

Proposed operating policy and guidelines for contracted and exempt public transport services

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Contents

1	Purpose	3
2	Background.....	3
3	Principles for the regulation of public transport.....	4
3.1	Discussion	4
3.2	Principles for regulation of public transport.....	4
3.3	Supporting guidelines.....	4
4	Definition of public transport services	5
4.1	Integral and non-integral services	5
4.1.1	Integral services	5
4.1.2	Non-integral services	5
4.2	Contracted services	6
4.3	Exempt services.....	6
4.3.1	Exempt (registered) services	6
4.3.2	Exempt (unregistered) services	6
4.4	Excluded services	7
5	Determining the status of a public transport service	7
5.1	Discussion	7
5.2	Proposed operational policy	8
5.3	Supporting guidelines.....	9
6	Managing the registration, publication and variation of exempt services	9
6.1	Discussion	9
6.2	Proposed operational policy	9
6.3	Supporting guidelines.....	10
7	Changing the status of an exempt service to contracted service	10
7.1	Discussion	10
7.2	Proposed operational policy	10
7.3	Supporting guidelines.....	11
8	Considerations for on-demand services	11
8.1	Discussion	11
9	Considerations for allocation of services into units.....	11
9.1	Discussion	11
	Appendix A Public transport planning and decision-making framework	12
	Appendix B – Guidelines on principles for the regulation of public transport.....	13
	Appendix C – Guidelines on determining the status of a public transport service.....	14
	Appendix D – Guidelines for managing the registration and variation of exempt services ..	21
	Appendix E – Guidelines for changing the status of an exempt service to contracted.....	25
	Appendix F Summary of LTMA Bill 2023 changes	29

1 Purpose

The purpose of this document is to set out proposed operational policy and guidelines for consideration by the public transport sector.

This document outlines the proposed new operational policy, principles and supporting guidelines for contracted and exempt services that will support the implementation of the Sustainable Public Transport Framework (SPTF), including:

- Principles for the regulation of public transport services
- Determining the status of a public transport service
- Managing the registration, publication, and variation of exempt services
- Changing the status of an exempt service to contracted service
- Considerations for on-demand services

Engagement questions

- 1) Is the purpose of this document clear or are there other areas to cover?
- 2) When considering the whole document, is the separation of operational policy and supporting guidelines useful? Any suggestions for what could be improved?

2 Background

The SPTF has identified opportunities to improve the regulation and administration of exempt services. These opportunities include a combination of legislative amendments via the Land Transport Management (Regulation of Public Transport) Amendment Bill (LTMA Bill 2023) and new operational policy.

The LTMA Bill 2023 was introduced to Parliament on 16 March 2023. It expands the scope of exempt services to include commercial on-demand services.

The LTMA Bill 2023 allows some exempt on-demand services, and all exempt shuttle services, to be operated without being registered with a Public Transport Authority (PTA). This ensures that registration is limited to those services more likely to affect public transport services provided by PTAs.

The legislative amendments include:

- Changes to the types of public transport services that are included within the definition of exempt services.
- An increase in the minimum notice period to withdraw a registered exempt service that has been identified as integral in a regional public transport plan.
- Changes to the criteria to assess whether an exemption should be added or removed.
- Amending how an Order in Council process to add or remove an exempt service can be initiated.

Refer to Appendix F for a summary of the changes to legislation and an overview of public transport planning and decision-making under the SPTF is provided in Appendix A.

3 Principles for the regulation of public transport

3.1 Discussion

The LTMA Bill 2023 includes new principles to guide the regulation of public transport with amendments to the principles in section 115(1) of the Land Transport Management Act 2003 (LTMA 2003). These principles will guide the wider decision making involved with the SPTF, and the determination of operating policy and guidelines for contracted and exempt public transport services.

