

Legislative Statement for the Land Transport Management (Regulation of Public Transport) Amendment Bill

Presented to the House of Representatives in accordance with Standing Order 272

Introduction

1. The policy objective of the Land Transport Management (Regulation of Public Transport) Amendment (the Bill) is to establish the Sustainable Public Transport Framework (SPTF), which will replace the Public Transport Operating Model (PTOM). The SPTF is a new framework for the planning, procurement, and delivery of public transport services. In achieving this policy objective, the Bill also removes barriers to decarbonisation and clarifies and improves the regulation and administration of some public transport services. To achieve these outcomes the Bill:
 - embeds the SPTF objectives in the regulation of public transport, which prioritise mode-shift, fair and equitable treatment of employees, and improved environment and health outcomes
 - enables regional councils to operate public transport services
 - enables regional councils to own assets directly by removing the requirement for a local authority's interests in public transport services to be held in a council-controlled trading organisation
 - establishes a new requirement for public transport services to be planned, procured, and operated in an open and transparent manner
 - encourages greater collaboration between regional councils and territorial authorities
 - improves the framework for exempt services
 - expands the definition of public transport to clarify the treatment of on-demand public transport services.
2. The Bill will amend the Land Transport Management Act 2003 (the Act).

Background

3. PTOM is the framework that governs how public transport bus and ferry services are planned, procured and delivered. It has been in place since 2013.
4. Following the PTOM review Cabinet agreed to replace PTOM with the SPTF. The SPTF will retain some of the structural features of PTOM, including retaining the responsibilities of public transport authorities¹ (PTAs) for planning, procuring, and delivering services. However, the SPTF is being developed with four new overarching objectives:
 - public transport services support mode-shift from private motor vehicles, by being integrated, reliable, frequent, accessible, affordable, and safe
 - employment and engagement of the public transport workforce is fair and equitable, providing for a sustainable labour market and sustainable provision of public transport services

¹ Public transport authorities are regional councils, Auckland Transport, unitary authorities (other than Auckland Council) and territorial authorities that have the public transport function.

- well-used public transport services reduce the environmental and health impact of land transport, including by reducing reliance on single-occupancy vehicles and by using zero-emission technology
 - provision of services supports value for money and efficiency from public transport investment while achieving the first three objectives.
5. The SPTF will be implemented through the Bill and through the development of operational policy, which is the responsibility of Waka Kotahi NZ Transport Agency.

Provisions in the Land Transport Management (Regulation of Public Transport) Amendment Bill

6. Key provisions of the Bill:

- **embed the SPTF objectives in the regulation of public transport** – clause 9 amends the principles that guide the performance of functions by Waka Kotahi and PTAs to align them with the SPTF objectives
- **enable regional councils to own and operate public transport services:**
 - i. clause 6 creates an exception for public transport services from the requirement:
 1. to outsource activities to receive funding from the National Land Transport Fund
 2. that Waka Kotahi considers the desirability of enabling competition and encouraging competitive and efficient markets when approving a procurement procedure
 - ii. clause 7 allows regional councils to directly own public transport services, infrastructure, and associated assets – removing the requirement these interests are held through a council-controlled trading organisation
 - iii. clause 10 modifies the requirement that public transport services are contracted, unless exempt, such that this requirement only applies when services are outsourced
- **establish a transparency requirement for planning, procurement, and delivery of public transport services** –
 - i. clause 10 establishes a broad openness and transparency requirement, and establishes a specific requirement for openness and transparency in relation to operating costs, service performance, the vehicles and vessels used to operate services, the financial performance of operators, and the aggregate terms and conditions of the workforce
 - ii. clause 16 expands Waka Kotahi's power to require information from PTAs to include information in relation to the matters identified in clause 10
- **encourage greater collaboration between regional councils and territorial authorities**
 - i. clause 13 establishes a requirement that PTAs identify in regional public transport plans the infrastructure necessary to support the public transport services identified as integral
 - ii. clause 14 requires PTAs, when adopting regional public transport plans, to take into account:

1. the transport component of any publicly consulted plan or strategy of a local authority within the region
 2. the views of territorial authorities in the region
- iii. clause 15 establishes a new requirement that PTAs, except Auckland Transport, prepare a draft Regional Public Transport Plan (RPTP) in collaboration with the territorial authorities in the region
- **improve the framework for exempt services**
 - i. clause 18 increases the new minimum notice period to withdraw an exempt service that has been identified as integral in a RPTP to 60 working days
 - ii. clause 19:
 1. clarifies that Waka Kotahi should investigate whether an exemption should be added or removed if requested to do so by the Minister or PTA
 2. aligns the criteria for adding or removing an exemption with the SPTF objectives
 - **expand the definition of public transport to clarify the treatment of on-demand public transport services**
 - i. clause 4 expands the definition of 'public transport service' in relation to Part 5 of the Act to include unscheduled (on-demand) public transport services and shuttle services
 - ii. clause 8:
 1. expands the scope of exempt services to include commercial on-demand services and commercial shuttle services
 2. expands the definition of a 'unit' to provide PTAs with flexibility to identify in RPTPs a wide range of public transport service types
 - iii. clause 17 allows some exempt on-demand services to operate without being registered with the relevant PTA.

Amendments made by select committee

7. The Transport and Infrastructure Committee has examined the Bill and recommended that it be passed with amendments. The amendments are consistent with the policy intent of the Bill, and respond to some matters raised by submitters and clarify aspects of the regulation of public transport services. The key recommended changes to the Bill are to:
 - better provide for inter-regional public transport services by:
 - i. treating them the same as services within a region – commercial services will remain exempt, but subsidised services will be subject to the framework for planning, procurement, and operation of services (revised clause 8)
 - ii. requiring regional councils that propose to provide an inter-regional public transport service to consult with the local authorities in which the service would operate (revised clause 15)
 - iii. including a transitional provision in the Bill that allows existing subsidised inter-regional services to continue operating as exempt services (new schedule Part 3 – clause 12)
 - make minor improvements to the framework for exempt services, including:
 - i. clarifying the meaning of 'subsidy' (revised clause 4)

- ii. ensuring decision making around removing exemptions factors in whether sufficient funding is available for the service to be provided by a PTA (revised clause 19)
 - iii. a transitional provision to clarify the Bill will not impact any exemption reviews underway (new schedule Part 3 – clause 13)
- require PTAs to take into account the views of unions and the public transport workforce when adopting a regional public transport plan (revised clause 14)
- clarify that the transparency requirements in the Bill do not require any information to be disclosed by regional councils or Waka Kotahi NZ Transport Agency (Waka Kotahi) if there would otherwise be grounds to withhold it under the Local Government Official Information and Meetings Act 1987 or the Official Information Act 1982 (revised clause 10).

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