

↘ Regional fuel tax and transport could fly

"Auckland's proposed regional fuel tax could play an important role in aimed at financing the region's transport frustrations", says NZ Council for Infrastructure Development Chief Executive Stephen Selwood. "But it pays to bear in mind that collectively the region's pressing projects would require \$3.5 billion, three times the amount expected to be generated by the tax."

"To make an effective contribution the proposed tax must be part of a greater programme of revenue raising", adds Mr Selwood. Research clearly shows that the economic benefit from early completion of strategic transport links vastly exceeds the cost. "The Government and Aucklanders should use the fact wisely. Used to repay debt over a longer period - say up to thirty years - a ten cent per litre fuel tax could fully fund all the priority projects in the region."

Using revenue from the tax to service a greater programme of long term debt would enable Aucklanders to complete an array of vital and long overdue projects - providing new trains and passenger transport facilities, completing local roading projects and forging ahead with the Western Ring Route and the Auckland Manukau Eastern Transport Initiative, for example. Penlink, enjoying strong community support and stymied only by a lack of funding, could also be completed early.

It is a given now that transport congestions is seriously inhibiting Auckland's productivity. According to Mr Selwood, "that harms the standard of living for all of us who choose to make Auckland our home. Addressing the problem makes good economic - and indeed social - sense".

"Using debt to fund long term capital expenditure gives us equity across generations. These projects have a life spans of decades. It makes sense to match their funding to their life span, rather than drip feeding projects on the current pay as you go approach."

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I Notes to editors

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NZ Council for Infrastructure Development

NZCID (www.nzcid.org.nz) is an authority at the forefront of infrastructure development issues. Our numerous members stem from sectors across New Zealand, including: equity owners, service providers, public sector agencies, major infrastructure users. Together we share a clear purpose: world class infrastructure for the benefit of all New Zealanders.