3.2 Principles for regulation of public transport

The new principles in the LTMA Bill 2023 (refer Appendix F) are a mix of outcomes, design principles and dependencies. The principles for regulation of public transport can be organised as follows:

- the **outcomes** that well-used public transport services contribute to
- what makes public transport an attractive modal choice (design **principles**)
- the **dependencies** critical to delivering attractive public transport service

The outcomes, principles and dependencies are as follows, with further details on the principles provided in Appendix B:

1. **Outcomes** - well-used public transport services should strive to:
 - a) reduce environment and health impacts
 - b) support mode shift from private motor vehicle use
 - c) ensure investments are efficient and give value for money
2. **Principles** – to support mode shift from private motor vehicle use, public transport services must be:
 - a) Co-ordinated
 - b) Integrated
 - c) Reliable
 - d) Frequent
 - e) Accessible
 - f) Affordable
 - g) Safe
3. **Dependencies** - public transport services must be supported by:
 - a) parties working together – PTAs, territorial local authorities, transport operators, Waka Kotahi, any other relevant local stakeholder groups
 - b) co-ordination between public transport services and infrastructure
 - c) sufficiently robust labour markets to sustain and expand public transport services, including fair and equitable employment or engagement of people in the public transport workforce
 - d) use of zero-emission technology

In addition to the above dependencies, sufficient funding must also be budgeted for and available to deliver public transport services and supporting infrastructure.

3.3 Supporting guidelines

Refer supporting guidelines in Appendix B for further detail on the design principles above.

Engagement questions

3) Is this summary of outcomes, design principles and dependencies useful?

4 Definition of public transport services

The Waka Kotahi VKT reduction plan defines public transport as follows:

Public transport – a system of shared mobility that can move large numbers of people and is provided by way of bus, train, ferry or other vehicle (refer LTMA 2003 section 5, recognising that the Land Transport Management (Regulation of Public Transport) Amendment Bill 2023 repeals paragraph (b)(ii) [with the effect of including shuttle services in the definition of public transport services])

The reference to “can move large numbers” doesn’t exclude other forms of public transport such as on-demand or smaller public transport vehicles, but rather emphasizes the ability of public transport to be scale up and meet higher or aggregated levels of demand.

Waka Kotahi has categorised public transport services based on status as follows. The steps identified refer to the steps in the process chart in Appendix C.

- Integral and non-integral services
 - Integral services - refer step 10
 - Non-integral services - refer step 6
- Contracted services - refer step 22
- Exempt services
 - Exempt (registered) services - step 9
 - Exempt (unregistered) services - step 8
- Excluded services - refer step 3

Chapter 5 outlines the steps to help identify the status of a public transport service. Refer Appendix F for a more detailed summary of the legislative changes in the LTMA Bill.

4.1 Integral and non-integral services

4.1.1 Integral services

Integral services are public transport services identified in a regional public transport plan as integral to the public transport network in that region. PTAs are solely responsible for determining the services that are integral to their respective public transport networks. This responsibility is subject to the principles for the regulation of public transport and consultation requirements for public transport plans.

Unless an integral service is an exempt service, it must be provided as a contracted service. This means exempt services can be identified as integral to the public transport network and continue to be operated as exempt services. Should the exempt service be deregistered the PTA should have an intention to then provide the integral services as a contracted service.

4.1.2 Non-integral services

Non-integral services are public transport services that have not been identified in a regional public transport plan as integral to the public transport network.

Engagement questions

- 4) To what extent is guidance required from Waka Kotahi on services that would be considered integral services and those that would be considered non-integral.

4.2 Contracted services

Contracted services are integral services that are not exempt services. Contracted services must be grouped into “units” and must be operated by or under contract to a PTA. Contracted services are eligible for NLTF consideration and can include:

- Bus, train and ferry services
- On-demand services

Community transport and Total Mobility Scheme services may be provided as contracted services with Waka Kotahi still to confirm the classification of these types of service.

4.3 Exempt services

Exempt services include¹:

- Inter-regional services²
- Non-integral services that operate without a subsidy
- Integral services that commenced operating before they were identified as integral services and that are operating without a subsidy³

Exempt services can be classified as exempt (registered) or exempt (unregistered). This is a change under the LTMA Bill to better support PTAs in providing on-demand public transport services. The key change is that taxi and shuttle services are now classed as exempt services but unlike other exempt services are not required to be registered.

4.3.1 Exempt (registered) services

Exempt (registered) services generally include:

- Scheduled bus, train and ferry services
- On-demand public transport services (at a certain scale)

All exempt services must be registered with the relevant PTA unless they meet the criteria for being unregistered (refer below). There are certain grounds on which a PTA may decline a registration which would mean the exempt service cannot be operated (refer s134 LTMA 2003).

