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ELECTRONIC SOLUTION TO RUC EVASION

A more accurate, secure and fairer electronic road user charge (eRUC) system – rather than a backwards move to additional fuels taxes – is the best way to tackle the problem of truck drivers evading paying their way, says technology company EROAD.

CEO Steven Newman said ONE News was right to highlight the serious problem of RUC evasion under New Zealand's current mechanical and paper-based system in its special investigation last night (TV One, 6pm), but the answer lay not with increasing fuel taxes, but in modernising the country's road user charges system to utilise an electronic hubodometer and payment system.

Countries using electronic RUC had achieved substantial reductions in evasion. Switzerland, which introduced its eRUC system in 2001, enjoyed a revenue evasion rate of less than 1% compared to New Zealand's 10%, said Mr Newman.

EROAD has designed an electronic RUC management system which has the potential to eliminate hubodometer fraud, reduce RUC evasion, and dramatically reduce compliance costs for both the government and heavy vehicle users.

Recent field trials that have shown that EROAD's electronic hubodometer is more accurate and more secure than mechanical hubodometers. The company is in the process of submitting its eHubo for regulatory approval.

Mr Newman said that New Zealand was a world leader when it introduced its weight and distance charging for heavy vehicles in 1978, but that a failure to modernise this paper-based RUC regime meant the system urgently needed bringing up to date.

Germany, Switzerland, Austria and the Czech Republic already operated successful electronic RUC regimes and other countries moving this way included Australia, France, Sweden, Holland, Slovakia, Denmark, Hungary and Belgium.

Mr Newman said this trend reflected a consensus that fuel excise taxes were no longer as effective because of increasing fuel efficiency, the rise of hybrid and electric vehicles, the trend towards alternative fuels and a poor ability to link road use to road damage, congestion and environmental costs.

EROAD was recently invited to take part in a Swedish government sponsored eRUC trial. Mr Newman said that the company's experience in Europe confirmed that electronic RUC solutions were the preferred policy approach for tackling these issues. This represented an economic development opportunity for New Zealand technology companies able to prove eRUC solutions in New Zealand based on its existing regulatory regime – technology that could become a valuable export industry to the rapidly growing global electronic road pricing market.

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