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# **REGIONAL FUEL TAX SECOND QUARTER REPORT**

1 October – 31 December 2020

WAKA KOTAHI NZ TRANSPORT AGENCY



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# INTRODUCTION

A regional fuel tax (RFT) scheme (the scheme) was implemented on 1 July 2018 for the Auckland region, excluding Great Barrier Island (the scheme area). The purpose of the RFT is to enable additional investment for transport projects in the Auckland region as set out in Auckland Council's RFT proposal that was approved by the Minister of Transport and the Minister of Finance.

RFT is charged at a rate of 10 cents per litre (plus GST) on petrol and diesel (including their bio-variants) when first delivered to locations such as service stations, commercial fuel storage tanks, machines, marinas and vehicles inside the Auckland region. Waka Kotahi NZ Transport Agency administers the collection of RFT directly from fuel distributors (also known as 'taxpayers') and forwards the tax collected to Auckland Council, less any rebates paid and service cost.

This report covers the Waka Kotahi NZ Transport Agency's quarterly reporting requirement under section 65Y(3) of the Land Transport Management Act 2003 (LTMA). The Waka Kotahi NZ Transport Agency is required to report to the Minister of Transport quarterly and publish this report online.

RFT quarterly reporting periods for 2020/21 financial year are:

- Q1 2020/21: 1 July – 30 September
- Q2 2020/21: 1 October – 31 December
- Q3 2020/21: 1 January – 31 March
- Q4 2020/21: 1 April – 30 June

This report relates to the second quarter (Q2). Please note, as mentioned in the report, fuel volume data for outside Auckland is reported one quarter in arrears.

COVID-19 *Alert Levels 1-4* placed nationwide restrictions on personal and business travel from 25 March 2020 until June 2020 and continued in Auckland until October 2020. Fuel volumes decreased significantly during this period but have now returned to levels similar to before the restrictions were in place.

# EXECUTIVE SUMMARY

This section sets out a high-level summary of the findings in this report.

## Volume

- Within RFT scheme area this quarter:
  - the volume of *petrol* distributed within the scheme area has increased against the previous quarter and is on par with historical quarter 2 recorded volumes
  - the volume of *diesel* distributed within the scheme area is the highest recorded since the Q4 2017/18 baseline
  - total volumes of petrol and diesel are the highest recorded since the Q4 2017/18 baseline.
- Outside RFT scheme area:
  - the volume of *petrol* distributed outside the scheme area in Q1 2020/21 (latest quarter where data is available) is the highest recorded since the Q4 2017/18 baseline
  - the volume of *diesel* distributed outside the scheme area has also increased.

## Price

- Median prices inside the scheme area for 91 octane petrol have decreased by 9 cents per litre this quarter compared to the Q4 2017/18 baseline. Compared to Q1 2020/21, prices have decreased by 1 cent per litre.
- Median prices outside the scheme area for 91 octane petrol have decreased by 25 cents per litre since Q4 2017/18. Compared to Q1 2020/21, prices have decreased by 1 cent per litre.
- Fuel prices continue to differ across the country, this quarter:
  - Hawke's Bay recorded the lowest 91 octane petrol prices across the country at 176.70 cents per litre
  - West Coast recorded the highest 91 octane petrol prices across the country, at 203.90 cents per litre.

## Compliance and exemptions

- No complaints or concerns were raised to Waka Kotahi regarding bringing untaxed fuel into the region.
- Two exempt sites were referred for site inspection. Three existing exempt sites were renewed, including one audit.
- One rebate claimant was audited for overpayment of rebates. An invoice was issued for the overpaid amount.
- Taxpayer (11) has been penalised for incorrect reporting and has since paid the penalty.
- Taxpayer (12) has been penalised for non-compliance and has since paid the penalty.

## FUEL DELIVERED INSIDE THE SCHEME AREA

The quarterly data for the volume of fuel delivered inside the scheme area is collected from regional fuel taxpayers' monthly returns, which are required under section 65V of the LTMA. Due to legislative requirements and internal processing timeframes, this data is available the month following the end of the quarter. The quarterly totals for petrol and diesel in Table 1 include all fuel delivered within the Auckland scheme area, whether or not it was liable for RFT (except for fuel exported to the Pacific Islands).