4.3.2 Exempt (unregistered) services

Exempt (unregistered) services generally include:

- Taxi services
- Uber and similar
- Shuttle services

¹ Exempt services can also be identified by regulations made under section 150 of the LTMA.

² The Select Committee received several submissions regarding inter-regional services and are reviewing the default exempt status for inter-regional services.

³ Subsidy in the context of exempt services is defined in the LTMA 2003 as not including anything done under an agreement between a regional council and an operator to reduce passenger fares.

- On-demand public transport services (at a certain scale)

These exempt services are not required to be registered with the relevant PTA and can be further categorised as *private hire* or *ride-share* services as follows.

Note that unregistered exempt services may pick up others, much like a public transport service does, but the intention is that these would be of a small scale such that it is unlikely to affect public transport services provided by PTAs and therefore do not need to be registered. Larger scale operations would still likely be exempt services but would be required to be registered with a PTA.

Category	Type of services
Private hire	<ul style="list-style-type: none"> • Services that can be reserved for use by a single person or a self-selected group of people (s130(2)(a) of the LTMA Bill 2023)
Ride-share	<ul style="list-style-type: none"> • Services that are operated using a fleet of no more than 9 vehicles (s130(2)(a)(i) of the LTMA Bill 2023) • Services that are operated using vehicles that have no more than 9 seating positions (s130(2)(a)(ii) of the LTMA Bill 2023) • Services that are operated using vehicles that have 8 to 12 seating positions and which begin or end their journey at an airport, a bus or ferry terminal, or a railway station (for example shuttle services). (s130(2)(a)(iii) of the LTMA Bill 2023)

4.4 Excluded services

Excluded services are not subject to consideration as part of the regulation of public transport services. In summary, excluded services are school services funded by the Ministry of Education, special event services not available to the public generally and services for the sole or primary purpose of tourism (refer Appendix F).

Engagement questions

- 5) Is this definition of public transport services and service status useful? Are there any points that need to be clarified or considered inaccurate?

5 Determining the status of a public transport service

5.1 Discussion

The steps a PTA or other party could go through to identify the status or potential status of a public transport service. These steps have policy implications, mostly in terms of Waka Kotahi funding. These implications for each step are set out in the recommended policy below, with further detail and guidelines in Appendix C.

The following are important considerations in relation to inter-regional services:

- National land transport fund (NLTF) funding is determined by the Government Policy Statement on Transport Funding (GPS) activity classes, which means any policies relating to Waka Kotahi funding are subject to being included in the GPS.
- It is noted that PTAs will need to ensure that any inter-regional services that they wish to fund are also covered in their long-term plan under the Local Government Act (LGA), in addition to the requirements for inclusion in regional public transport plans.

If a service is integral, then it must be defined as part of a unit. However, while it is not a legal requirement that an exempt service be defined as a unit or part of a unit, it is desirable for an exempt service that is considered integral to be identified in a unit, or as part of a unit. Such an approach was taken by Greater Wellington in their RPTP 2014 for the exempt Airport Flyer service,

which was described as a unit along with proposed level of service and intention to contract the service if deregistered.

Identifying an exempt service that is integral as a unit, or part of a unit, will help create a more organised point of reference for the consideration and funding of public transport services.

There is a potential change in policy to allow for PTAs to provide public transport services that duplicate, or partially duplicate existing exempt services provided this is in the public interest and will deliver value for money. This proposal is not confirmed but needs further consideration in the context of the delivery of the SPTF.

We are aware of several potential contracting arrangements to achieve quality and other outcomes relating to exempt services, for example the potential role of partnership agreements and service level agreements, concession fare agreements. Further consideration is required.

5.2 Proposed operational policy

The following operational policy is proposed:

Funding of public transport services

1. Public transport services identified by a PTA as integral to the public transport network **must be** included as part of a “unit” in a regional public transport plan.
2. Public transport services **must be** identified in a RTP as integral to the public transport network to be considered by Waka Kotahi for funding from the NLTF.
3. Excluded services **will not** be considered by Waka Kotahi for funding from the NLTF.
4. Exempt services **will not** be considered by Waka Kotahi for funding from the NLTF, except where this is required to address an anomaly or where explicitly provided for by another Waka Kotahi policy.
5. Concession fare agreements approved by Waka Kotahi under a concessionary fare scheme **may be** considered by Waka Kotahi for funding from the NLTF.

