



ENVIRONMENT AND CONSERVATION ORGANISATIONS OF NZ INC.

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Chairperson
Finance and Expenditure Committee
Parliament Buildings
Wellington

**Submission on Land Transport Management (Regional Fuel Tax)
Amendment Bill**

1. Introduction

The Environment and Conservation Organisations of NZ (ECO) is the national alliance of about 45 groups with a concern for the environment and conservation. Some of these member bodies are themselves federations or multiple groups.

ECO has followed issues of conservation and environmental management and practice, law and policy since its formation in 1971-2 and we have member groups from all around New Zealand.

We wish to be heard

ECO would like to be heard in support of this submission. Please contact Michael Pringle or at the ECO office at 043857545 and eco@eco.org.nz, or myself, at the contact details in the covering email that accompanies this submission.

2. General Comments

ECO supports the inclusion of regional petrol taxes as an additional means to fund transport infrastructure provided:

- This infrastructure involves a reduction in greenhouse gas emissions as part of the transition to a low carbon economy;
- It avoids investment in stranded assets which do not fit with a low carbon economy;
- It includes funding of walking and cycling infrastructure;
- It includes funding for public transport improvements including light and heavy rail;
- It includes measures that reduce the need to travel.

The provision applies to diesel and petrol use only but any review of these provision should consider whether it applies the other greenhouse gas transport fuels including natural gas.

The latest Ministry for the Environment report to the UNFCCC (New Zealand's Greenhouse Gas Inventory 1990–2016) shows that road transport emissions was one of the five main sources for the 20% increase in emissions since 1990 – road transport emissions had increased by a massive 82.1 percent since 1990. Transport makes up 43.1 per cent of New Zealand's CO₂ emissions.

It is essential that to meet international commitments and targets in the Paris climate agreement, New Zealand must reduce emissions from the transport sector. Capital funding in this area must focus on reducing greenhouse gas emissions. This focus should also help to reduce the chance that investment is made in projects which later become stranded assets.

3. Comments on Bill Details

Section 5 - New subpart 3 of Part 2 inserted 65B Overview of subpart

New section 65B sets out the overview of the subpart but there is no provision which set out what the provisions are trying to achieve. ECO consider these provisions should have a clear objective to provide capital funding for projects which reduce greenhouse gas emissions and facilitates a transition to a low carbon economy.

ECO recommends that this provision be amended so that there is a clear objective to reduce greenhouse gas emissions and facilitates a transition to a low carbon economy.

65D Preparation of proposal to establish or replace RFT scheme

New section 65D only requires councils to undertake capital projects which “would benefit the region”. This is a very general requirement that just about any project could meet.

ECO considers there needs to be much clearer objectives for a capital project. These should includes:

- a reduction in greenhouse gas emissions as part of the transition to a low carbon economy;
- funding of walking and cycling infrastructure;
- funding of infrastructure that assist movement of people and freight by alternative modes including shipping
- funding for public transport improvements including light and heavy rail;
- measures that reduce the need to travel.

ECO recommends the addition of a clear purpose and principles for this section. These provisions should have a clear purpose:

- to fund projects that result in a reduction in greenhouse gas emissions, as part of the transition to a low carbon economy.

Clear principles to assist funding decisions:

To fund infrastructure that:

- facilitates walking and cycling;

- assists movement of people and freight by alternative modes including shipping
- facilitates public transport improvements including light and heavy rail;
- considers measures that reduce the need to travel.

Transitional and Review provisions

ECO supports regular reporting on the level and use of the tax eg, level of the tax, project funded, what percentage involves walking and cycling, what elements are public transport and what elements are mass transport (including light rail and heavy rail). This should include:

- Clear reporting requirements annually in the Annual Report on action taken, and project funded, including type of projet.
- The Select Committee undertaking a 5-year review of the provisions effectiveness.

4. Conclusion

With the changes proposed ECO supports the Bill.

ECO would like to be heard in support of this submission. Please contact Michael Pringle or myself at 043857545.

Regards

Barry Weeber
Co-Chairperson, ECO