myRUC

A GUIDE FOR DRIVERS AND FLEETS

Your Guide to RUC in New Zealand

What road user charges are, what's changing, and what to do about it



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INTRODUCTION

Road user charges, or RUC, are changing. New Zealand is in the middle of the biggest shake-up to how we pay for our roads in decades, and it affects almost everyone who drives, whether you're behind the wheel of a diesel ute, a company van, an EV or, eventually, a petrol car.

This guide is a practical, plain-language look at RUC. We'll cover what it is, how we got here, what's changing right now, what's still to come, how other countries are handling the same problem, and what you can do about it if you're a consumer or a business.

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SECTION 01

What is RUC?

Road user charges are a distance-based charge for using New Zealand's roads. Instead of paying tax at the petrol pump, RUC vehicles pay for the distance they actually drive, in blocks of 1,000km, based on their weight and vehicle type.

RUC currently applies to:

- Diesel vehicles of all sizes
- Electric vehicles (EVs) and plug-in hybrids (PHEVs) under 3,500kg, since 1 April 2024
- Heavy vehicles such as trucks, buses and trailers, based on weight and axle configuration

1,000km
Blocks RUC is bought in

~70c
Fuel Excise Duty per litre on petrol

3,500kg
Upper weight for light RUC vehicles

Petrol vehicles don't currently pay RUC. Instead, the cost of road use is built into the price you pay at the pump through Fuel Excise Duty (FED), currently around 70 cents per litre.

All of this money, whether it comes in as RUC or FED, goes into the National Land Transport Fund, which pays for building and maintaining roads, public transport, and road safety.

Broadly, heavier vehicles pay more per kilometre than lighter ones, because they cause more wear on the road surface. Here's a rough sense of how that scales, based on typical weight bands:



Vehicle type	Approx. weight band	What drives the charge
Light RUC vehicle (car, ute, van)	Up to 3,500kg	Flat per-1,000km rate
Two-axle truck	7 to 9 tonnes	Weight and axle configuration
Multi-axle truck and trailer	Over 18 tonnes	Weight, axle count and load type
Large combination vehicle	Up to 50 tonnes	Full weight and axle assessment

SECTION 02

A quick history of RUC

RUC isn't new. It's been part of New Zealand's transport funding system for almost 50 years, and it's evolved a fair bit along the way.

1978 — RUC is introduced, largely aimed at commercial and heavy vehicles

2008–2012 — An independent review leads to the Road User Charges Act 2012, simplifying the system and formalising a framework for electronic RUC (eRUC) providers

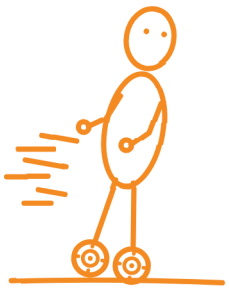
2024 — Light EVs and plug-in hybrids join the RUC system for the first time, once EVs reached around 2% of the light vehicle fleet

2025 — The Land Transport (Revenue) Amendment Bill is introduced to Parliament, kicking off the current round of modernisation

2026–2027 — The RUC system is modernised for the 1.3 million vehicles already using it, ahead of any wider transition

1.3 million

Vehicles RUC already applies to today



Today, RUC already applies to more than 1.3 million vehicles. But the system itself is still largely the one designed in an earlier era: mostly paper-based, mostly bought in person or online with a physical label, and built around technology that predates smartphones. That's what's now being modernised.

SECTION 03

How RUC works today

Who pays, and how much

If you own a diesel, electric or plug-in hybrid vehicle, you buy a RUC licence in advance, in blocks of 1,000km. Rates vary by vehicle weight and type. For a standard light vehicle (diesel or full EV), the current rate is around $76 per 1,000km, with plug-in hybrids paying a reduced rate to reflect the fuel excise they still pay at the pump. Heavier vehicles pay considerably more, scaled to weight and axle configuration, because they cause more wear on the roads.

