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Ministry of Transport

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SUBMISSION ON ROAD USER CHARGES REGULATION PROPOSALS

Drive Electric New Zealand (Drive Electric) is a not-for-profit membership organisation dedicated to accelerating the adoption of electric vehicles and the decarbonisation of transport across Aotearoa New Zealand.

Our membership spans vehicle importers and distributors, fleet operators, energy companies, charge point operators, local government, and individuals committed to sustainable transport.

We welcome this consultation and the Government's commitment to modernising the RUC system. We offer this submission to raise issues specific to the electric vehicle sector, which we believe require explicit consideration to avoid unintended consequences for EV adoption.

EXECUTIVE SUMMARY

Drive Electric New Zealand broadly supports the intent of the Land Transport (Revenue) Amendment Bill and the proposed regulations to modernise the RUC system. A flexible, digital-first RUC framework — with alternative payment schemes, approved third-party providers, and outcomes-focused standards — is well-suited to the realities of an evolving vehicle fleet that increasingly includes electric vehicles.

However, we submit that the consultation document contains a significant gap: it does not address how the proposed regulatory framework will interact with the

unique characteristics of electric vehicles, in particular their battery weight. We raise the following key concerns:

The proposed differentiation between light and heavy vehicle electronic distance recorder requirements creates a risk that EVs are inadvertently reclassified as heavy vehicles due to battery mass, triggering disproportionate compliance obligations.

The consultation is silent on whether vehicle classification weight thresholds will be reviewed as part of this reform. This omission is material and should be addressed before regulations are finalised.

The outcomes-focused approach for light vehicle electronic distance recorders is welcomed, particularly the flexibility for built-in telematics — provided this works in practice for the EV models currently on New Zealand roads.

Alternative payment schemes (Proposal 5) represent a significant opportunity to improve the EV ownership experience, and we support their introduction with appropriate safeguards.

Privacy and data protections (Proposal 4) are particularly important for EVs given that telematics-based distance recording generates granular location and movement data.

PROPOSAL 1: ELECTRONIC DISTANCE RECORDERS

Question 1: Should standards differ between light and heavy vehicles?

Yes.

> Drive Electric supports differentiating standards between light and heavy vehicles. Heavy vehicles have long operated under robust EDR (electronic distance recorder) requirements appropriate to their commercial context and

enforcement profile. Applying equivalent requirements to private light vehicle EV owners would be disproportionate, costly, and likely to deter EV adoption.

However, we wish to flag a critical risk that the consultation document does not address.

The battery weight risk

Electric vehicles are generally heavier than their internal combustion engine equivalents due to the mass of their battery packs. For most EVs currently on New Zealand roads, this does not approach the thresholds that define light versus heavy vehicles under the RUC system. However, as the EV fleet evolves — particularly with the growth of electric utes, vans, and light commercials — this margin may narrow for some vehicle types. A modern electric SUV or large ute may carry several hundred kilograms more than a comparable petrol or diesel vehicle, and this additional mass is a function of energy storage technology, not vehicle purpose, size, or road impact.

A concrete example is already present in the New Zealand market. The LDV eDeliver 9 Big and eDeliver 9 Bigger — electric vans currently on sale in New Zealand and in active use by businesses for commercial deliveries — have a GVM (gross vehicle mass) of exactly 3,500 kg, sitting precisely at the light vehicle threshold with no margin to spare. The eDeliver 9 Cab Chassis variant already exceeds this threshold at 4,050 kg. These are not exotic outliers; they are working commercial vehicles operated by New Zealand businesses today. They illustrate precisely why the regulatory framework needs to be cognisant of battery weight as the electric fleet grows — particularly as larger battery configurations, new van models, and electric utes from a wider range of manufacturers enter the market in coming years.

We therefore ask the Ministry to consider, as a matter of future-proofing, whether the regulatory framework should explicitly address how battery mass

is treated when determining light versus heavy vehicle classification. If weight thresholds are reviewed or adjusted as part of any associated programme of work, we submit that battery weight alone should not be sufficient to trigger heavy vehicle EDR obligations for vehicles that are functionally and purposely light vehicles. Such an outcome would impose compliance requirements and RUC rate structures designed for commercial heavy transport on what are effectively delivery vans or light commercial vehicles — creating a perverse disincentive to EV adoption at the very point the Government is seeking to grow the EV fleet.

Yes.

Drive Electric agrees that standards should differ. We support a lighter-touch, outcomes-focused approach for light vehicles. We recommend that the Ministry confirm whether any changes to light/heavy classification thresholds are under consideration, and that any such review explicitly assesses the treatment of battery mass to ensure classification remains based on vehicle purpose and road impact rather than powertrain technology.

