

# Land Transport Management (Regulation of Public Transport) Amendment Bill

Submission to the Transport and Infrastructure Committee

May 2023



## ***What is Taituarā?***

Taituarā — Local Government Professionals Aotearoa is an incorporated society of nearly 1,000<sup>1</sup> members drawn from local government chief executives, senior managers, and council staff with significant policy or operational responsibilities. We are an apolitical organisation. Our contribution lies in our wealth of knowledge of the local government sector and of the technical, practical, and managerial implications of legislation. Our vision is:

*Professional local government management, leading staff and enabling communities to shape their future.*

Our primary role is to help local authorities perform their roles and responsibilities as effectively and efficiently as possible. We have an interest in all aspects of the management of local authorities from the provision of advice to the planning and delivery of services, infrastructure and climate resilience and mitigation. Local authorities have responsibility for providing public transport planning and infrastructure.

## ***Introduction***

Taituarā broadly supports the proposals contained in the Land Transport Management Amendment Bill. The improved collaboration and planning requirements provide the opportunity for councils to meet broader community wellbeing objectives. The review of the current Public Transport Operating Model (PTOM) is a key steppingstone in reducing Aotearoa New Zealand's transport emissions as identified in the first Emissions Reduction Plan.<sup>2</sup> The proposed Sustainable Public Transport Framework (SPTF) is a welcome improvement; enabling local government the framework and flexibility to meet community needs and meet important environmental and wellbeing targets.

Our submission outlines our support for improvements to planning, procurement, and delivery of services. It also provides recommendations for improvements and highlights risks we have identified with the implementation of the reform.

## **We wish to speak to our submission.**

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<sup>1</sup> As at 1 July 2022.

<sup>2</sup> Action 10.1.2 of the Emissions Reduction Plan

## ***Improvements to planning, procurement, and delivery of services.***

Taituarā supports the broadening of principles under *clause 9* to encompass key government objectives such as promoting mode shift and reducing emissions. Acknowledgement of the externalities associated with the provision of public transport (such as health impacts<sup>3</sup> and the shift away from focusing on commerciality and reducing reliance on subsidies is particularly welcomed. The cost of public transport to society compared with, for example, single occupancy vehicles is significantly lower (see diagram below) which will produce wider economic benefits. Furthermore, increasing the use of public transport reduces congestion which is detrimental to productivity.<sup>4</sup> Increasing the mode share of public transport (and active transport) also has considerable health and environmental benefits which will be critical to improving individual and community wellbeing. In addition to this, we also support the removal of barriers to decarbonisation and improving the regulation and administration of services found in clauses 6, 11 and 12.

We acknowledge the legislative changes are aimed at *enabling* the removal of barriers to decarbonisation (as well clarifying and improving regulation and administration of services), however the planning process could *require* regional transport planning to include consider the emissions budgets and emissions reduction plans administered under the Climate Change Response Act 2002.

However, it should be noted that these changes in and of themselves will not produce the mode shift required to meet our emissions reduction targets. Providing attractive services that have the frequency, reliability, and connection to comfortable last mile travel options is necessary. Furthermore, research has shown that Travel Demand Management (TDM) strategies are needed to support mode shift, that “integrating TDM into overall planning and policy appears to be more successful compared to implementing TDM as a separate programme that is added following the planning stage.”<sup>5</sup> Travel Demand Management Strategies require co-operative approach and suggest The Agency increase communications funding to support this.

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<sup>3</sup> Ministry for the Environment, Health and Air Pollution in New Zealand Accessed from: <https://environment.govt.nz/publications/health-and-air-pollution-in-new-zealand-2016-findings-and-implications/>

<sup>4</sup> Ministry of Transport (July 2020) *The Congestion Question: Main Findings* Accessed from: <https://www.transport.govt.nz/assets/Uploads/Report/TheCongestionQuestionMainFindings.pdf>

<sup>5</sup> Waka Kotahi, Travel Behaviour Change Report. Accessed from: <https://www.nzta.govt.nz/assets/resources/travel-behaviour-change/Travel-behaviour-change-report.pdf>

We strongly support the retention of section 115(1)(d) due to our full support of requiring fair and equitable employment for bus drivers. We have also been provided with a copy of the FIRST Union submission and endorse the comments they have made in respect of fair and equitable employment.

We request the drafting of s 115(1)(e)(i) change from “assists public transport to be efficient” to “assists land transport to be efficient” Under investment in public transport services contributes to greater costs across the rest of the land transport network due to the high costs associated with car dependence.

Collaboration is key to achieving the broader outcomes as intended, so we support the inclusion of local and territorial authorities in clauses 14 and 15. However, guidance and resourcing will be required to implement the culture changes and additional work associated with the proposed changes.

We support Clause 13 and the need to identify and plan for public transport infrastructure throughout the RLTP process. However, we ask the Committee to clarify whether this needs to be included in infrastructure strategies as per the requirement under section 101B Local Government Act 2002.