~$76

Per 1,000km for a standard light diesel or EV

There's also an administration fee charged on every licence purchase, whether you buy online, through the NZTA app, or over the counter, and the fee is generally lower for online purchases than for over-the-counter ones. Because that fee applies per transaction rather than per kilometre, buying larger blocks of distance less often generally works out cheaper than lots of small top-ups.

TRY IT

If you want to see what these charges look like for your own vehicle, check out myRUC's RUC cost calculator – it will show what you'd pay through myRUC compared with other ways of buying RUC, based on your vehicle and distance.

How it's paid today



Most RUC is still bought the traditional way: over the counter or online, with a paper label displayed on the windscreen showing the odometer reading your licence covers. Electronic RUC (eRUC), where a certified in-vehicle device tracks distance automatically, currently collects around half of all RUC revenue but is mostly used by heavy vehicles and fleets, where a handful of approved providers already operate. For everyday light vehicle owners, electronic options exist but aren't yet mainstream, which is exactly what the current round of changes is designed to fix.

Compliance and refunds

It's an offence to drive without a valid RUC licence covering your current odometer reading, so vehicle owners need to keep their purchased distance ahead of their actual distance. If you sell a RUC vehicle, or it's used off-road for a period, you may be able to claim a refund for unused distance.

SECTION 04

Why RUC is changing

Two things are driving the shift towards a fully digital, fleet-wide RUC system.

1. Revenue is eroding

Fuel excise duty was designed as a rough proxy for road use, on the basis that more driving means more fuel burned. That relationship is breaking down fast. New Zealand's vehicle fleet is electrifying and hybridising more quickly than expected: across the 11 months to November 2025, electrified vehicles (EVs, plug-in hybrids and standard hybrids) made up 51.2% of new passenger car registrations, a majority for the first time, according to an analysis of NZTA Vehicle Fleet Open Data. As fewer litres are burned per kilometre driven, fuel excise raises less money, even though roads are being used just as much, if not more.

51.2%

of new passenger car registrations were electrified in the 11 months to November 2025

2. It's not entirely fair

Under the current split, two drivers who cover the same distance on the same roads can pay very different amounts, depending on what they drive. A driver in an older, thirstier petrol car pays more at the pump than someone in a modern hybrid, even if the hybrid driver puts more distance on the road. Moving everyone onto a single, distance-based system is designed to make charging fairer and more consistent, regardless of what's under the bonnet.

> **"One of the biggest changes to road funding in 50 years.**
>
> How Transport Minister Chris Bishop has described the move

Transport Minister Chris Bishop has described the move as one of the biggest changes to road funding in 50 years, aimed at making sure the system keeps pace as the vehicle fleet changes. As he put it, it isn't fair for people who drive less, and who can't afford a fuel-efficient car, to end up paying more than people who can afford one and drive often.

SECTION 05

What's proposed to change: the modernisation of RUC

Before petrol vehicles move onto RUC, the Government is focused on fixing the existing system first.

The Land Transport (Revenue) Amendment Bill was introduced to Parliament in November 2025 and was expected to pass in 2026, however this was postponed due to the general election in November 2026. It's likely to be introduced post-election and well into the new year (2027) when Parliament reconvenes, and sets up several practical changes for the roughly 1.3 million vehicles already paying RUC.

Key legislative changes

1. **No more physical labels:** the requirement to display or carry a physical RUC licence is being removed, in favour of digital records. You'll still need to buy and hold a valid RUC licence, it just won't need to be stuck to your windscreen
2. **A more competitive market:** NZTA's roles as both regulator and retailer are being separated, and the current 'electronic system provider' framework is being replaced with a broader 'RUC Provider' model. Third parties will be able to apply to NZTA (as the RUC Collector) to become approved RUC Providers, issuing licences and selling RUC in new ways
3. **Formal approval for electronic distance recorders:** NZTA will run a clear approval process for devices that measure distance electronically, with a public list of approved and suspended devices published online. Using a device that pretends to be approved but isn't will be an offence
4. **More flexible payment:** current rules mostly restrict flexible options like postpay, estimated billing or subscriptions to vehicles with an approved electronic distance recorder. The Bill removes that restriction, opening these payment models up more broadly
5. **Room for bundling:** future rules will allow RUC to be bundled with other charges, such as tolls and time-of-use charges, into a single payment, more like paying one power bill than juggling separate accounts



WORTH KNOWING

One detail worth knowing and understanding about key legislative changes is that rather than prescribing one particular type of device, the proposed rules focus on whether the technology produces accurate, secure and tamper-resistant distance records, with different standards for heavy and light vehicles.