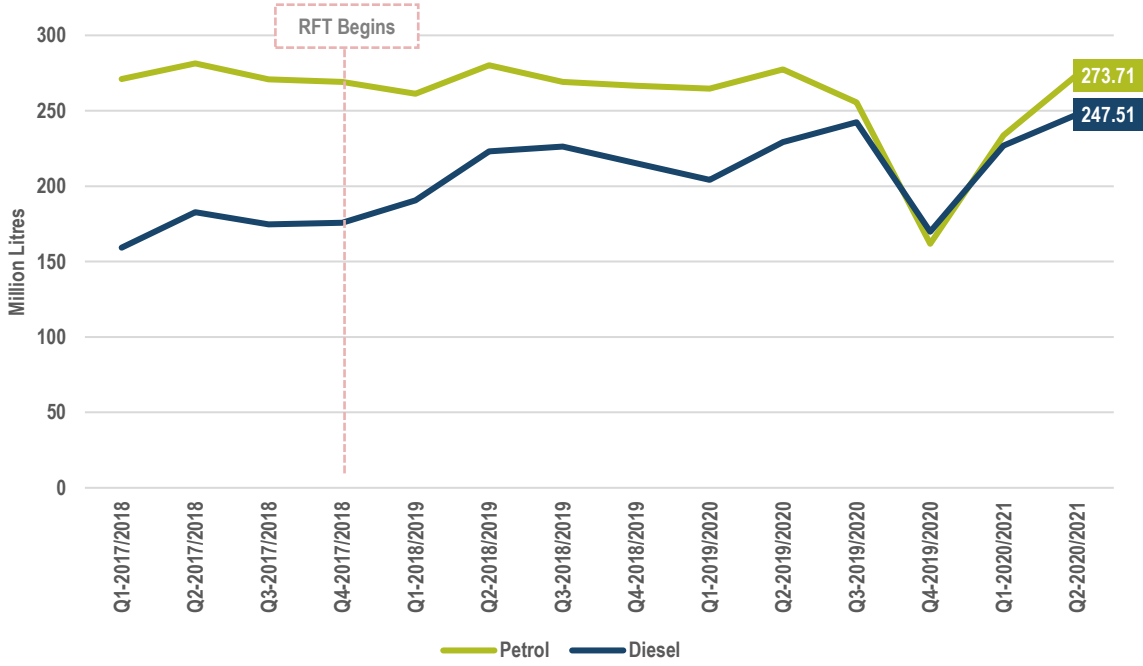
To accurately observe changes to fuel and diesel volumes before the RFT scheme took effect requires comparable baseline data. Historical baseline data was collected from Auckland Council's Local Authority Fuel Tax (LAFT) returns to calculate an approximate baseline for fuel and diesel volumes prior to the implementation of the RFT scheme. It should be noted that the Auckland LAFT geographical area differs to the geographical area covered by the RFT scheme area as LAFT returns for fuel sold within the Auckland region includes Great Barrier Island. Since the baseline data is not directly comparable, Figure 1 represents an approximate change in the volume of fuel delivered in the Auckland RFT scheme area against baseline.

**Table 1 – Fuel volumes delivered inside the scheme area**

|  | Total volume delivered inside the scheme area (million litres) | Total volume delivered inside the scheme area (million litres) | Total volume delivered inside the scheme area (million litres) |
|--|--|--|--|
|  | <i>Petrol</i>  | <i>Diesel</i>  | <i>Petrol + Diesel</i>   |
| Q4 2017/18: 1 Apr - 30 Jun<br><i>(baseline before RFT implemented)</i> | 269.15   | 175.80   | <b>444.95</b>  |
| Q1 2018/19: 1 Jul - 30 Sep   | 261.32   | 190.70   | <b>452.02</b>  |
| Q2 2018/19: 1 Oct - 31 Dec   | 280.11   | 223.14   | <b>503.25</b>  |
| Q3 2018/19: 1 Jan - 31 Mar   | 269.16   | 226.21   | <b>495.37</b>  |
| Q4 2018/19: 1 Apr - 30 Jun   | 266.57   | 215.16   | <b>481.73</b>  |
| Q1 2019/20: 1 Jul - 30 Sep   | 264.69   | 204.29   | <b>468.98</b>  |
| Q2 2019/20: 1 Oct - 31 Dec   | 277.34   | 229.24   | <b>506.58</b>  |
| Q3 2019/20: 1 Jan - 30 Mar   | 255.53   | 242.34   | <b>497.87</b>  |
| Q4 2019/20: 1 Apr - 30 Jun   | 161.82   | 169.79   | <b>331.61</b>  |
| Q1 2020/21: 1 Jul - 30 Sep   | 233.77   | 226.81   | <b>460.58</b>  |
| Q2 2020/21: 1 Oct - 31 Dec   | 273.71   | 247.51   | <b>521.23</b>  |

Note: The data for the baseline (fuel sold) and this quarter (fuel delivered) is derived from different sources and therefore, particularly for diesel, may not reflect the total volume of fuel delivered inside the scheme area. The fuel volumes include both petrol and diesel (including bio-fuels and ethanol portions).

Figure 1 – Fuel volume delivered inside the scheme area



## FUEL DELIVERED OUTSIDE THE SCHEME

The quarterly and baseline data for fuel volumes delivered outside the scheme area is collected by other government organisations for the whole of New Zealand. To estimate the volume of petrol and diesel fuel distributed outside the scheme area, Waka Kotahi must subtract the scheme area volumes from the total volumes for the entire country. The reported volume includes fuel imports, refining volumes (not exported out of the country) and stock change. The baseline data is calculated similarly but subtracts the LAFT volume sold within the Auckland region (including Great Barrier Island), meaning the baseline is not directly comparable.

