual system) due to its risk. Meanwhile, the "fleet composition" pathway (Pathway 3) is too slow to meet stated government commitments for a full transition.

Explore options for changing standards to better enable in-vehicle technological solutions

10 Your office also asked us to include material in the Cabinet paper exploring mandating the use of in-vehicle technology for new vehicles (which is installed, but in some cases not enabled, in most new vehicles imported to New Zealand since 2018).

11 We have updated the Cabinet paper to note that officials will explore the feasibility of adapting vehicle regulatory standards to ensure this technology is available for electronic RUC (eRUC) purposes. s 9(2)(f)(iv)

Annex 1: Analysis of the guiding principles and indicative pathways for transition of the fleet to RUC

Principle	Pathway 1: rapid 2027 transition to the current system	Pathway 2: enable the market, then transition	Pathway 3: gradual transition through changes in the fleet composition
Transition approach	Immediate focus to transition all petrol vehicles to the current largely manual RUC system, with minor system improvements. Future decisions for a move towards market-provided solutions and eRUC mandates as the market develops.	Immediate focus to reform the system to open it up to new technological solutions and competitive retail. Future consideration of moving petrol vehicles to RUC once the market can provide for the transition.	Immediate focus to improve the system to open it up to new options, and competitive retail. Once there is a wide range of eRUC options, the Government could consider progressing a transition.
End user focus	– Likely a poor end-user service due to reliance on manual system and limited innovation, potentially leading to higher ongoing costs for users.	++ Aims for a better end-user experience through moving only when there are reasonable competitive technological solutions available through the market.	+ Simple for users as they continue to pay through excise duty. Reliance on the current system reduces fairness, and may limit potential to achieve future improved service and cost efficiency.
Revenue protection	-- High revenue leakage risks due to heavy reliance on a largely manual system, odometer readings, and limited roadside enforcement.	++ Aims to deliver robust revenue protection through advanced, competitive solutions, mitigating long-term risks associated with a less efficient system.	+ Limited risk of revenue loss, but would require progressively larger increases to excise duty to reflect improving fuel economy.
Future proofing	– Existing system inefficiencies, limiting flexibility for road pricing (congestion charging, time/location-based pricing) beyond distance and weight.	++ Creates a flexible legislative framework capable of supporting integrated road pricing (time, location, etc) and accommodating future technological advancements, moving towards a truly future-proofed system.	-- Does not build a system for integrated road pricing. It is a passive approach that leaves the underlying system unchanged, meaning future work would still be required for advanced pricing.

Principle	Pathway 1: rapid 2027 transition to the current system	Pathway 2: enable the market, then transition	Pathway 3: gradual transition through changes in the fleet composition
Market-led solutions	– Over-reliance on NZTA as a dominant provider to enable a fast transition limits private sector competition and innovation.	++ Explicitly focuses on enabling a competitive RUC retail market by removing regulatory barriers and fostering private sector innovation and competition in service delivery.	+ Provides some progress toward market provision, but this may be limited by the smaller scale of the existing RUC fleet and unclear timeframes for expansion.
Rapid results	++ Provides a fast transition to RUC for most vehicles by 2027	– The full fleet transition will only occur once the market is established, likely involving a multi-year process. However, it aims for faster <i>long-term</i> progress towards a better system.	-- Will take a long time as it relies on the gradual turnover of the vehicle fleet.

Key

- ++ Option strongly achieves principle
- + Option demonstrates progress towards principle
- Option counter to principle
- Option strongly counter to principle



16 July 2025

OC250619

Hon Chris Bishop
Minister of Transport

Action required by:
Thursday, 17 July 2025

UPDATED DRAFT CABINET PAPER: MODERNISING THE SYSTEM AND PREPARING FOR THE FLEETWIDE TRANSITION

Purpose

This briefing provides a revised Cabinet paper seeking policy decisions to modernise the road user charges (RUC) system, following Ministerial and departmental consultation. Also included are talking points for Cabinet Committee and an updated Regulatory Impact Statement (RIS).

Key points

- The attached draft Cabinet paper has been amended to reflect comments received from Ministerial and departmental consultation. Feedback received and the changes made to address the feedback are set out in Annex 1. The substantive changes to the paper since the previous version are:
 - updates, particularly to the executive summary, to outline a long-term vision for the land transport revenue system, emphasising that the proposed changes lay the groundwork for the future
 - updates to address a Treasury comment on how the implementation costs (\$4 million) will be funded. We are currently working with the New Zealand Transport Agency (NZTA) to explore whether internal reprioritisation is possible. Should it become apparent that this is not feasible, Ministers could consider allocating funding under section 9(2) of the Land Transport Management Act.
 - amendments to the Financial Implications section outline further work with Police and the NZTA to explore a range of low/no-cost options to enable enforcement once physical licences are removed (we will provide you further advice on this in due course).
 - additional references to the importance of continuously safeguarding user privacy, which will be a focus area in the market engagement exercise, including whether safeguards may be needed in secondary legislation.
- The Minister of Finance's Office provided the same feedback as the Treasury as part of Ministerial consultation, and the amendments to the paper reflect those comments. No other Ministerial feedback was received.

Recommendations

We recommend you:

- 1 agree to lodge the Cabinet paper by 10:00am on Thursday 17 July 2025 for consideration by the Cabinet Economic Policy Committee on Wednesday 23 July 2025.