That means built-in vehicle telematics, the kind many new cars already come with, could potentially be approved instead of a separate RUC device, as long as it meets NZTA's accuracy and security standards. In practice, this could mean fewer drivers needing a dedicated RUC box at all.

In practice, the payment flexibility above means approved providers will be able to propose things like automated purchasing, post-payment and other account-based ways to pay, rather than everyone being locked into pre-purchasing distance. NZTA will approve each scheme, and the provider operating it will have to accept responsibility for the RUC incurred while a vehicle is enrolled, alongside solid financial safeguards, reliable distance records and a clear plan for what happens to customers if a scheme closes or loses approval.

OPENING UP THE MARKET

Opening up the market doesn't mean anyone can start selling RUC!

To become an approved RUC Provider, a business will need to show a genuine New Zealand presence, financial stability, secure systems and management that NZTA considers fit and proper. Providers will also need to keep RUC funds separate from their own money and remain responsible for any agents who sell on their behalf.

NZ presence	Financial stability	Secure systems	Fit and proper management

Approval isn't a one-off

Becoming an approved RUC Provider isn't a box ticked once and forgotten. Providers will be expected to collect and remit the correct RUC on time, keep accurate and secure records, meet ongoing technical standards, use appropriately trained staff and report significant faults, failures or security breaches as they happen. They'll also need to keep records of formal customer complaints, provide information for audits when required, and periodically confirm they're still meeting the rules. For private vehicle owners and fleets, that's worth knowing that approval comes with ongoing oversight, not a one-off tick.

The market is ready

44

responses to the Ministry of Transport's RFI



In late 2025 and early 2026, the Ministry of Transport ran a Request for Information (RFI) to test market appetite for delivering these new services. It received 44 responses from a wide mix of organisations, including retail RUC providers (online platforms and apps), electronic and fleet management providers, technology and platform companies, and over the counter and agent networks. Many respondents proposed tailored solutions for different types of drivers, which the Ministry has described as a strong signal that a diverse, competitive market can develop.

What this looks like on a timeline

When	What happens
2025	Land Transport (Revenue) Amendment Bill introduced to Parliament (November)
2026	Bill expected to pass, but postponed due to the general election in November 2026
2026 to 2027	Bill likely to be reintroduced post-election when Parliament reconvenes; updated Code of Practice for RUC Providers to follow. NZTA and Police upgrade systems for digital enforcement
1 July 2027	RUC exemption for heavy electric vehicles ends
2027	Modernised system 'open for business': approved third-party RUC Providers can offer new services to the existing 1.3 million RUC vehicles
TBC	Decision on timing for transitioning petrol vehicles to RUC

SECTION 06

What's still to come: the transition of petrol vehicles

The bigger, longer-term change is bringing New Zealand's roughly 3.5 million petrol vehicles onto RUC too and retiring fuel excise duty for good.

3.5 million

Petrol vehicles that could eventually move to RUC

No date

Has been set for the petrol transition

Importantly, this is a later phase, and no date has been set. Government has been clear that the priority right now is getting the modernised system right for existing RUC users first, before deciding when and how petrol vehicles join. Once the modernisation is bedded in, a further round of decisions and legislation will be needed, informed by how the market responds and whether user-friendly payment options are genuinely ready for millions of new users.



WHAT STILL NEEDS TO BE WORKED OUT

- **Pricing and payment models:** how petrol vehicle owners will actually pay, and what modern, automated options will look like
- **User experience and compliance:** making the system easy enough to use that compliance stays high without heavy-handed enforcement
- **Integration with wider pricing tools:** how RUC lines up with tolling and time-of-use charging, which are being developed in parallel

Industry discussion at recent transport technology conferences has floated a range of possible future RUC product concepts, beyond the current one-size-fits-all prepaid block. These are industry ideas raised for discussion, not confirmed government policy, but they give a sense of the direction of travel – see the table overleaf.