Due to the complexities of how this information is collected, there is a significant delay in obtaining data for quarterly reporting. Since the volume data is delayed and Waka Kotahi is committed to providing this report in a timely manner, fuel volume delivered outside the Auckland scheme area are reported one quarter in arrears.

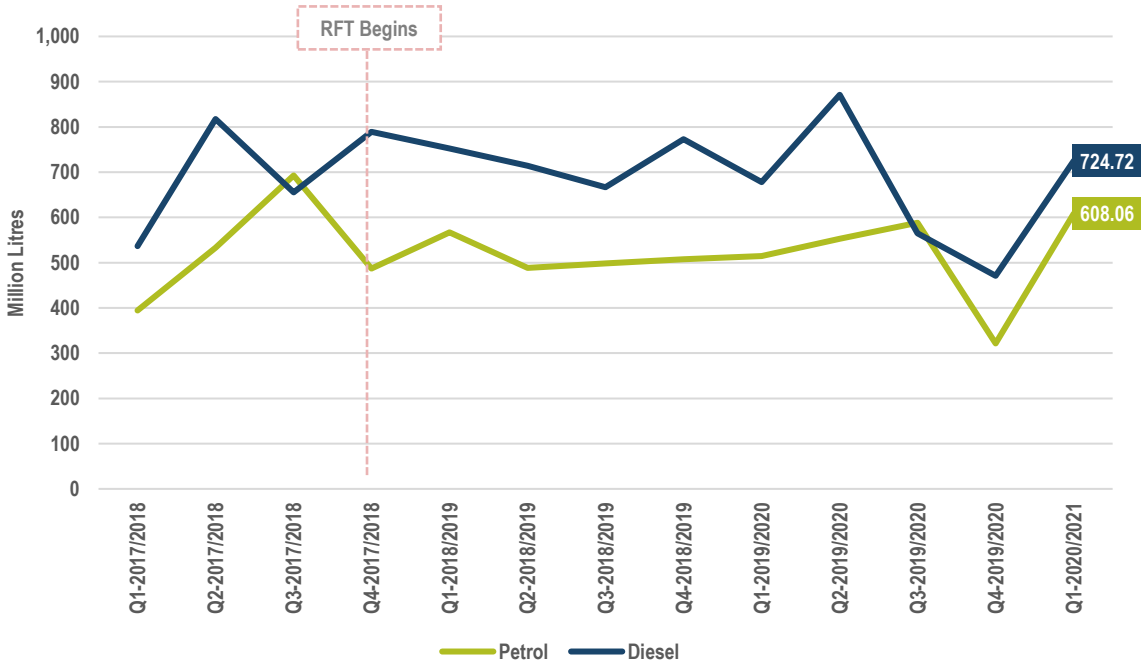
**Table 2 – Fuel volumes delivered outside the scheme area**

|  | Total volume delivered outside the scheme area (million litres)<br><i>Petrol</i> | Total volume delivered outside the scheme area (million litres)<br><i>Diesel</i> | Total volume delivered outside the scheme area (million litres)<br><i>Petrol + Diesel</i> |
|--|--|--|---|
| Q4 2017/18: 1 Apr – 30 Jun<br><i>(baseline before RFT implemented)</i> | 486.64   | 788.84   | <b>1275.48</b>  |
| Q1 2018/19: 1 Jul - 30 Sep   | 566.68   | 752.09   | <b>1318.77</b>  |
| Q2 2018/19: 1 Oct - 31 Dec   | 488.58   | 714.09   | <b>1202.67</b>  |
| Q3 2018/19: 1 Jan - 31 Mar   | 498.48   | 666.67   | <b>1165.15</b>  |
| Q4 2018/19: 1 Apr - 30 Jun   | 507.69   | 777.62   | <b>1280.31</b>  |
| Q1 2019/20: 1 Jul - 30 Sep   | 514.35   | 678.08   | <b>1192.43</b>  |
| Q2 2019/20: 1 Oct - 31 Dec   | 552.56   | 870.95   | <b>1423.51</b>  |
| Q3 2019/20: 1 Jan - 31 Mar   | 587.89   | 564.84   | <b>1152.73</b>  |
| Q4 2019/20: 1 Apr - 30 Jun   | 321.50   | 470.93   | <b>792.43</b>   |
| Q1 2020/21: 1 Jul - 30 Sep   | 608.06   | 724.72   | <b>1332.78</b>  |

Note: This information is provided by other government and fuel distribution organisations and reported one quarter in arrears. The fuel volumes include both petrol and diesel (including bio-fuels and ethanol portions).



Figure 2 – Fuel volume delivered outside the scheme area



## FUEL PRICES INSIDE AND OUTSIDE THE SCHEME AREA

Under section 65Y(3)(b) of the LTMA, Waka Kotahi is required to report information on fuel prices inside and outside the scheme area. To meet this obligation, Waka Kotahi NZ Transport Agency had to identify a source for fuel price reporting in New Zealand. Waka Kotahi used standard procurement processes and Datamine, a third-party provider, was determined to be the most appropriate supplier of fuel price data for this report.

