

# **Climate Change (Transport Funding) Bill**

Member's Bill

## **Explanatory note**

The purposes of this Bill are to alter the funding priorities of the National Land Transport Fund over time so that, after five years, funds are allocated mainly to travel demand management and infrastructure and services supporting transport modes other than the private motor vehicle. The Bill also includes a new section identifying the Minister's responsibilities to ensure that transport decisions meet the purposes of the principal Act.

Currently, the National Land Transport Programme prioritises disproportionate amounts of funding on unsustainable modes of transport. For 2007/08, this equates to spending six times as much on maintaining and growing the road transport network as spent on rail, sea, walking, and cycling alternatives.

The need for a redefining of spending priorities is demonstrated by the statements in the National Land Transport Programme 2007/08. Passenger transport service expansion continues to be restricted by limited funding from local authorities while the number of projects submitted for walking and cycling projects continues to exceed the level of funding allocated.

## **Clause by clause analysis**

*Clause 5* inserts two new subsections into section 19 specifying percentages of the national land transport fund that are to be spent on particular activity classes.

*Clause 6* amends Schedule 1 to ensure that Transit New Zealand includes in its land transport programme only those proposed State highway system activities for which confirmation of support, including an agreed level of financial support, has been received from all

local authorities within whose geographical area the activity occurs, either in whole or in part.

*Clause 7* amends section 5 to include a definition of “financial assistance rate”.

*Clause 8* amends the Act to include a new section concerning the setting of financial assistance rates.

*Clause 9* amends the Act to include a new section identifying the responsibilities of the Minister.

*Clause 10* addresses consequential amendments.

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**The Parliament of New Zealand enacts as follows:**

**1      Title**

This Act is the Climate Change (Transport Funding) Act **2007**.

**2      Commencement**

This Act comes into force on the day after the date on which it receives the Royal assent.

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**3      Principal Act amended**

This Act amends the Land Transport Management Act 2003.

**4 Purpose**

The purposes of this Act are to:

- (a) specify that the national land transport fund be spent mainly on travel demand management and infrastructure and services supporting transport modes other than the private motor vehicle; and
- (b) to include a new section identifying the Minister's responsibilities.

**5 Section 19 amended**

Section 19 is amended by adding the following new subsections after section 19(5):

“(6) The Authority must ensure that the national land transport programme includes allocation of the total annual spend of the national land transport fund in the proportions specified in **subsection (7)** to the activities within the following activity classes:

- “(a) public transport operations and services;
- “(b) public transport infrastructure excluding state highway infrastructure;
- “(c) walking and cycling;
- “(d) rail freight operations and services;
- “(e) rail infrastructure for freight and/or passenger purposes;
- “(f) coastal shipping infrastructure, operations, or services: and
- “(g) travel demand management including education and information.”

“(7) The proportion of the national land transport fund to be spent on activities within the activity classes specified in **subsection (6)** shall be not less than—

- “(a) 20% in the first year after this Act comes into force; and
- “(b) 35% in the second year after this Act comes into force; and
- “(c) 50% in the third year after this Act comes into force; and
- “(d) 60% in the fourth year after this Act comes into force; and
- “(e) 67% after the fifth year after this Act comes into force.”

**6 Amendment to Schedule 1**

- Clause 2 of Schedule 1 is amended by adding the following new subclause after clause 2(5):
- “(6) When identifying the activities and safety administration outputs in subclauses (1) to (5) of this clause, Transit New Zealand must include only proposed State highway system activities for which confirmation of support, including an agreed level of financial support, has been received from all local authorities within whose geographical area the activity occurs, either in whole or in part.”

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**7 Interpretation**

- Section 5 is amended by inserting the following definition in the appropriate alphabetical order:

“**financial assistance rate** means the proportion of the publicly funded costs of an activity met from the national land transport account”.

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**8 New section 8A inserted**

- The Act is amended by inserting the following new section after section 8:

**“8A Setting of financial assistance rates**

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- “(1) No later than 1 April each year, the Minister must notify all approved organisations of the financial assistance rates that will apply in respect of activities and activity classes included in the national land transport programme, such national land transport programme to be published by 30 June that year.

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- “(2) The Minister must be satisfied that the financial assistance rates specified in **subsection (1)** will assist to—
- “(a) achieve a safe, integrated, responsive and sustainable land transport system; and
- “(b) ensure that the requirements of section 19(6) and (7) of this Act are met.

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- “(3) Notice given under **subsection (1)** must include—

- “(a) the financial assistance rate that will normally apply to all activities within the geographical area of each regional council; and
- “(b) the basis on which a regional council may apply to vary the financial assistance rates for particular activities, while maintaining in aggregate the overall financial

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- assistance rate for activities specified in **paragraph (a)**;  
and
- “(c) any special financial assistance rates that apply to particular activities or activity classes; and
- “(d) justification for the matters specified in **paragraphs (a), (b) and (c)** in terms of achieving a safe, integrated, responsive and sustainable land transport system and ensuring the requirements of section 19(6) and (7) are met.”

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**9 New section 35A inserted**

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The Act is amended by inserting the following new section after section 35:

**“35A Minister must report annually on performance of Act**

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- “(1) The Minister is responsible for monitoring and reviewing the state of land transport in New Zealand, including the operation of this Act, in relation to the goal of a safe, integrated, responsive and sustainable land transport system.
- “(2) The Minister must publish each year by 30 June a report detailing the matters specified in **subsection (1)**.”

**10 Consequential amendments**

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Any consequential amendments to this or any other Act can be deemed to have been made should such be required to ensure that the purposes of this Act are upheld.