

29 April 2022

Via Email: RUCconsultation22@transport.govt.nz

To whom it may concern

SUBMISSION TO THE MINISTRY OF TRANSPORT ON DRIVING CHANGE: REVIEWING THE ROAD USER CHARGE SYSTEM

Thank you for the opportunity to present our submission on Driving Change: Reviewing the Road User Charge System.

Queenstown Lakes District Council would further like to thank the Ministry of Transport for the deadline extension to provide our submission.

The Queenstown Lakes District Council (QLDC) supports work by the Ministry of Transport on Driving Change: Reviewing the Road User Charge System. Points of emphasis and recommendation regarding the implications of the proposed changes to the Queenstown Lakes District include that:

- QLDC is supportive of changes proposed to the Road User Charges system that take into account externalities, especially greenhouse gas emissions
- changes proposed to the display of RUC licence and other transport paper labels will not affect QLDC operations, as it currently accesses this information electronically using licence plates as a reference point.

QLDC recommends that the Ministry of Transport further considers the environmental impacts of vehicles and Road User Charges throughout the Queenstown Lakes District and wider Aotearoa New Zealand.

Please note that this submission reflects the position of officers and has not been ratified by full Council.

Thank you again for the opportunity to comment.

Yours sincerely,



Mike Theelen
Chief Executive

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1.0 Background

- 1.1 Queenstown Lakes District is an essential component of the national tourism economy, responsible for 43.7% of Aotearoa New Zealand's largest export industry¹.
- 1.2 Reducing greenhouse gas emissions is central to the adoption of regenerative economics, a mindset advocated by the district's Regenerative Recovery Advisory Group². Whilst the formation of this group was in response to the Covid-19 pandemic, the regenerative approach applies over the long term, moving from a conventional economy through sustainability and on to a regenerative economy.
- 1.3 QLDC broadly supports the submission by Taituarā on behalf of the local government sector in relation to the review of the Road User Charges system.

2.0 Queenstown Lakes District residents are climate conscious and any change to the Road User Charge system should reflect the significance and effort required to meet New Zealand's climate change obligations

- 2.1 Queenstown Lakes District has an average daily population of 50,550 (visitors and residents) and a peak daily population of 112,1503.
- 2.2 Our residents are highly climate conscious and passionate about the integrity of the environment. Most people move to the district because of a connection with the lakes and mountains. This connection drives many to participate in climate action, sustainability, and conservation initiatives.
- 2.3 The district is proud to have a number of highly active community groups that are focused on sustainability and environmental protection, that have contributed to the development of an engaged, informed, and diverse population.
- 2.4 In June 2019, Council declared a climate and ecological emergency and has since established a Climate Action Plan, focusing on emissions reduction mitigation activities as well as adaptation considerations⁴.
- 2.5 Investment in large scale behaviour change is required to decrease the number of vehicles on New Zealand roads, and also requires appropriate infrastructure. QLDC supports work to mitigate the impacts of climate change, and the changes proposed to the Road User Charge system support the delivery of these measures.

3.0 QLDC is supportive of changes to Road User Charges that take into account externalities

- 3.1 As stated in the review, other than the Emissions Trading Scheme, only the problem gambling levy and tobacco and alcohol excise taxes are designed to influence behaviour. The proposed changes to Road User Charges would represent a shift away from taxes being as 'neutral' as possible, to incentivising and influencing certain behaviour.
- 3.2 Currently Road User Charges focus solely on recovering direct costs of roading. QLDC supports changes to Road User Charges so that they take into account externalities, especially greenhouse gas emissions. It also supports consideration of other

¹ <https://ecoprofile.infometrics.co.nz/Queenstown-Lakes%2bDistrict/Tourism/TourismGdp>

² <https://www.qldc.govt.nz/recovery/regenerative-recovery-advisory-group>

³ <https://www.qldc.govt.nz/community/population-and-demand>

⁴ <https://www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan>

environmental damage, such as air and water pollution and noise pollution. To achieve the kind of shift necessary to achieve climate change and other goals, these other externalities need to be built in to Road User Charges.

- 3.3 Incorporating externalities will require careful legislative design both from a policy level and at an operational level. For example, the mechanism for regular review and setting of Road User Charges should be done in a manner that does not require a change to legislation.
- 3.4 Council understands that the scope of this review relates solely to Road User Charges. However, it shares the concern in the discussion document that the proposed changes raise questions about how to address equity between motorists paying Road User Charges and those paying Fuel Excise Duties, as it would not be as easy to apply similar distance based charges to petrol vehicles.
- 3.5 In addition, more detail is required around what specifically the new income stream for externalities from Road User Charges would be put towards. QLDC supports this revenue being directed to specific purposes, to avoid it being a general unspecified income stream.
- 3.6 The impacts of the proposed changes on industries that will be particularly affected by any changes must be considered. QLDC supports a staged transition to ensure that these sectors are not disproportionately impacted.

4.0 Proposed changes to the paper label display requirements in vehicles

- 4.1 At an operational level, it is proposed to remove the requirement for light vehicles to display a RUC licence and other transport paper labels (rego).
- 4.2 All Councils would be required to access to Waka Kotahi databases for enforcement purposes, using the licence plate as a reference point.
- 4.3 From the information provided, it does not appear that this would materially change how QLDC collects parking and roading infringement fines. Council currently issues these fines electronically through Waka Kotahi's databases using licence plate numbers, or through scanning the Road User Charge paper bar code. The latter method will not longer be available, but this does not constitute a large proportion of how fines are issued by QLDC. Accordingly, this proposed change would not impact our operations.