Datamine information is publicly sourced, cleansed and aggregated through robust statistical methodologies prior to being provided to Waka Kotahi. This means the final quality of the dataset cannot be independently verified by Waka Kotahi. The price observations are based on 'board prices' (including GST), which means discounts from individual service stations are included but customer promotions (eg discount vouchers and loyalty schemes) are excluded from the dataset.

**Table 3 – Average fuel prices by region (NZD cents per litre including GST)**

|  | Baseline (Q4 2017/18)<br>(1 April – 30 June 2018) |               |               |               | Q2 2020/21<br>(1 October – 31 December 2020) |              |              |              |
|--|---|---------------|---------------|---------------|--|--------------|--------------|--------------|
|  | 91  | 95            | 98            | Diesel        | 91   | 95           | 98           | Diesel       |
| <b>Auckland</b>  | 207.90  | 222.90        | 226.90        | 138.90        | 198.9  | 216.9        | 212.7        | 122.9        |
| <b>Average outside scheme area<br/>(for comparison with AKL)</b> | <b>211.90</b>                                     | <b>222.90</b> | <b>226.90</b> | <b>142.90</b> | <b>186.9</b>                                 | <b>201.9</b> | <b>203.7</b> | <b>113.7</b> |
| Bay of Plenty  | 206.70  | 220.90        | 222.70        | 135.90        | 182.9  | 199.7        | 200.7        | 109.7        |
| Canterbury   | 219.90  | 226.90        | 236.90        | 152.90        | 186.9  | 200.9        | 221.9        | 110.9        |
| Gisborne   | 208.00  | 221.90        | 227.90        | 136.90        | 191.7  | 204.3        | 199.7        | 114.9        |
| Hawke's Bay  | 205.90  | 217.90        | 217.70        | 135.90        | 176.7  | 189.7        | 192.7        | 101.9        |
| Manawatū-Whanganui   | 205.90  | 219.90        | 228.70        | 134.90        | 189.8  | 204.9        | 201.7        | 115.7        |
| Marlborough  | 219.90  | 226.90        | 235.90        | 151.90        | 186.9  | 194.9        | 209.9        | 105.9        |
| Nelson   | 221.90  | 230.90        | 238.90        | 157.90        | 190.9  | 204.2        | 214.9        | 117.5        |
| Northland  | 212.70  | 221.90        | 217.70        | 141.90        | 185.9  | 212.9        | 201.7        | 118.6        |
| Otago  | 219.90  | 224.90        | 234.90        | 152.90        | 183.9  | 195.9        | 204.7        | 102.9        |
| Southland  | 213.90  | 219.90        |               | 143.90        | 192.5  | 201.9        | 214.9        | 109.9        |
| Taranaki   | 201.90  | 214.90        | 218.70        | 132.50        | 188.7  | 201.9        | 203.7        | 116.7        |
| Tasman   | 219.40  | 223.90        | 239.90        | 152.90        | 192.9  | 204.9        | 211.9        | 119.2        |
| Waikato  | 207.90  | 221.00        | 224.70        | 136.90        | 186.7  | 200.7        | 204.7        | 117.7        |
| Wellington   | 215.90  | 226.90        | 236.90        | 148.90        | 195.9  | 208.9        | 221.9        | 119.9        |
| West Coast   | 223.90  | 228.90        | 251.90        | 155.90        | 203.9  | 209.9        | 226.9        | 121.9        |

Note: The fuel prices for 91, 95 and 98 octane petrol are recorded where available and blank cells indicate no prices were observed.