Question 2: Is the outcomes-focused approach for light vehicles appropriate?

Yes.

Drive Electric supports the outcomes-focused approach. Prescriptive hardware standards risk becoming obsolete as technology evolves and are poorly suited to the diversity of EV telematics already built into vehicles imported into New Zealand.

Many modern EVs include factory-fitted connected telematics capable of accurate distance measurement. Allowing these systems to serve as approved electronic distance recorders — provided they meet accuracy and

integrity standards — would reduce hardware costs for EV owners and avoid retrofitting requirements that are unnecessary where the vehicle already has capable systems. We encourage the Ministry to ensure the code of practice developed under these regulations engages with EV manufacturers and importers to confirm which factory telematics systems can meet the required standards.

Drive Electric strongly supports this approach. We recommend that the code of practice developed to support these regulations explicitly engages with EV manufacturers and importers to confirm that factory-fitted telematics in commonly imported EV models can meet the required accuracy and integrity standards, and that a clear pathway exists for these systems to be approved without requiring additional hardware.

Question 3: Could different approaches create unintended consequences?

Yes.

We consider the most significant unintended consequence to be the battery weight reclassification risk described above. We make the following specific requests:

The Ministry should confirm, as part of finalising these regulations, whether any changes to light/heavy vehicle classification weight thresholds are being considered in connection with this reform or any associated programme of work.

If threshold changes are under consideration, the Ministry should commit to assessing the specific impact of battery weight on EV classification before any changes are made.

The Ministry should consider whether EV-specific guidance or a defined carve-out is warranted to ensure battery mass alone cannot trigger heavy vehicle EDR obligations for vehicles that are functionally and purposely light vehicles.

Any future review of classification thresholds should be subject to separate public consultation, with EV industry stakeholders explicitly included.

The primary unintended consequence Drive Electric identifies is the risk that EVs — particularly SUVs and utes — are classified as heavy vehicles due to battery weight if weight thresholds are reviewed. This would subject private EV owners to disproportionate compliance requirements and create a material disincentive to EV adoption. We request that the Ministry explicitly address this risk before regulations are finalised.

PROPOSAL 2: APPROVAL OF RUC PROVIDERS

Questions 4 and 5: Provider approval criteria

Yes.

Drive Electric supports the proposed criteria for approving RUC providers. The requirements around financial standing, operational capacity, fit and proper person tests, and system integrity are reasonable and proportionate.

We make one additional recommendation relevant to EV owners: the approval criteria should ensure that at least some approved RUC providers are capable of supporting EV-specific use cases, including integration with factory EV telematics as an approved distance recording method, account-based or post-paid models suited to the usage patterns of EV drivers, and fleet management integration for businesses operating mixed EV fleets.

This does not need to be a mandatory criterion for all providers — but the Ministry should ensure the framework does not inadvertently create a monoculture of providers optimised only for traditional RUC use cases. Diversity of provider capability will be important for the EV transition.

Drive Electric supports the proposed criteria. We recommend the Ministry additionally consider how the approval framework encourages provider diversity and capability relevant to EV-specific use cases, including telematics integration and account-based payment models.

PROPOSAL 3: PERFORMANCE STANDARDS FOR RUC PROVIDERS

Questions 6 to 10: Performance requirements

Yes.

Drive Electric supports the proposed performance standards framework. Minimum standards for revenue collection, record-keeping, and complaint management are appropriate for a system that will handle public funds and sensitive personal data.

We make two observations relevant to EVs.

Accuracy standards for telematics-based recording.

Where EVs use factory telematics as their approved distance recorder, accuracy standards must be developed in close consultation with vehicle manufacturers. The code of practice should clearly specify the accuracy tolerances required and how they will be tested, ensuring these are achievable with existing EV telematics without requiring proprietary modifications that may void vehicle warranties.

Complaint handling for EV-specific issues.

As EVs transition to RUC, the sector is likely to encounter novel complaint categories — for example, disputes about distance recorded by telematics versus odometer readings, off-road deductions for rural EV use, or issues arising from software updates affecting telematics accuracy. We recommend that the complaint register requirements explicitly contemplate vehicle-type-specific issues and that NZTA, as RUC Collector, publishes periodic reporting on complaint categories to enable systemic issues to be identified and addressed early.

Drive Electric supports the proposed standards. We recommend that the code of practice addresses telematics-specific accuracy standards in close consultation with EV manufacturers, and that complaint reporting requirements contemplate EV-specific issue categories.