Yes / No



Anna Wilson-Farrell
Director - Revenue
16 / July /2025

Hon Chris Bishop
Minister of Transport
..... / /

Minister's office to complete:

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Anna Wilson-Farrell, Director - Revenue	s 9(2)(a)	X
Matthew Skinner, Manager RUC Transition	s 9(2)(a)	

Annex 1: Feedback from departmental consultation

Department	Feedback	How we have addressed
The Treasury (the same feedback was also provided by the Minister of Finance's Office)	Concerns that these "low regrets" changes might pre-empt broader policy decisions on the land transport revenue system, which are yet to be finalised by Cabinet. Additionally, the Treasury highlighted an immediate \$4 million implementation cost for these changes, with no clear funding plan, and signalled further significant costs for a full fleetwide transition.	We have updated the paper, particularly the executive summary, to outline a long-term vision for the land transport revenue system. The proposed changes are designed to be "no regrets" that will help lay the groundwork for the future system. We are currently working on funding for immediate implementation. Should NZTA be able to clearly show it cannot fund the work through back-office reprioritisation, we will provide advice on whether the Minister of Finance and the Minister of Transport should consider allocating funds through section 9(2) of the Land Transport Management Act.
New Zealand Transport Agency (NZTA)	Clarifications and small corrections. NZTA sought to include detail in the financial implications section on the funding required for: - revenue integrity in a modernised system - developing a Targeted Operating Model - a business case for investment.	Technical wording changes to the paper, as well as financial implications, have been clarified. We have noted the potential funding requirement. However, we do not propose to include the specific detail of the work NZTA is doing to build its case for funding, as this will be covered in future advice to you and the Minister of Finance on the NZTA funding bid under section 9 of the Land Transport Management Act 2003 if this required.
Ministry for Regulation	Ensuring sufficient safeguards to ensure consumer protection and competition. Considering the ongoing need for NZTA as a RUC retailer once market is established.	This will be a focus of the market engagement process, and we will discuss competition policy implications with the Commerce Commission and the Ministry of Business, Innovation and Employment. There will be opportunities to address these comments through implementation and in secondary legislation.
Office of the Privacy Commissioner	Need for further analysis of privacy risks and options to mitigate them. Concerns about potential privacy implications for use of on-board vehicle telematics and cheaper options for electronic distance recording.	The Road User Charges Act 2012 has existing safeguards for privacy and data security. We have clarified throughout the paper that privacy and data security will be an issue to explore through the market engagement and implementation processes, to ensure appropriate safeguards are in secondary legislation if required (and the Code of Practice).
New Zealand Police	Removal of the requirement to display RUC licences will mean that Police at the roadside will need direct access to NZTA-held RUC details. Further work is required to confirm the options and determine the next steps.	The text in the Financial Implications section now reflects these comments. We note that current Police enforcement of RUC is relatively limited (5,000–7,000 infringements per year). We will work with the NZ Police and NZTA to identify low or no-cost options to ensure ongoing enforcement activity following implementation. There will also be further opportunities as we prepare for the transition to ensure we have effective tools to increase RUC compliance.
Infrastructure Commission	Queried the financial implications of transitioning the full fleet to RUC (specifically requesting greater cost analysis, particularly regarding assumptions and economies of scale). Also sought clarity on implications of removing excise for funding recreational boating, recreational aviation and search and rescue.	Clarified financial implications relate to the regulatory changes proposed (removing physical licenses), not broader costs of fully transitioning the fleet. Clarified other text to address the comment.

Inland Revenue Department, Ministry of Justice, Ministry of Business Innovation and Employment (Fuel Markets and ACC policy), and Customs were consulted and provided no substantive comments.

Office of the Privacy Commissioner (OPC) feedback on the LEG paper / the Bill

- OPC identified some options for improving privacy protections in the legislation, that were not fully reflected in the Bill.
- The Ministry considers that the existing legislation and Bill already enable OPC's suggestions, but we are still working with OPC to ensure that this is the case

OPC comment	How the comment is reflected in the Bill
Comment 1 - compliance Strategy ...adding to s89 a further subparagraph addressing the need for RUC retailers to have in place systems and processes to uphold privacy requirements, for example (xi) requirements to have in place a compliance strategy to comply with the Privacy Act.	• the RUC Act, Schedule 1, cl 4(1) requires providers to "prepare, and make publicly available, a document that sets out its policies on the management of RUC information." • Schedule 1, cl 2(2) requires providers to take "reasonable steps to ensure that the RUC information it collects is protected", which aligns with obligations under the Privacy Act 2020. • the code of practice, s43(5), can set expectations for meeting approval requirements by RUC providers • regulations made under s89, as amended enable regulating the collection, storage, use, or disclosure of information relating to road user charges that is held by a RUC provider in addition to the provisions specified in the Act.
Comment 2 - referral to Privacy Commissioner ...considering relationships and overlaps... for example whether the RUC collector should be able to refer matters to the Privacy Commissioner.	The Privacy Act 2020 already allows any person or agency to make a complaint to the Privacy Commissioner. Under existing settings, if the RUC Collector identifies a significant privacy-related failure during monitoring (new s46) or an adverse action process (new s47A), it can refer this to the Privacy Commissioner under the Privacy Act.
Comment 3: breaches / deemed interference ...considering whether certain breaches by providers should be treated as notifiable breaches or deemed interferences with privacy under the Privacy Act 2020.	The Privacy Act already has a mandatory notifiable breach scheme. If a RUC provider has a privacy breach that meets the "serious harm" threshold, they are already legally required to notify the Privacy Commissioner and affected individuals.
Comment 4: defining 'secure and reliable' OPC wants to know how "secure and reliable" is assessed and suggest it could be supported by regulations.	The Bill provides two mechanisms to: 1. s45(5) empowers the RUC Collector to issue a code of practice. 2. cl 42(5) of the Bill inserts s89(1)(n)(iaaa), which allows for regulations to be made setting the 'criteria for approval of an electronic distance recorder' which could shed light.