**Table 4 – Fuel price range by region for Q2 1 October – 31 December 2020 (NZD cents per litre including GST)**

|  | 91     |        |         | 95     |        |         | 98     |        |         | Diesel |        |         |
|--|--------|--------|---------|--------|--------|---------|--------|--------|---------|--------|--------|---------|
|  | Lowest | Median | Highest | Lowest | Median | Highest | Lowest | Median | Highest | Lowest | Median | Highest |
| <b>Auckland</b>  | 168.50 | 198.90 | 230.30  | 176.70 | 216.90 | 261.20  | 169.80 | 212.70 | 269.80  | 89.30  | 122.90 | 160.60  |
| <b>Average outside scheme area<br/>(for comparison with AKL)</b> | 156.20 | 186.90 | 217.80  | 162.60 | 201.90 | 242.20  | 162.90 | 203.70 | 252.90  | 79.50  | 113.70 | 145.80  |
| Bay of Plenty  | 156.00 | 182.90 | 207.50  | 169.30 | 199.70 | 232.90  | 161.50 | 200.70 | 242.10  | 86.90  | 109.70 | 131.50  |
| Canterbury   | 165.30 | 186.90 | 206.60  | 158.00 | 200.90 | 245.30  | 181.40 | 221.90 | 259.80  | 81.40  | 110.90 | 139.20  |
| Gisborne   | 165.10 | 191.70 | 220.20  | 180.30 | 204.30 | 226.50  | 173.40 | 199.70 | 225.40  | 79.90  | 114.90 | 149.70  |
| Hawke's Bay  | 148.30 | 176.70 | 205.80  | 154.60 | 189.70 | 228.00  | 155.60 | 192.70 | 230.40  | 75.60  | 101.90 | 124.60  |
| Manawatū-Whanganui   | 165.50 | 189.80 | 210.80  | 176.40 | 204.90 | 233.60  | 168.80 | 201.70 | 237.90  | 93.00  | 115.70 | 136.80  |
| Marlborough  | 166.00 | 186.90 | 208.60  | 173.30 | 194.90 | 220.00  | 191.50 | 209.90 | 229.00  | 81.80  | 105.90 | 129.60  |
| Nelson   | 172.30 | 190.90 | 207.70  | 177.00 | 204.20 | 231.70  | 202.40 | 214.90 | 227.50  | 99.50  | 117.50 | 136.00  |
| Northland  | 159.50 | 185.90 | 212.30  | 169.40 | 212.90 | 249.40  | 183.10 | 201.70 | 216.70  | 81.80  | 118.60 | 152.70  |
| Otago  | 152.80 | 183.90 | 214.80  | 148.00 | 195.90 | 244.60  | 160.60 | 204.70 | 260.00  | 60.30  | 102.90 | 144.80  |
| Southland  | 153.30 | 192.50 | 227.00  | 156.60 | 201.90 | 243.40  | 177.80 | 214.90 | 244.90  | 73.10  | 109.90 | 140.60  |
| Taranaki   | 166.90 | 188.70 | 208.40  | 178.30 | 201.90 | 225.90  | 174.50 | 203.70 | 231.00  | 88.30  | 116.70 | 144.00  |
| Tasman   | 162.20 | 192.90 | 225.50  | 158.90 | 204.90 | 249.00  | 189.20 | 211.90 | 230.50  | 88.40  | 119.20 | 150.30  |
| Waikato  | 154.40 | 186.70 | 220.00  | 159.80 | 200.70 | 245.50  | 162.60 | 204.70 | 256.90  | 87.10  | 117.70 | 145.50  |
| Wellington   | 168.80 | 195.90 | 220.00  | 178.40 | 208.90 | 237.80  | 179.90 | 221.90 | 259.80  | 96.50  | 119.90 | 141.70  |
| West Coast   | 139.40 | 203.90 | 285.80  | 177.80 | 209.90 | 251.60  | 214.20 | 226.90 | 236.80  | 60.30  | 121.90 | 207.70  |

Figure 3 shows the difference between scheme area fuel prices and the average fuel price nationally outside the scheme area. This report compares average prices inside and outside the scheme area after the RFT implementation.

**Figure 3 – Price difference between fuel inside and outside of the scheme area (raw figures)**

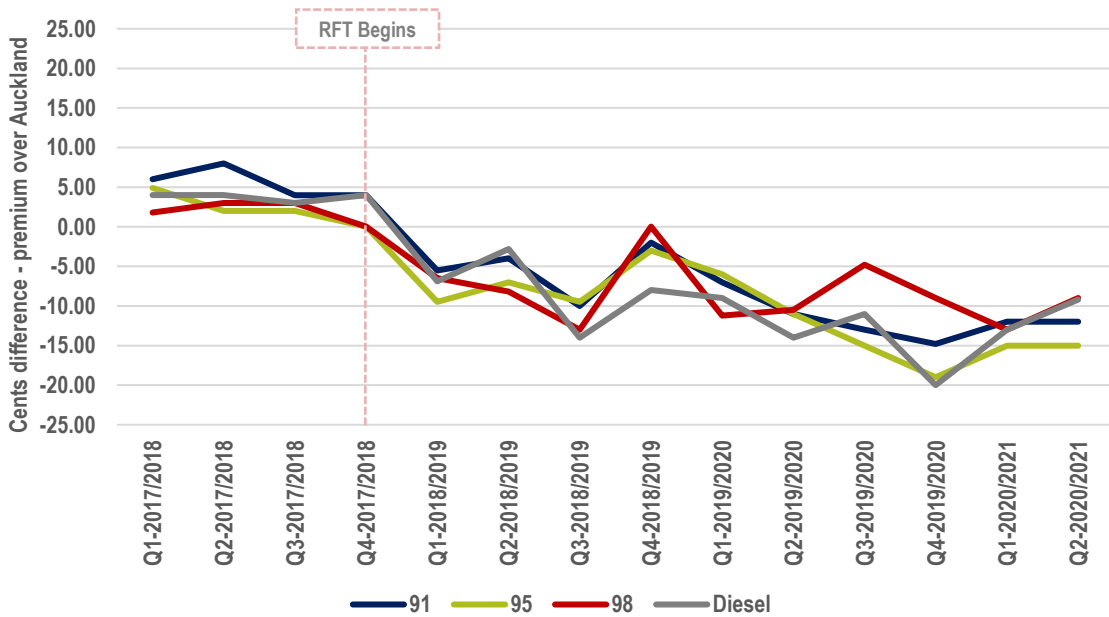


Figure 4 shows the difference between average fuel prices inside and outside the scheme for 91, 95, 98, and diesel fuels when adjusting out the expected 11.5c impact arising from introducing RFT.

