



Attn: Finance and Expenditure Committee

NZ Parliament

Wellington

Re: OraTaiao Submission on Taxation (Annual Rates for 2022-23, Platform Economy, and Remedial Matters) Bill (No 2)

31/10/22

Tēnā koe,

OraTaiao: NZ Climate and Health Council is pleased to have the opportunity to submit on the above Bill. OraTaiao is particularly interested in the ways in which well-designed climate action can also achieve significant health and equity benefits, which stand to improve both public health and the current pressures on our overstretched health system. As a major source of climate emissions in Aotearoa, and a significant driver of ill-health due to the current private car-orientated infrastructure, there are many opportunities to achieve these improvements in our transport system.

Extensive and conclusive evidence now exists to show the health effects of our car-dominated transport system, including air pollution, enforced physical inactivity, trauma, sound pollution and neighbourhood severance. Barrier-reducing policies supporting work-related bicycle purchase exist in many European countries, and while this is only one component of a range of different measures promoting active transport including infrastructure development and safety improvements, it is an obvious area for improvement in Aotearoa.

We wish to make two key points regarding the above bill

- **We support Clause 27** detailing the insertion of new section CX19C. This will help remove the discrepancy whereby public transport is currently treated as a Fringe Benefit but work-related vehicles are exempted.
- **We strongly recommend the exemption of all work-supplied bicycle, including e-bicycles, and other human-powered or predominately human-powered wheeled vehicles like tricycles, e-tricycles and recumbent bicycles from fringe-benefit tax.** The omission of a clause actioning this is a significant oversight, completely at odds with the government's Climate Action Plan and fails to show support to the commitments made by city councils to reduce car-use and promote active transport.

- Therefore, we recommend the following **section CX 19D from the proposed Clean Transport FBT Exclusions Bill to be incorporated into this Bill**, modified to include tricycles and e-tricycles: “A benefit that an employer provides to an employee in the form of assistance with the provision of a bicycle to enable the employee to travel to and from their home to their place of employment is not a fringe benefit if the assistance is provided by— (a) the employer providing a bicycle to an employee; or (b) the employer purchasing a bicycle for an employee; or (c) the employer reimbursing, in whole or in part, the employee for the costs of employee’s purchase of a bicycle. this section,— bicycle includes an e-bike e-bike means a power-assisted bicycle fitted with one or more electric auxiliary propulsion motors that have a combined maximum power output not exceeding 300W.”

Finally, we acknowledge that the health benefits of active transport are optimised by general support and removal of barriers, but with a simultaneous limitation of existing advantages for private car use. We recommend as well as the crucial changes above, that fossil fuel powered work-related vehicles no longer be exempted from FBT and a reversal of the extended exemption for Small Business Car Parking FBT announced in 2020 (with exceptions only for disability parking and vehicles required due to disability)

Yours sincerely,



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About OraTaiao

OraTaiao: The New Zealand Climate and Health Council is an organisation calling for urgent, fair, and Tiriti-based climate action in Aotearoa; we recognise the important co-benefits to health, well-being and fairness from strong and well-designed mitigative policies.

We honour Māori aspirations, are committed to the principles of te Tiriti o Waitangi, and strive to reduce inequities between Māori and other New Zealanders. We are guided in our practice by the concepts of kaitiakitanga (guardianship), kotahitanga (unity), manaakitanga (caring), and whakatipuranga (future generations).

OraTaiao has grown over a decade to more than 900 health professionals concerned with:

- The negative impacts of climate change on health, well-being, and fairness;
- The gains to health, well-being, and fairness that are possible through strong, health-centred climate action;
- Highlighting the impacts of climate change on those who already experience disadvantage or ill-health (i.e., equity impacts);
- Reducing the health sector's contribution to climate change.

As well as individual and organisational members, we are backed by 22 of New Zealand's leading health professional organisations for our Health Professionals Joint Call to Action on Climate Change and Health (see https://www.orataiao.org.nz/friends_and_supporters). This support includes the New Zealand Nurses Organisation, Public Health Association, the Royal Australasian College of Physicians and the Australasian College of Emergency Medicine, plus numerous other specialist colleges. Together, these organisations represent tens of thousands of our country's health workforce.

As an organisational member of the Climate and Health Alliance, we work with a worldwide movement of health professionals and health organisations focused on the urgent health challenges of climate change - and the health opportunities of climate action. OraTaiao signed the Doha Declaration on Climate, Health and Wellbeing of December 2012, which reflects this international perspective.