Possible future RUC product concepts

Concept	How it could work	Best suited to
Prepaid distance	Pay upfront per 1,000km, as now	Occasional drivers
Invoiced monthly	Pay in arrears for distance driven	Cashflow-sensitive users
Subscription	Fixed regular fee, reconciled periodically	Drivers wanting price certainty
Bundled	RUC combined with other services or utilities	Convenience-focused users
Peak or off-peak	Different rates depending on time of travel	Flexible commuters

Industry concepts raised for discussion – not confirmed government policy.

NOTE

The proposed rules create a framework that lets approved providers put schemes like this forward for NZTA approval, they don't guarantee that every concept discussed at industry events will actually reach the market. Treat the table above as a sense of direction, not a confirmed solution line-up.

HEAVY ELECTRIC VEHICLES

While light EVs already pay RUC, heavy EVs (trucks and buses over 3,500kg) are currently exempt. That exemption was extended once already and is now due to end on **1 July 2027**, giving operators time to plan.

SECTION 07

How other countries are tackling the same problem

New Zealand isn't figuring this out alone. Falling fuel tax revenue and growing EV uptake are a global problem. Iceland has gone furthest, becoming the first country to move its entire vehicle fleet onto distance-based charging in January 2026. Most of Europe already runs distance-based charging for heavy vehicles, though light-vehicle schemes remain rare and a couple of past attempts have been shelved. Australia doesn't yet have a national scheme but the situation is firmly on the radar, with Infrastructure Partnerships Australia calling for a road user charge on electric vehicles. A handful of US states, led by Oregon, are trialling their own programmes rather than waiting for a federal one.

For a closer look at how each of these systems actually works, see our companion blog, [blog title/link] .

SECTION 08

What this means for private vehicle owners

If you already drive a diesel, EV or plug-in hybrid, RUC is already part of life. If you drive a petrol car, there's nothing to do yet, but it's worth understanding what's coming so you're not caught out later.

Understanding where public concern sits



Independent research among light-vehicle drivers, most of whom are future RUC users rather than current ones, points to a few consistent themes worth knowing about, whether you're a driver trying to make sense of the change or a business communicating with customers about it.

Awareness is broad but shallow: many drivers have seen headlines but don't know the detail, and a meaningful share aren't aware light petrol vehicles will eventually move to RUC at all. Where there is awareness, the biggest hesitations tend to be about cost, privacy and control, rather than the principle of paying for road use itself.

Many drivers say they'd be uncomfortable with continuous GPS tracking, would resist a device plugged into their car's diagnostic port, and want to actively choose when money leaves their account rather than have it happen automatically without warning.

> **"** The biggest hesitations tend to be about cost, privacy and control, rather than the principle of paying for road use itself.

Cost
What will I actually pay?

Privacy
Who sees where I drive?

Control
When does money leave my account?

What private vehicle owners should actually do

1. **Know what you already pay:** if you're on RUC now, check whether you're still buying paper licences over the counter. Electronic and app-based options are becoming more available and can make topping up far less hassle
2. **Keep an eye on timing, not headlines:** there's no confirmed date for petrol vehicles joining RUC. Be wary of anything claiming otherwise, and treat social media commentary on this topic with a healthy dose of scepticism, since a good portion of the online conversation about RUC contains factual errors
3. **Think about total running cost, not RUC in isolation:** RUC replaces fuel excise, it isn't stacked on top of it. When petrol vehicles eventually move across, fuel excise is expected to come off pump prices too
4. **Don't wait until you're caught short:** most non-compliance isn't deliberate, it happens because people top up their RUC only once they're close to running out, or after they've already run out. Setting a simple reminder, or using a provider that nudges you before your distance runs low, avoids the risk of an unexpected assessment
5. **Ask about privacy and choice before you commit to any device or provider:** as more RUC providers enter the market, look for ones that are transparent about how your distance is measured, what data is collected, and what your payment options are
6. **Run the numbers before you commit:** you can use our RUC cost calculator to see what you'd actually pay for your vehicle and distance and compare it against other options

> RUC replaces fuel excise, it isn't stacked on top of it.