Inter-regional public transport services

6. Inter-regional public transport services that are identified as integral to the public transport network, and that are provided for the purpose of local access or regional connection, **may be** considered by Waka Kotahi for funding from the NLTF.
7. Inter-regional public transport services that are provided for the purpose of regional connection **must be** identified as integral to the public transport network of **all PTAs where the service operates**.
8. The Inter-regional public transport services that are provided for the purpose of local access **must be** identified as integral to the public transport network of **at least the primary PTA**, even if part of the service operates in another region.
9. A lead PTA **must be** identified for each inter-regional public transport service. The lead PTA is responsible for coordinating and agreeing local share funding with other relevant PTAs and meeting Waka Kotahi funding and reporting requirements. Waka Kotahi **will only** consider providing funding to the lead PTA.

Contracting of services

10. Subject to first to attempting to negotiate a unit contract
11. PTAs **may** provide public transport services that duplicate, or partially duplicate existing exempt services provided that all other reasonable avenues have been explored and that

this is in the public interest and will deliver value for money. Such services **may be** considered by Waka Kotahi for funding from the national land transport fund (NLTF).

5.3 Supporting guidelines

Refer supporting guidelines in Appendix C.

Engagement questions

- 6) What are your views on the proposed policy requiring exempt services that are considered integral to be defined as a unit or part of a unit?
- 7) Do you have any views or information/evidence on the use of concession fare agreements, in particular any existing agreements receiving funding from Waka Kotahi?
- 8) Do you find it useful to distinguish between local access and regional connection inter-regional services, and for local access services not required all PTAs to agree?
- 9) Do you have feedback on explicit provision for public transport services that duplicate, or partially duplicate existing exempt services in certain circumstances, and the proposed criteria for this?
- 10) Are there any changes you would suggest to the policies, or any policies that would be useful to include?

6 Managing the registration, publication and variation of exempt services

6.1 Discussion

Current registration and variation of service provision lack clarity. This has led to PTAs to apply registration and variation processes in inconsistent ways. As it is an offence to operate a service, unless that service is exempt or registered with the relevant PTA, it is crucial to ensure that the management of the registration and variation process has clarity and is applied consistently across PTAs. Waka Kotahi has therefore clarified the management of the registered and exempt service provision in the following ways:

- The LTMA Bill 2023 contains changes to the definition of, and the requirement to register exempt services, to decrease the administrative burden on RCAs and to provide clarity of requirements.
- The LTMA Bill 2023 increases in the minimum notice period to withdraw an exempt service that has been identified as integral to give PTAs an opportunity to establish a replacement service.
- Waka Kotahi is considering the potential to facilitate a central portal or database for the purpose of enabling a single reference point for all registered exempt services nationally.

6.2 Proposed operational policy

The following operational policies are proposed:

1. PTAs **should** consider the guidelines for managing the registration of exempt services (refer Appendix D)
2. PTAs **must** outline the process for registration and variation of exempt services in their RPTP, including how any grounds for declining a registration would be applied.
3. PTAs **must** include on their website the process that transport operators are to follow to register exempt services, including the forms that transport operators are required to complete.

4. PTAs **must** use the template set out in Attachment 1 of the guidelines for managing the registration of exempt services (refer 9.1Appendix D), or something substantially similar, to enable transport operators to register or vary exempt services. This is to ensure consistency for operators engaging with multiple PTAs.
5. PTAs **must** keep a current and up-to-date register of exempt services that it is always available to the public to ensure current and accurate of information for transport operators and the public.

6.3 Supporting guidelines

Refer supporting guidelines in Appendix D.

Engagement questions

- 11) Do you support the idea of Waka Kotahi providing a central or database for the purpose of enabling a single reference point for all registered exempt services nationally?
- 12) Are there any changes you would suggest to the policies, or any policies that would be useful to include?

7 Changing the status of an exempt service to contracted service

7.1 Discussion

Changes are proposed under the Land Transport Management (Regulation of Public Transport) Amendment Bill (LTMA) to make it possible for PTAs to request that Waka Kotahi commence an investigation as to whether a public transport service's status should be changed from exempt to being operated in as a (part) unit or part of a unit.

