



SUBMISSION

Submission: 2023/24 Energy Levies Proposal

To: Te Tari Tiaki Pūngao Energy Efficiency And Conservation Authority

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Ia Ara Aotearoa Transporting New Zealand (Transporting New Zealand) submission to EECA on the 2023/24 Energy Levies Proposal

1. Transporting New Zealand appreciates the opportunity to provide feedback to EECA on the 2023/24 Energy Levies Consultation.
2. Transporting New Zealand supports the proposed \$3 million increase in the Petroleum or Engine Fuel Monitoring (PEFM) levy funding request, subject to EECA continuing to support freight decarbonisation.
3. Many decarbonisation technologies, particularly for road freight, are still in their infancy. The PEFM Levy and Low Emission Transport Fund (LETf) provide impactful funding for decarbonisation technologies and investments would not otherwise be commercially viable.
4. Supporting the proposal is also consistent with Transporting New Zealand's Green Compact: our framework for decarbonising commercial road transport by 2050, that will be launched [early next year](#).
5. Transporting New Zealand notes that the government and transport companies are operating in a constrained economic environment, and this does raise valid questions around whether a 29 percent levy increase is justifiable. However, in considering our submission, Transporting New Zealand came to the view that:
 - a. The indicative PEFM levy rate for 2023/2024 is .19 cent/litre for the variable EECA cost – a tiny element of total fuel cost; and
 - b. Challenging economic conditions in 2023/2024 could see transport companies suspend or delay decarbonisation investment. This will make co-funding through the LETf more important than ever.
6. We do note that our support for PEFM levy increases is not interminable. In the medium term, as decarbonisation technologies in the transport sector become more commercially viable and widely available, Transporting New Zealand expects that the need for co-funding through the LETf (and the PEFM levy) will reduce.

About Ia Ara Aotearoa Transporting New Zealand

Ia Ara Aotearoa Transporting New Zealand is a national membership association representing the road freight transport industry. Our members operate urban, rural and inter-regional commercial freight transport services throughout the country.

As the peak body and authoritative voice of the road freight sector, Transporting New Zealand's purpose is creating the environment where trucking operators can drive successful, safe, sustainable businesses. Our strategic priorities are:

- Providing one industry voice for advocacy
- Promoting the road freight transport industry
- Attracting talent and promoting workforce development
- Supporting our members and customers
- Sustainability, safety and responsible emissions reduction

New Zealand's road freight transport industry employs 33,000 people (1.2% of the total workforce), and has a gross annual turnover in the order of \$6 billion. This is part of a wider transport sector that employs 108,000 people and contributes 4.8 percent of New Zealand's GDP. Road freight transport accounts for 93% of the total tonnage of freight moved in New Zealand (MoT National Freight Demands Study 2018).

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