SECTION 09

What this means for businesses and fleets

Businesses running RUC vehicles today are the ones with the most to gain from the changes ahead, and the most reason to plan early.

Fleet operators sit at the sharp end of both compliance risk and cost, so the choices made over the next year or two are worth getting right.

RUC related priorities

1. **Review your current RUC provider or process now:** as more approved providers enter the market from 2027, it's worth understanding what better service, pricing or integration could look like for your fleet, rather than defaulting to whatever's always been used
2. **Avoid long-term lock-in:** with the market opening up and technology evolving quickly, be cautious about signing lengthy exclusive contracts for RUC or telematics hardware right now. Committing today risks locking you out of better solutions once the modernised market is up and running
3. **Think about integration, not just compliance:** modern RUC platforms increasingly connect with telematics, fleet management software and OEM vehicle data (from manufacturers like Tesla or BYD, or fleet telematics providers). A joined-up approach can reduce admin significantly, not just keep you compliant
4. **Watch the heavy EV exemption deadline:** if you operate heavy electric vehicles, the current RUC exemption ends on 1 July 2027, so factor that into fleet cost planning and budgeting now, well ahead of time
5. **Build in flexibility for what's next:** postpay, estimated billing and subscription-style RUC are all coming. Choosing providers who are ready for this now will save you switching costs later
6. **Get ahead of hardware decisions:** where possible, favour hardware-agnostic or OEM-integrated approaches over proprietary devices, so your fleet isn't tied to one vendor's hardware roadmap as the market evolves

CHECKLIST

A quick checklist when evaluating a RUC provider



- [ ] Are they an NZTA-approved RUC provider?
- [ ] Do they also provide an approved Electronic Distance Recorder for heavy vehicles?
- [ ] Do they have a secure, banking-grade ISO/IEC 27001:2022 certified payment system, demonstrating commitment to the secure handling and governance of sensitive financial information?
- [ ] How long have they operated in this space?
- [ ] Can their platform integrate with your existing telematics, fleet management or OEM systems?
- [ ] What flexibility do they offer on payment (prepay, postpay, monthly invoicing)?
- [ ] How transparent are they about data collection, location tracking and privacy?
- [ ] What happens to your account and data if you switch providers later?

If you're a fleet manager, use our RUC cost calculator to model costs across multiple vehicles before switching providers or budgeting for the year ahead.

Calculate RUC →

SECTION 10

A note on trust and privacy

It's worth being upfront about something that comes up a lot in public feedback on RUC: trust.

As RUC moves towards more electronic and connected options, some drivers are understandably cautious about location tracking, ongoing costs, and being locked into unwanted billing. That's a fair concern, and it's one the industry, including myRUC, takes seriously. Look for providers who are clear about how your data is used, who don't require continuous location tracking to do the job, and who let you stay in control of your payments.

> **Look for providers who are clear about how your data is used, who don't require continuous location tracking to do the job, and who let you stay in control of your payments.**

The proposed rules back this up with specific obligations, rather than leaving it to individual providers' goodwill. Approved RUC Providers will need to comply with the Privacy Act 2020 as well as RUC-specific information rules, covering:

- How data is used, retained and disclosed
- Security against unauthorised access
- Processes for reporting breaches
- Safeguards if information is stored or transferred overseas

Providers' privacy policies will also need to be publicly available. It's worth being clear that none of this prescribes continuous GPS tracking: the rules set standards for how data is collected and handled, not a mandate for a particular kind of technology.

SECTION 11

How myRUC helps

myRUC is one of New Zealand's approved electronic RUC platforms, built to make paying and managing RUC simpler, whatever you drive.

As the system opens up over the next few years, our focus stays the same: give drivers and businesses an easy, transparent way to stay compliant, without the paperwork, the guesswork, or the surprises.

If you're not sure what any of this means for your vehicle or your fleet, get in touch and we'll talk you through your options.

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