



SUBMISSION

to the Inland Revenue Department

Implementation of the Carbon Tax

5 July 2005

Introduction

The Cycling Advocates' Network (CAN) is pleased to present this submission on implementation of the carbon tax. The executive of the group has prepared this submission, with feedback from CAN members. We support carbon taxes as a mechanism to encourage more sustainable transportation. CAN supports a less car-dominated society, with better conditions for cyclists in particular, but also for pedestrians and public transport users.

Support for Carbon Tax

The IRD's discussion paper on implementing the carbon tax notes that: "Most New Zealand consumers and businesses will not pay the [carbon] tax directly. Rather, they will see changes in the relative prices of different sources of energy, transport options, and other products." The carbon tax is thus relevant to cyclists, who have been advocating for less car dependence and better conditions for cyclists for many years.

At all levels of government, since adoption of the New Zealand Transport Strategy (2002) and enactment of the *Land Transport Management Act 2003*, New Zealand has been attempting to reduce its car dependence and increase travel choices for those who wish to use public transport, or to walk or cycle. Cyclists and pedestrians benefit from fewer and less-polluting cars by having cleaner air and safer streets.

We support the need for a variety of methods of managing the demand for motor vehicle travel, with a carbon tax being a potentially useful tool. Given the anticipated future need for New Zealand to purchase carbon credits, due largely to our increasing levels of greenhouse gas (GHG) emissions from the transport sector, introducing carbon taxes will help send correct pricing signals to energy consumers.

Smaller, more fuel-efficient cars and more travel by foot and by cycle (as intended under

*Getting there – on foot, by cycle*¹), would be expected outcomes of this measure. In addition, we support the introduction of carbon taxes for aviation fuel, as proposed, as air travel generates high levels of GHG emissions on a per capita, per trip basis.

In summary, we strongly support the initiative to implement a carbon tax as we feel it will encourage good transport decision making at the individual, local council and national levels. The government's intention to demonstrate its commitment to the Kyoto Protocol is highly regarded by CAN as being good for New Zealand and good for cyclists.

For further clarification of the points raised in this submission, please contact the undersigned.

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<p>The Cycling Advocates' Network of NZ (CAN) Inc is this country's national network of cycling advocate groups. It is a voice for all cyclists - recreational, commuter and touring. We work with central government and local authorities, on behalf of cyclists, for a better cycling environment. We have affiliated groups and individual members throughout the country, and links with overseas cycling organisations. In addition, several national/regional/local government authorities, transportation consultancies, and cycle industry businesses are supporting organisations.</p>
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¹ New Zealand Walking and Cycling Strategy, Ministry of Transport 2005