Under the LTMA Bill 2023 changes have been made to the process for changing the status of an exempt service to a contracted service, with further information provided in Appendix E.

The Order in Council process under section 150 should only be used as a last resort. PTAs should the other options outlined in Appendix C before requesting a change in exempt status through an Order in Council process.

7.2 Proposed operational policy

The following operational policies are proposed:

1. Before seeking to deregister an exempt service that is identified as integral to the public transport network, and before requesting that the status of an exempt service be changed under section 150 of the LTMA a PTA **must** attempt to negotiate a unit contract with any existing transport operator/s.
2. Before any request to Waka Kotahi to commence an investigation under section 150 of the LTMA 2003 as amended by the LTMA Bill 2023, a PTA **must**:
 - a) Ensure that the service is identified in the regional public transport plan as integral to the public transport network. The regional public transport plan provides the means for consulting with the public and engaging with public transport operators.
 - b) Confirm that delivering the service as part of a unit is affordable, including ensuring that the required local share is available to fund the service under contract.
 - c) Demonstrate consideration of the steps set out in the guidelines for determining the status of a public transport services
 - d) Demonstrate that other options have been investigated, including negotiating with the existing operator a voluntary transition to providing the service under contract to

the PTA or delivering the desired changes to the service (for example lower fares) without seeking a change to the existing exempt service registration.

- e) Demonstrate an understanding of the supplier market and that the service can be delivered in a way that provides value for money.
 - f) Where appropriate, meet any relevant procurement or business case requirements for service improvements. For example, where NLTF funding is sought.
3. A PTA **must** provide the following information when making a request to Waka Kotahi for an investigation under section 150 of the LTMA 2003 as amended by the LTMA Bill 2023:
- a) Evidence that it has considered the steps in the guidelines for determining the status of a public transport services.
 - b) Evidence that the service is identified in the regional public transport plan and is integral to the public transport network.
 - c) Evidence in support of why the PTA considers that fares need regulating or that operating the unit will reflect and reinforce the principles set out in section 115(1) of the LTMA 2003 as amended by the LTMA Bill 2023.
 - d) A plan for how it will manage a transition from exempt to contracted.

7.3 Supporting guidelines

Supporting guidelines are provided in Appendix E.

Engagement questions

- 13) Are there any changes you would suggest to the policies, or any policies that would be useful to include?

8 Considerations for on-demand services

8.1 Discussion

Operational policy and guidelines are still being developed for on-demand services and will be shared for consideration under separate cover.