**Figure 4 – Price difference between fuel inside and outside the scheme area (adjusted figures)**

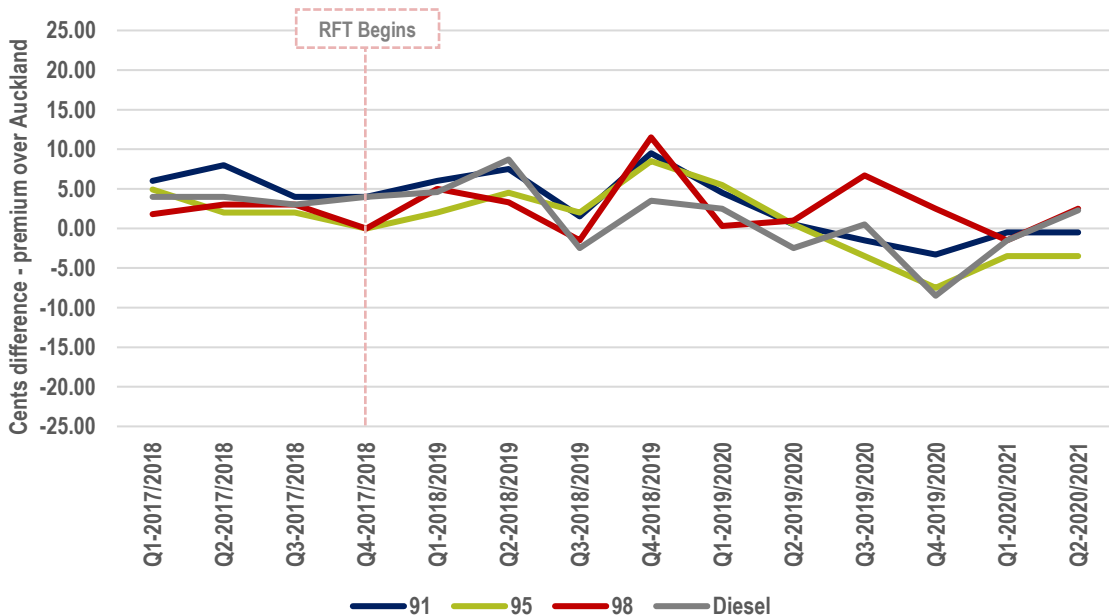


Figure 5 illustrates the difference between 91 petrol fuel prices in scheme area and other regions.

**Figure 5 – Price differences between the scheme area and other regions (raw figures)**

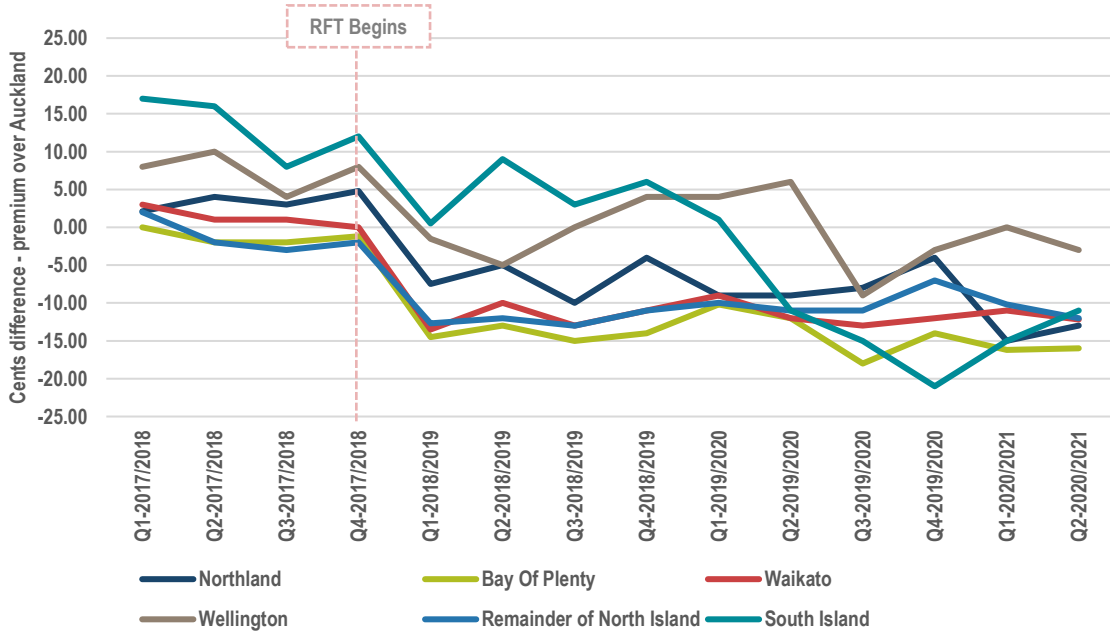
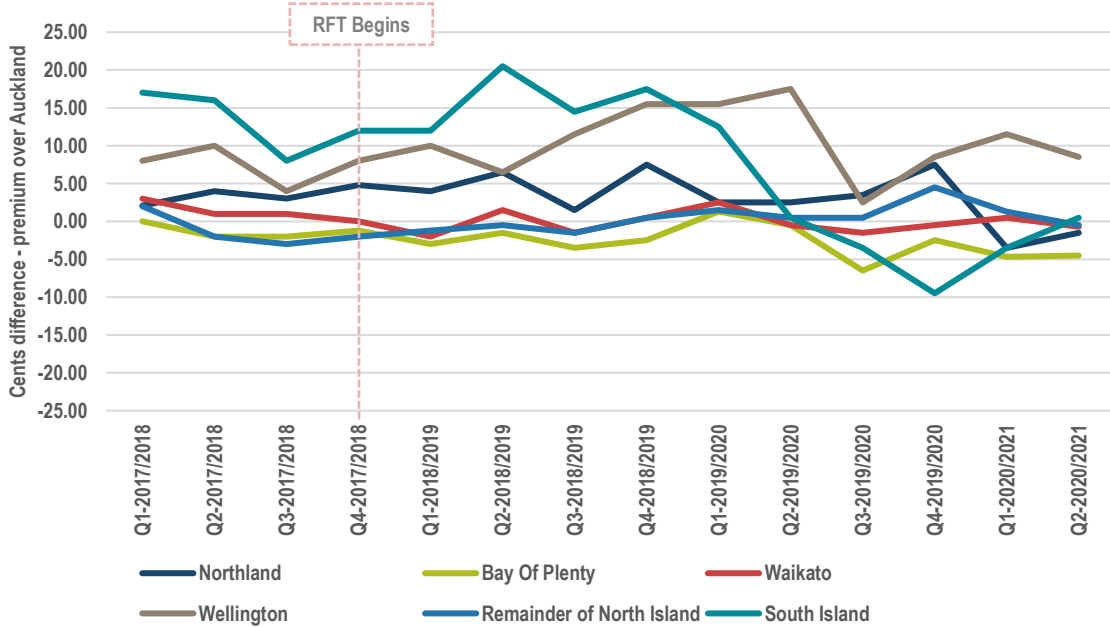


