

11-JUN-00 01:25PM FROM-HON MARK GOSCHE

Attachment to Report 00.446

Page 1 of 2

Hon Mark Gosche

Minister of Transport

12 June 2000

More Money for Public Transport

Public transport received a significant boost today with the Government announcing changes to funding systems that could nearly double the amount available for public transport over the next three years.

As a result of today's announcement current spending of \$46 million on public transport could be boosted by \$27 million per annum within three years. If capital expenditure from projects already under investigation was also included total extra funding could exceed \$47 million, said Transport Minister Mark Gosche and Associate Minister Judith Tizard.

"This would more than meet our pre-election pledge to increase spending by \$20 million per annum. This Government has a strong Commitment to public transport. We see it as a key method of improving accessibility in our cities. It is also at least part of the answer to the congestion problems our major cities face," said Mr Gosche.

"One way of helping improve public transport which doesn't require lengthy legislative change, and so can be done immediately, is to remove the barriers to funding."

The Government would remove the \$46.2 m cap on passenger transport service grant and under patronage funding will allow the grants to grow as patronage grows. Regional councils that invest in services that people actually use will receive more support.

Another key change is a move towards paying regional councils for the number of people carried by passenger transport. Under the new system, the Government will fund councils using a per-passenger subsidy

"Put simply, the more people the local authorities can encourage to use public transport, the greater the financial support from the Government. The more public transport use grows, the more money the government will give it to grow even more," said Mr Gosche.

Mr Gosche said related changes to public transport funding included removing two caps on existing funding

11-JUN-00 01:25PM FROM-HON MARK GOSCHE

+64-4-4059461

Attachment to Report 00.446
Page 2 of 2

In **addition**, the government would remove the current cap on capital funding for alternatives to **roading**.

"These caps have been **arbitrary**. **By** removing them we are **helping** regional **councils** invest in public transport."

Mr Gosche also signalled further changes to public transport to come.

"In **this** package we **have** looked at what can be **done immediately** to remove **barriers** to public transport investment, **under existing legislation**. **Longer term I also plan to review the way public transport is funded and managed.**"

Mr Gosche said this longer term review **would** include **total mobility** (a tax voucher scheme for the transport **disadvantaged**) and would be associated **with work** on other possible changes to **road** safety and the road management system.

"I plan to report back to Cabinet on **these** matters before the end **of the year.**"

For more information please call Christine Robertson on 025-270-9004