### **We recommend the Committee:**

- Insert emissions reduction budgets and plans under the Climate Change Response Act 2002 as a consideration in section 124.
- Clarify whether the identified assets need to be included in infrastructure strategies under the Local Government Act 2002.

## ***Enabling councils to operate and own public transport services***

Enabling councils to own public transport assets and operate public transport services in-house will likely reduce costs and allow for more direct control over the services provided. This may also allow for a more agile system which is responsive to the needs of the community. For example, in 2019 the Otago Regional Council was pressured by the community to improve services to allow for children to safely take the bus to school at a reasonable time. Because the service was contracted out significant time and resource went into renegotiating contracts and procurement. When there is a clear desire from the community to reinstate a public transport service Councils should be empowered to act decisively to fulfil community needs and integrate public transport planning with other environmental and health responsibilities.

The current commercial model makes it hard to put in place lower patronage services to either meets the needs of specific groups, or to increase the span of operating hours. Increased operating hours services can provide a very important role in enabling public transport to be a more attractive option for people. Enabling councils to own operational public transport assets can help to deliver the best mix of assets to meet community needs. This will be critical to enable the decarbonisation of our public transport fleet. Public transport assets, like new electric buses and associated charging infrastructure, have long lives, and high upfront capital costs. Councils have proven asset management and borrowing mechanisms. This may enable them to invest more efficiently than private operators who have significant risk premiums and long contractual terms.

The Local Government Act 2002 was amended in 2019 to expressly provide for the transfer of responsibilities under the LTMA, such as the provision of public transport, to a territorial authority.<sup>6</sup> While it is true that in general public transport services are delivered by regional councils there are exceptions such as Invercargill and some councils, such as Christchurch City Council and Dunedin City Council, have requested to take over the governance and administration of public transport within the city. This

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<sup>6</sup> See section 7B Land Transport Management Act 2003

is because while it is important that some regions (such as Wellington, Bay of Plenty, Auckland) are well connected as their public transport network serves densely packed populations. Other regions have their main population centres dispersed with no connections between them. Furthermore, the new section 116A (1) enables regional councils to contract territorial authorities for the provision of public transport.

Given the possibility of territorial authorities operating public transport we believe the legislative drafting (including the definition of a subsidy and procurement provisions under s 24(4)(b)(ii) to include both regional councils and territorial authorities.

**We recommend the Committee:**

- Amends the drafting of the proposed legislation to include territorial authorities as providers of public transport services.

### ***Encouraging greater collaboration***

Taituarā supports the requirement to collaborate in the planning, procurement, and delivery of services to improve the connection and integration of broader objectives. Collaboration between regional councils and territorial authorities envisaged by this Bill will be critical to providing a cohesive public transport system that meets community needs. It acknowledges the role of territorial authorities as a delivery partner for public transport and the need to be involved in the development of plans. Furthermore, we support the requirement for the regional public transport plan to take into account any publicly consulted on plans or strategies relevant to transport. This will help to ensure better integration between key plans and strategies, including local emissions reduction plans, and help the public to understand how different parts of the transport system work together.

However, the statutory requirements will not be sufficient to ensure productive regional collaboration. Partnerships like Let's Get Wellington Moving and Connecting Dunedin are critical. We recommend the Committee enquire around further ways to incentivise collaboration between regional councils and territorial authorities, for example through preferential funding through the National Land Transport Fund.

Furthermore, the Bill does not account for other reform packages which impact on the provision of public transport services and infrastructure. While we understand the difficulty in referring to other Bills, careful thought needs to be given to how the RPTP will interface with the proposed Regional Spatial Strategies (and the associated implementation agreements) under the Spatial Planning Bill.

**We recommend the Committee:**

- Provide funding and incentives to encourage collaboration.
- Clarify how the RPTP will interact with Regional Spatial Strategies and associated implementation agreements.

### ***Exempt services and on-demand services***

Taituarā acknowledges the importance of clarifying terms in clause 8 to enable clear and implementable policy and support the effort to create administrative efficiencies for service providers in clause 17.

We support clause 19 enabling the legislation to include exempt services. We also support the extension of notice periods in clause 18 for removal of exempt services. This will assist the provision of greater certainty for councils and users especially in the case of exempt services integral to the Public Transport Network.

With regards to the definition of a Unit, we agree with the proposed changes but request that this is extended to include railways.

**We recommend the Committee:**

- Amend the definition of a unit to include railways.

### ***Summary of Recommendations***

1. Insert emissions reduction budgets and plans under the Climate Change Response Act 2002 as a consideration in section 124.
2. Clarify whether the identified assets need to be included in infrastructure strategies under the Local Government Act 2002.
3. Amends the drafting of the proposed legislation to include territorial authorities as providers of public transport services.
4. Provide funding and incentives to encourage collaboration.
5. Clarify how the RPTP will interact with Regional Spatial Strategies and associated implementation agreements.
6. Amend the definition of a unit to include railways.



Professional excellence in local government

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