Figure 6 shows the difference between average fuel prices inside and outside of the scheme area for 91 octane petrol in various regions when adjusting out the expected 11.5c impact from the introduction of RFT.

**Figure 6 – Price differences between scheme area and other regions (adjusted figures)**



## COMPLIANCE CHECKS

Under section 65Y3(c) and (d) of the LTMA, Waka Kotahi must report information on non-compliance with the RFT scheme and also on avoidance of RFT.

Waka Kotahi is guided by Tū ake, tū māia (stand up, stand firm), its regulatory strategy underpinned by good regulatory practice: effective, firm and fair, and a 'real world' regulator.

As the first point of non-compliance checks, Waka Kotahi has developed assessment processes for RFT revenue collection and rebates.

Waka Kotahi is resourced to conduct RFT audits. These audit investigations are to identify avoidance of RFT and non-compliance within the Auckland RFT scheme.

Taxpayer audits are scheduled to review company procedures and fuel management systems (first component). The second component of each of these audits will include an analysis of fuel distribution data and a re-assessment of tax payable if required.

### **Site exemptions (sites exempt from paying RFT)**

This includes site inspections, reports and recommendations upon customer applications for a site exemption, and the renewal/amendment of an approved exempted site.

Audit frequency: As required (referred through RFT assessments or chosen at random).

### **Scheduled/unscheduled taxpayer (fuel distributor) audits**

This includes audits of all regional fuel taxpayers' record-keeping systems and their compliance in reporting and paying RFT.

Audit frequency: Taxpayer audits will be completed according to a planned audit schedule, and as required (referred through RFT assessment processes).

### **Rebate claim audits**

This includes targeted and randomly targeted audits of rebate customers' RFT rebate claims. Waka Kotahi has now collected sufficient data and evidence from rebate claimants to identify targeted audits.

Audit frequency: As required (referred through RFT assessment processes).

### **Bureau audits**

Bureaus are organisations that file rebate claims on behalf of another entity (customer) for a fee. Upon entering into a service agreement with Waka Kotahi, bureaus must undergo an audit of their internal processes and systems. Bureaus are also subject to ongoing regular audits to evaluate compliance and remediation of any issues identified. These include audits of rebate claims submitted.

Audit frequency: As-required (referred through RFT assessment processes).