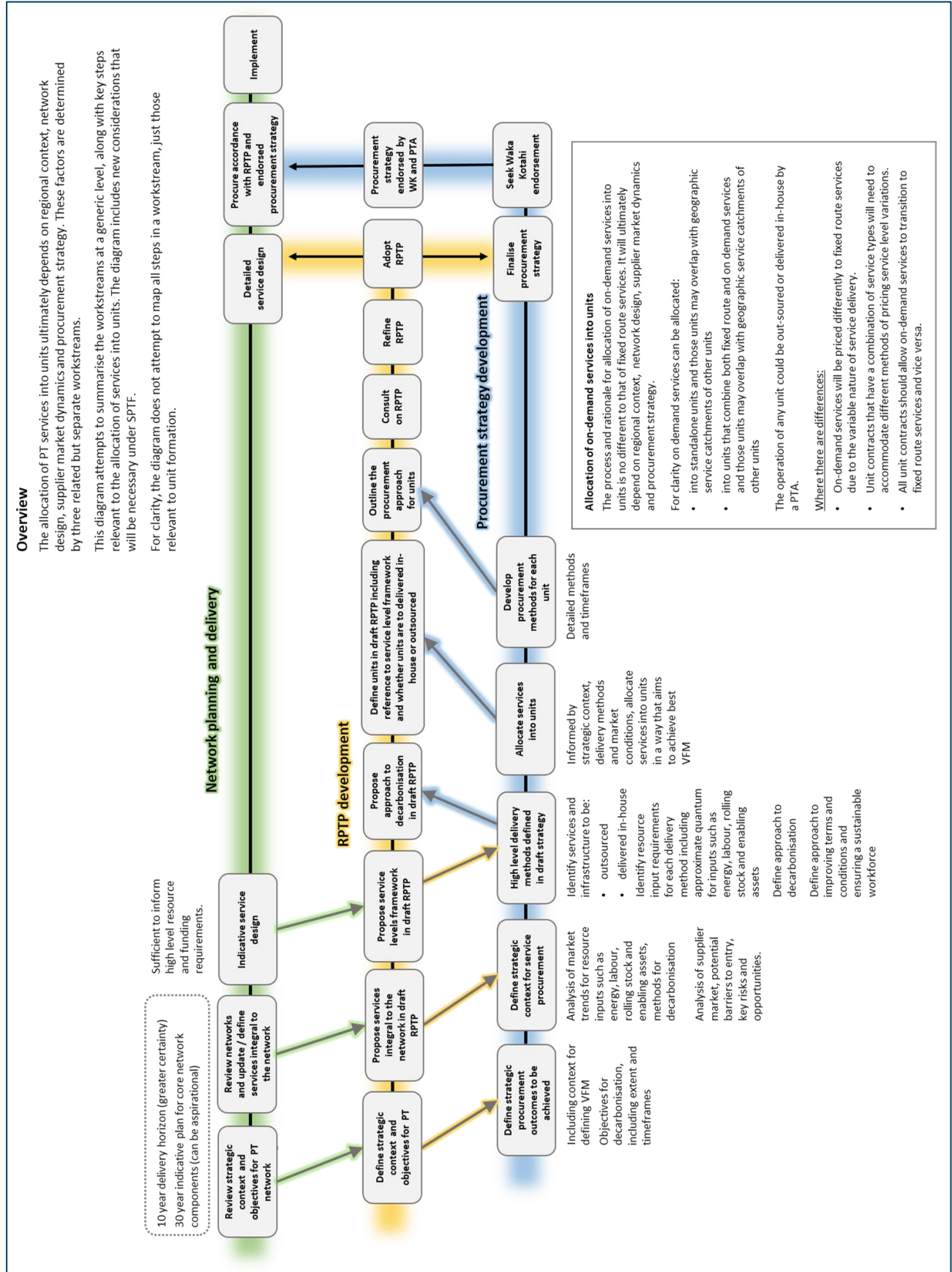
9 Considerations for allocation of services into units

9.1 Discussion

Operational policy and guidelines are still being developed for allocation of services into units and will be shared for consideration under separate cover. This will include reviewing and updating the Waka Kotahi guidelines for preparing regional public transport plans (RPTP guidelines)⁴.

⁴ Refer <https://www.nzta.govt.nz/walking-cycling-and-public-transport/public-transport/planning-and-investing-in-public-transport/planning-for-public-transport/>

Appendix A Public transport planning and decision-making framework



Appendix B – Guidelines on principles for the regulation of public transport

B.1 Design principles

The following table describes the principles identified in the LTMA Bill 2023 and outlined in chapter 3 above. These will be developed further as part of the public transport network and service design policy area within a proposed Waka Kotahi public transport plan.

Principle	Description
Co-ordinated	The co-ordination between services, modes and infrastructure. Includes PTAs, PTOs and TLAs working together to coordinate public transport services and infrastructure.
Integrated	How public transport networks are designed and connect with other modes, including active modes (eg for first/last mile access). The concept of an end-to-end journey is important for planning purposes and fares. How public transport networks incorporates land use planning into their planning systems.
Reliable	Services operating when they are scheduled to operate and providing reliable connections between modes. Includes provision for fair and equitable employment of people to ensure a sufficiently robust labour market to sustain and expand public transport services.
Frequent	Providing sufficient frequency to be a convenient alternative to the private car, including regular services with sufficient service span (hours of operation) for travel at all times including late evenings and weekend.
Accessible	How people access the network, including coverage of the network, design and placement of public transport stops, accessibility of stops and services for those who are mobility impaired. Ensuring that all members of the public can complete end to end trips.
Affordable	There are two aspects to affordability: <ul style="list-style-type: none"> Fares and the impact on demand and use of public transport Cost to government (that is to say, PTAs, Waka Kotahi and Crown) and the ability to fund public transport services that are attractive and which people want to use Includes ensuring that investments are efficient and give value for money.
Safe	Passenger safety while using and connecting to public transport services, but also driver safety and public transport being a safer mode than private car.

