

13 April 2018

Committee Secretariat  
Finance and Expenditure Committee  
Parliament Buildings  
Wellington

## **Christchurch City Council submission on the Land Transport Management (Regional Fuel Tax) Amendment Bill**

### **Introduction**

1. Christchurch City Council (the Council) thanks Finance and Expenditure Select Committee for the opportunity to provide comment on the Land Transport Management (Regional Fuel Tax) Amendment Bill.
2. Through its 2018 Long Term Plan Consultation, the Christchurch City Council has asked residents for their views on alternative sources of funding to reduce pressure on rates rises which are set to increase by 5.5%. The city plans to spend over a billion dollars in the next decade to fund our transport network. This includes the continuation of our 30-year programme of work to improve the roading network, which was significantly damaged by the earthquakes. Alongside the Council's investment in infrastructure, Environment Canterbury are responsible for provision of public transport, the funding for which is equally constrained. This has left little room for improvements to the public transport system which is still well below pre-quake patronage levels. A business case examining the future of public transport has identified a step change is required to boost patronage, enable sustainable growth and unlock the economic performance of the city. The present financial envelope means that public transport is funded at a basic level (\$4m per year) over the next ten years. Without an increase in funding, we will not be able to achieve the required step change.
3. A review of local government funding undertaken by Local Government NZ in 2015 found that local governments "must have access to an expanded range of fit for purpose funding tools so that they can prudently meet increasing and changing demands." The review recommended (among other things) that road user charges, targeted levies and fuel taxes should be allowed. Only enabling a fuel tax at a region wide level limits the ability for territorial authorities in growing urban areas to effectively meet their infrastructure needs.

### **Submission**

4. The Christchurch City Council encourages the Select Committee to acknowledge that urban areas outside of Auckland are also in need of funding assistance and alternative revenue tools. Infrastructure deficits are often felt at the territorial authority level rather than the regional level therefore regions should be compelled to apply revenue from a tax where local authorities are unable to reasonably fund their capital projects from other sources.
5. The Christchurch City Council strongly submits that the ability to apply the tools envisaged in this Bill should be expanded to include raising and applying a regional fuel tax at either a regional, subregional or territorial authority level. Provision of transport infrastructure, including those

promoting modal shifts such as walking and cycling infrastructure, plus obviously roading provision, are provided by, and funded through, Territorial Authorities – not Regional Councils. If there was therefore to be a localised fuel tax regime – ensuring that the resulting investment is returned to the area of taxation is a fundamental principle.

### **Conclusion**

6. These recommendations made in this submission would enable Christchurch to reduce the pressure on the general rates burden while also provide much needed funding to our infrastructure programme. Incorporating the ability for Tax areas within the regions would allow a fairer method for levying taxes and funding transport projects at a sub-regional or metropolitan level.

Thank you for the opportunity to provide this submission.

For any clarification on points within this submission please contact Rae-Anne Kurucz, Team Leader Transport at [Rae-Anne.Kurucz@ccc.govt.nz](mailto:Rae-Anne.Kurucz@ccc.govt.nz)

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Lianne Dalziel', with a horizontal line underneath.

Lianne Dalziel

**MAYOR OF CHRISTCHURCH**