

OC240149

12 March 2024

Tēnā koe

I refer to your email of 19 February 2024 to the New Zealand Transport Agency (NZTA) requesting information under the Official Information Act 1982 (the Act). Your request for the following information was transferred to the Ministry of Transport for response:

“Pursuant to the OIA I wish to request all information relating to the imposition of the RUC for Plug-in Hybrid Vehicles (PHEV), I expect the information to include but, not be limited to, the following;

- how was the RUC calculated for PHEV?*
- what consideration was given to the wide variety of EV capacity of these vehicles?*
- provide all emails where these decisions were reached*
- provide board papers and minutes of meetings discussing the RUC for PHEV*
- provide the expert analysis the government has relied upon when deciding the amount PHEV owners should pay per kilometre.*
- provide the decision papers.”*

The Government has announced that a discounted light road user charges (RUC) rate will apply to plug-in hybrid vehicles. The discounted rate provides owners of plug-in hybrid electric vehicles (PHEVs) a 30 percent discount on the full light RUC rate, given that the owners of the vehicles also contribute fuel excise duty when they buy petrol at the pump. Instead of paying the full RUC rate of \$76 per 1,000 kilometres, a partial rate of \$53 per 1,000 kilometres will be provided to owners of PHEVs.

Different PHEVs will use different amounts of fuel, have different battery capacities, and users will drive, charge and use their vehicles differently. For example, a PHEV owner driving small distances in an urban area and charging frequently will likely use very little petrol and therefore pay very little fuel excise duty. This compares to someone with an older vehicle with limited potential to use the battery. It means that no single RUC rate will ensure all PHEVs contribute the same. The Government sought to set the PHEV RUC rate at an amount that means that on average PHEV users will contribute the same amount in RUC and fuel excise duty as an electric vehicle will pay in RUC.

The PHEV RUC rate assumes petrol usage of around 2.86 litres per 100 kilometres. Relevant information that supports this rate includes:

- PHEVs in the fleet average around 2 litres of petrol per 100 kilometres based on manufacturer testing data.
- Testing by Consumer NZ found that new PHEVs performed around 73 percent worse than in manufacturer tests.

- 76 percent of PHEVs in New Zealand are registered to owners in large urban areas. PHEVs in urban areas are better suited to shorter trips and frequent charging.
- 68 percent of New Zealand PHEVs are under five years old. The newer the vehicle, the better the fuel economy.

Further information

The Government has proactively released Cabinet papers and advice it received on RUC for electric vehicles at www.transport.govt.nz/area-of-interest/revenue/road-user-charges-system. This includes the advice received on the discounted rate for PHEVs.

As the information you seek is publicly available, section 18(d) of the Act applies. 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

A handwritten signature in black ink, appearing to read 'M. Skinner', with a stylized flourish at the end.

Matt Skinner
Manager Revenue