



How can an imaginative use of eRUC affect behaviour and deliver better transport outcomes

In August the New Zealand government announced that the country would move the entire vehicle fleet to Road User Charges (RUC). For electric and diesel vehicles this is not new, but for petrol vehicles this is a shift away from fuel excise duty (FED). With FED the cost is based on fuel use, so more fuel efficient vehicles pay relatively less than gas guzzlers. RUC is based on weight of vehicle and distance travelled. With RUC everyone (at least for all vehicles under 3.5 tonnes) pays the same for every kilometre they travel on the roads. The argument is that all vehicles should pay for new roads and road maintenance. The plan is that RUC are administered electronically through some device in or on the vehicle. This already happens with many freight vehicles and is known as electronic Road User Charges (eRUC). In most freight vehicles the technology includes GPS and allows freight companies to monitor the performance of their vehicles and drivers. Rolling out eRUC across the whole vehicle fleets creates all sort of interesting opportunities beyond just raising revenue. Rather than a uniform RUC based solely on vehicle weight and distance travelled, eRUC could charge differentially as a tool to encourage behaviour change. For example, there could be a higher RUC for travel outside schools during the drop off or pick up, on routes prioritised for cyclists, or on roads adjacent to retirement villages. Or RUC rates could be higher at peak or congested times, or variable according to the importance of journeys or an individual's income. This paper will consider how eRUC could be used more imaginatively to encourage behaviour change and lead to better transport and social outcomes.