

# **Climate Change (Government Vehicle Procurement) Bill**

Member's Bill

## **Explanatory note**

### **General policy statement**

This Bill aims to decrease emissions of greenhouse gases by requiring the State sector to purchase or lease only those passenger vehicles that are energy efficient through having a better than average emissions performance of 170g/km of CO<sub>2</sub> (approximately 7 l/100km) – the same efficiency standard set out in the *New Zealand Energy Efficiency and Conservation Strategy 2007* for the New Zealand fleet as a whole. (Measuring fuel economy in terms of CO<sub>2</sub> rather than mileage has many advantages as it makes no prescription concerning fuel or technology.)

Transport is a major contributor to New Zealand's greenhouse gas emissions, and is one of the main areas in which we can improve environmental sustainability.

It is important for the Government itself to demonstrate leadership in this area. The cost and emissions savings obtainable from the Government fleet are worthwhile, but the real value of a Government commitment to purchasing fuel efficient vehicles is the potential influence on purchasing decisions for company fleets and, in due course, vehicles owned by private individuals.

The *Current Government Fleet and Procurement Practice Report* (2006) found that, "except for the district health boards, there is

significant potential to reduce vehicle size across the fleet”. The amount of carbon dioxide emissions from the total Government fleet of 21,000 vehicles has been estimated at 112,000 tonnes/annum. The current average emissions performance is 210g/km of CO<sub>2</sub> (9.2 l/100km).

### Clause by clause analysis

*Clause 1* is the Title of the Bill.

*Clause 2* provides for the Bill’s provisions to come into force on the day after the date on which it receives the Royal assent.

*Clause 3* states that the purpose of the Bill is to require the State sector to purchase or lease only passenger vehicles that have an emissions performance of better than 170g/km of CO<sub>2</sub>.

*Clause 4* states that the Bill binds the Crown.

*Clause 5* defines terms used in the Bill.

*Clause 6* specifies the size classes of vehicles.

*Clause 7* restricts State sector organisations in the passenger vehicles they can purchase, or lease, to those vehicles with an emissions performance that is better than 170g/km of CO<sub>2</sub> unless those vehicles are used wholly or partly for certain law enforcement, conservation, or emergency purposes.

*Clause 8* requires all passenger vehicles purchased or leased by State sector organisations to be among the top 10% for fuel efficiency in their size class as listed on the [fuelsaver.govt.nz](http://fuelsaver.govt.nz) website.

*Clause 9* requires all State sector organisations to report annually on their passenger vehicle purchases and leases. In addition to a requirement to report to the Ministry for the Environment, and for the Ministry to publish that information on its website, organisations must include information about vehicle purchases or leases in their annual reports. This requirement will allow for parliamentary scrutiny of organisations’ contributions to greenhouse gas emissions in the annual financial review of organisations.

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

- 1 Title**  
This Act is the Climate Change (Government Vehicle Procurement) Act **2009**.
- 2 Commencement**  
This Act comes into force on the day after the date on which it receives the Royal assent. 5

**3 Purpose**

The purpose of this Act is to require State sector organisations to decrease greenhouse gas emissions by ensuring, when purchasing or leasing passenger vehicles, that the vehicles—

- (a) emit no more than 170g/km of CO<sub>2</sub>; and 5
- (b) are among the top 10% in fuel efficiency in their size class.

**4 Act binds the Crown**

This Act binds the Crown.

**5 Interpretation** 10

In this Act, unless the context otherwise requires,—

**passenger vehicle** means a motor vehicle designed primarily for the carriage of 6 or fewer people

**size class** means any one of the classes of passenger vehicles in **section 6** 15

**State sector organisation or organisation** means—

- (a) a department, as that term is defined in section 2 of the State Sector Act 1988, but includes—
  - (i) the Office of the Clerk of the House of Representatives: 20
  - (ii) the New Zealand Defence Force:
  - (iii) the New Zealand Police:
  - (iv) the New Zealand Security Intelligence Service:
  - (v) the Parliamentary Counsel Office:
  - (vi) the Parliamentary Service: 25
- (b) a Crown entity, as that term is defined in section 7 of the Crown Entities Act 2004:
- (c) a State enterprise, as that term is defined in section 2 of the State-Owned Enterprises Act 1986:
- (d) an Office of Parliament, as that term is defined in section 2 of the Public Finance Act 1989: 30
- (e) an organisation listed in Schedule 4 of the Public Finance Act 1989.

**6 Size classes**

For the purposes of this Act, there are 4 size classes of passenger vehicle, based on engine capacity, as follows:

- (a) Class 1—1000 cc or less:
- (b) Class 2—1001 cc to 1400 cc inclusive: 5
- (c) Class 3—1401 cc to 1800 cc inclusive:
- (d) Class 4—greater than 1800 cc.

**7 Limit on emissions of Government’s passenger vehicle**

(1) Except as provided for in **subsection (2)**, a State sector organisation must not purchase or lease any passenger vehicle that has emissions performance of more than 170g/km of CO<sub>2</sub> measured according to the website [fuelsaver.govt.nz](http://fuelsaver.govt.nz). 10

(2) A State sector organisation may purchase or lease any passenger vehicle that has an average emissions performance of more than 170g/km of CO<sub>2</sub> for— 15

- (a) law enforcement activities:
- (b) conservation purposes:
- (c) the provision of emergency services including, but not limited to—
  - (i) fire fighting: 20
  - (ii) ambulance services:
  - (iii) search and rescue.

**8 Vehicles must be fuel efficient**

A State sector organisation must, when purchasing or leasing passenger vehicles, purchase or lease only vehicles in the top 10% of their size class for fuel efficiency as identified on the website [fuelsaver.govt.nz](http://fuelsaver.govt.nz) at the time of purchase or lease. 25

**9 Reporting requirements**

(1) Every State sector organisation must, by 30 September each year, provide the Ministry for the Environment with a statement of the categories of passenger vehicles purchased or leased by the organisation in the previous financial year, the fuel efficiency of the individual vehicles calculated under **section 8** and, where an organisation has purchased or leased any passenger vehicles with an average emissions perform- 35

- ance of more than 170g/km of CO<sub>2</sub> for one or more of the purposes in **section 7(2)**,—
- (a) the number of vehicles purchased or leased:
  - (b) the engine capacity, average emissions performance, and fuel efficiency (calculated under **section 8**) of the vehicles: 5
  - (c) the purposes for which the vehicles were used and, as nearly as possible, an estimate of the time used for those purposes as a percentage of total use.
- (2) The Ministry for the Environment must publish on its website, in respect of every State sector organisation, the information required to be provided under **subsection (1)**. 10
- (3) Every State sector organisation must also, in its annual report, set out the categories of passenger vehicles purchased or leased by the organisation in the previous financial year, and the fuel efficiency and average emissions performance of the individual vehicles calculated under **section 8** and, where an organisation has purchased or leased any vehicles with an average emissions performance of more than 170g/km of CO<sub>2</sub> for one or more of the purposes in **section 7(2)**,— 15 20
- (a) the number of vehicles purchased or leased:
  - (b) the engine capacity, average emissions performance, and fuel efficiency (calculated under **section 8**) of the vehicles:
  - (c) the purposes for which the vehicles were used and, as nearly as possible, an estimate of the time used for those purposes as a percentage of total use. 25
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