PROPOSAL 4: INFORMATION PROTECTION AND PRIVACY

Question 11: Privacy protections for road user information

Yes.

Drive Electric strongly supports the proposed privacy requirements. They are particularly important for EV owners, whose telematics-based distance recording will generate significantly more granular data than traditional odometer or hubodometer readings — potentially including location data, travel patterns, and charging behaviour.

We recommend the following additional considerations. The regulations should explicitly address location data generated by GPS-based distance recorders, including restrictions on its use beyond RUC administration and

protections against commercial exploitation by providers. The requirement for offshore data storage to comply with the Privacy Act 2020 is important but may be insufficient — many EV manufacturers process telematics data through offshore systems, and the Ministry should consider whether additional safeguards are needed in these cases. Road users should be provided with clear, plain-language information about what data is collected, how it is used, and how long it is retained — this is especially important as the system transitions from simple distance licensing to telematics-based recording.

The requirements are a sound foundation. Drive Electric recommends that the regulations or the associated code of practice explicitly address location data protections for GPS-based recorders, ensure offshore data processing by EV manufacturers meets New Zealand privacy standards, and mandate plain-language disclosure to road users about data collection and use.

PROPOSAL 5: ALTERNATIVE PAYMENT SCHEMES

Question 12: Alternative payment scheme design

Yes.

Drive Electric strongly supports the introduction of alternative payment schemes. The current pre-paid distance licence model is poorly suited to EV owners, particularly those who drive variable distances and find it difficult to predict the right licence block to purchase, operate in fleets where centralised automated RUC management would reduce administrative burden significantly, or are new to RUC having previously driven petrol vehicles and find the purchase process unfamiliar.

Post-paid and account-based models, as contemplated in Proposal 5, would materially improve the EV ownership experience and reduce compliance friction — directly supporting the Government's fleet transition objectives.

We offer the following recommendations. The approval criteria for alternative payment schemes should explicitly accommodate EV telematics as the distance measurement mechanism, and the Ministry should provide early guidance on how this will work in practice. Scheme operators should be required to provide road users with clear, real-time visibility of their accrued RUC liability under post-paid models, to prevent bill shock and support compliance. The transition plan requirements for when a scheme is wound up are important — EV owners enrolled in a post-paid scheme should not be left in an undetermined compliance position if a provider exits the market.

The outcomes are broadly clear. Drive Electric recommends that the approval criteria explicitly address EV telematics as a distance measurement mechanism for alternative payment schemes, and that scheme design requirements include real-time liability visibility for road users and robust transition planning in the event of provider exit.

SUMMARY OF RECOMMENDATIONS

Proposal 1:

Battery weight classification: Explicitly address EV battery weight in the definition of light versus heavy vehicle classifications. Confirm whether thresholds will change and conduct an EV-specific impact assessment before any changes are made.

Proposal 1 :

Telematics as EDRs: Engage EV manufacturers in developing the code of practice to ensure factory telematics can be approved as EDRs without requiring additional hardware.

Proposal 2 :

Provider approval: Ensure the provider approval framework encourages capability relevant to EV use cases, including telematics integration and account-based models.

Proposal 3:

Performance standards: Develop telematics-specific accuracy standards in consultation with EV manufacturers and include EV-specific complaint categories in reporting requirements.

Proposal 4:

Privacy and data: Add explicit location data protections for GPS-based recorders, ensure offshore EV manufacturer data processing meets New Zealand privacy standards, and mandate plain-language disclosure to road users.

Proposal 5:

Alternative payment schemes: Explicitly accommodate EV telematics as a distance measurement mechanism, require real-time liability visibility for road users, and strengthen transition planning requirements.

AN OPPORTUNITY FOR EMISSIONS-DIFFERENTIATED RUC

While Drive Electric's primary concerns in this submission relate to the practical treatment of EVs under the proposed framework, we wish to flag a broader opportunity that this reform creates.

The move toward a digital, flexible RUC system — with approved third-party providers, telematics-based distance recording, and alternative payment schemes — provides the infrastructure foundation for an emissions-differentiated road pricing approach in future. A system capable of real-time distance tracking and account-based billing could, with appropriate policy design, incorporate a variable rate component linked to vehicle emissions intensity.

This would better align road user charges with the externalities of vehicle use, reward low- and zero-emission vehicles, and support New Zealand's transport decarbonisation goals. Drive Electric encourages the Ministry to consider future-proofing the regulatory framework so that emissions-differentiated RUC rates are not inadvertently foreclosed by design decisions made now — even if such a policy is not contemplated in the immediate term.

Yours sincerely,

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