**Table 5 – Scheduled compliance activities**

**Scheduled compliance activities**

|            |  |
|------------|--|
| Q3 2019/20 | <p>No exempt sites were referred for inspection. One existing exempt site was renewed.</p> <p>The first bureau audit started in Q3 2019/20, which included a site visit and quality management system analysis. It is due to be issued in Q4 2019/20.</p> <p>A scheduled taxpayer audit was due to commence in Q3 2019/20. Due to COVID-19 restrictions, the site visit and records analysis will now commence in Q4 2019/20.</p>  |
| Q4 2019/20 | <p>No exempt sites were referred for inspection. Seven existing exempt sites were renewed.</p> <p>The first bureau audit was completed; the report was issued in Q4 2019/20.</p> <p>The second audit component for Taxpayer (3) (refer table 6) was completed, with the audit findings report also sent in Q4 2019/20.</p> <p>A virtual site meeting for a scheduled audit of Taxpayer (E) was completed in Q4 2019/20 and record analysis has begun.</p> <p>Letters were sent reminding all taxpayers to pay regional fuel tax for fuel that is transferred into a fuel tank of the taxpayer's own vehicles or equipment following concerns that all taxpayers may not be adhering to their obligations.</p>  |
| Q1 2020/21 | <p>No exempt sites were referred for site inspection. Four existing exempt sites were renewed, inclusive of one audit.</p> <p>Taxpayer (3) responded to the audit findings report sent in Q4 2019/20. The response regarding the non-compliance was inadequate. We are taking a position to enforce corrective action, which we expect to be completed within Q2 2020/21.</p> <p>Record analysis for the scheduled audit of Taxpayer (E) continued.</p> <p>A response to the letter sent to all taxpayers in Q1 2020/21 was received from Taxpayer (F) regarding under-reporting own-use fuel. Analysis of the under-reported amount conducted within Q1 2020/21 with the report and invoice due to be issued in Q2 2020/21. There's currently no evidence of other taxpayers not paying for own-use fuel.</p> <p>One rebate claimant was audited for overpayment of rebates. An invoice was issued for the overpaid amount (a nominal sum).</p> <p>A risk assessment was completed around RFT impacts for the upcoming America's Cup. The outcome of this assessment prepares Waka Kotahi for potential increases in applications and related compliance activities. Waka Kotahi will consider how to address any issues that arise and continues to emphasise that that all taxpayers must pay regional fuel tax, and all rebate claims, in accordance with the law. It is an offence for a person to knowingly or recklessly make a false or misleading statement regarding regional fuel tax rebate claim.</p> |
| Q2 2020/21 | <p>Two exempt sites were referred for site inspection and audit. three existing exempt sites were renewed.</p> <p>Further discussions have taken place with Taxpayer (3), resulting in several corrective actions required from, the audit findings, being addressed. Outstanding corrective actions are expected to be completed within Q3 2020/21.</p> <p>An audit was completed for Taxpayer (E), all corrective actions from the audit findings have been addressed.</p>   |

The report and invoice for Taxpayer (F) was issued. There's currently no evidence of other taxpayers not paying for own-use fuel.

One rebate claimant was audited for overpayment of rebates. An invoice was issued for the overpaid amount.

**Table 6 – Activity of non-compliance and tax avoidance**

|            | Non-compliance   | Avoidance  |
|------------|--|--|
| Q2 2019/20 | <p>Taxpayer (6) has since paid the non-compliance penalty.</p> <p>Taxpayer (7) has since paid the late submission penalty.</p> <p>Taxpayers (8 and 9) have since paid the late payment penalties.</p> <p>No further non-compliance was identified during Q2.</p> | <p>Taxpayer (3) was audited based on their procedures and fuel management systems. This was completed on 20 December 2019. As a result of delays from Taxpayer (3) and audit results, an additional audit into their fuel delivery data is underway. This is scheduled to be completed during Q3 2019/20.</p>  |
| Q3 2019/20 | <p>A late payment penalty was issued to one Taxpayer (10) for the late payment of RFT. The penalty has since been paid.</p>  | <p>The second component of the audit for Taxpayer (3) ran through Q3 2019/20. The report is due to be released during Q4 2019/20.</p>  |
| Q4 2019/20 |  | <p>No complaints or concerns raised to Waka Kotahi regarding bringing untaxed fuel into the region.</p> <p>Waka Kotahi has been pro-active in mitigating unreported 'own use fuel'. Potential liability for unpaid tax ('own use fuel') is currently under investigation and will continue during 2020/21.</p> |
| Q1 2020/21 |  | <p>No complaints or concerns were raised to Waka Kotahi regarding bringing untaxed fuel into the region.</p>   |
| Q2 2020/21 | <p>Taxpayer (11) has been penalised for incorrect reporting and has since paid the penalty.</p> <p>Taxpayer (12) has been penalised for non-compliance and has since paid the penalty.</p>   | <p>No complaints or concerns were raised to Waka Kotahi regarding bringing untaxed fuel into the region.</p>   |



## DEFINITIONS

The following definitions are Waka Kotahi's interpretation of non-compliance and avoidance when specifically referring to section 65Y3(c) and (d).

- **Non-compliance:** includes any act or omission by any person subject to obligations under an RFT scheme that results in the person failing to comply with any of their obligations under the RFT provisions of the LTMA and its regulations.
- **Avoidance:** includes any act or omission by any person subject to obligations under an RFT scheme that results in the person avoiding (or attempting to avoid) RFT, where Waka Kotahi considers on reasonable grounds that the act or omission was deliberate or fraudulent in nature.