Engagement questions

- 14) Do you have any feedback on what should be considered within the scope of each of the identified design principles?

Appendix C – Guidelines on determining the status of a public transport service

C.1 Process for determining the status of a public transport service

The following figure steps through the questions that can be asked to help determine the status of a public transport service, including the likely Waka Kotahi policy position on NLTF funding.

Figure 1 Process for determining status of a public transport service (part 1 of 2)

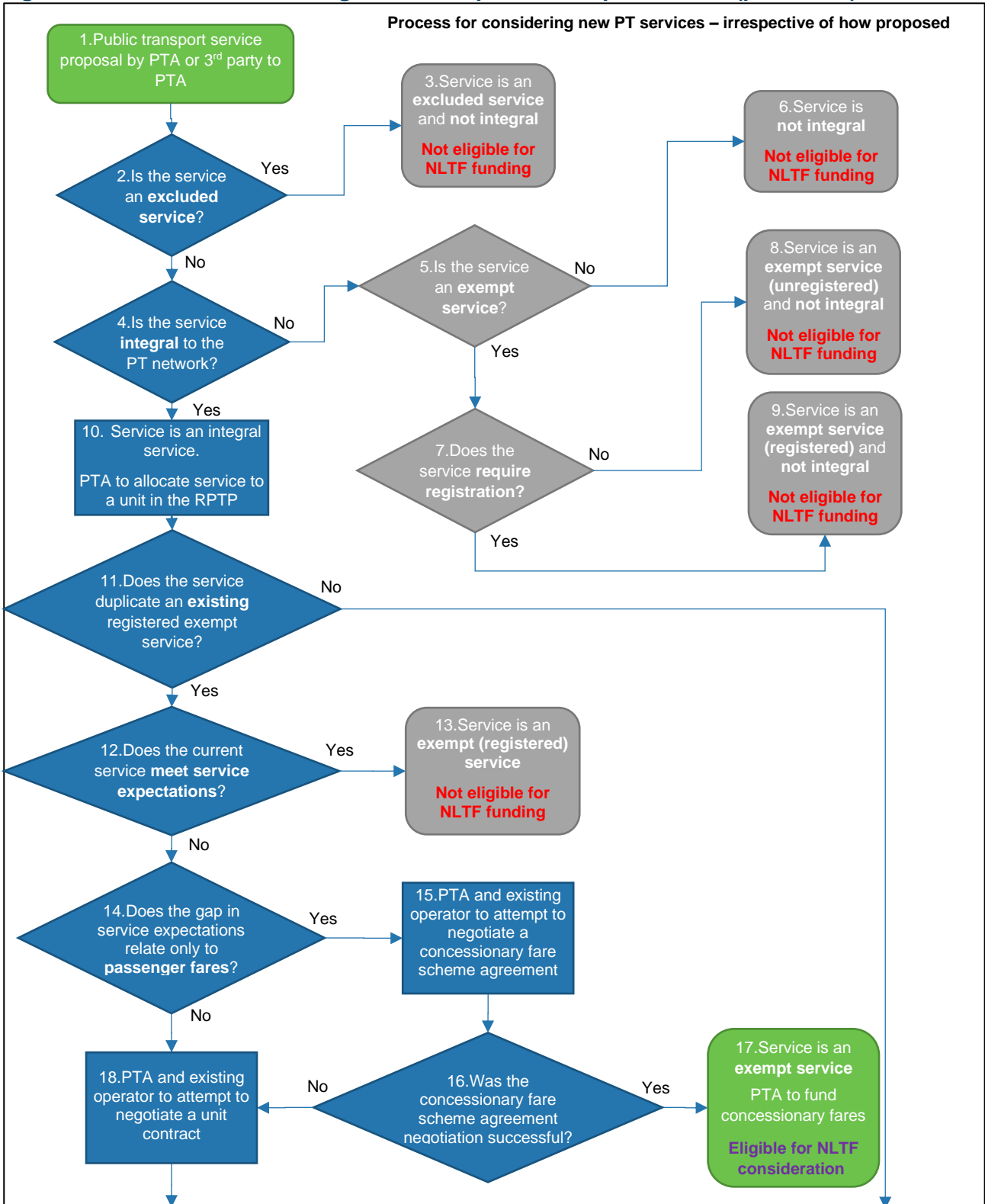
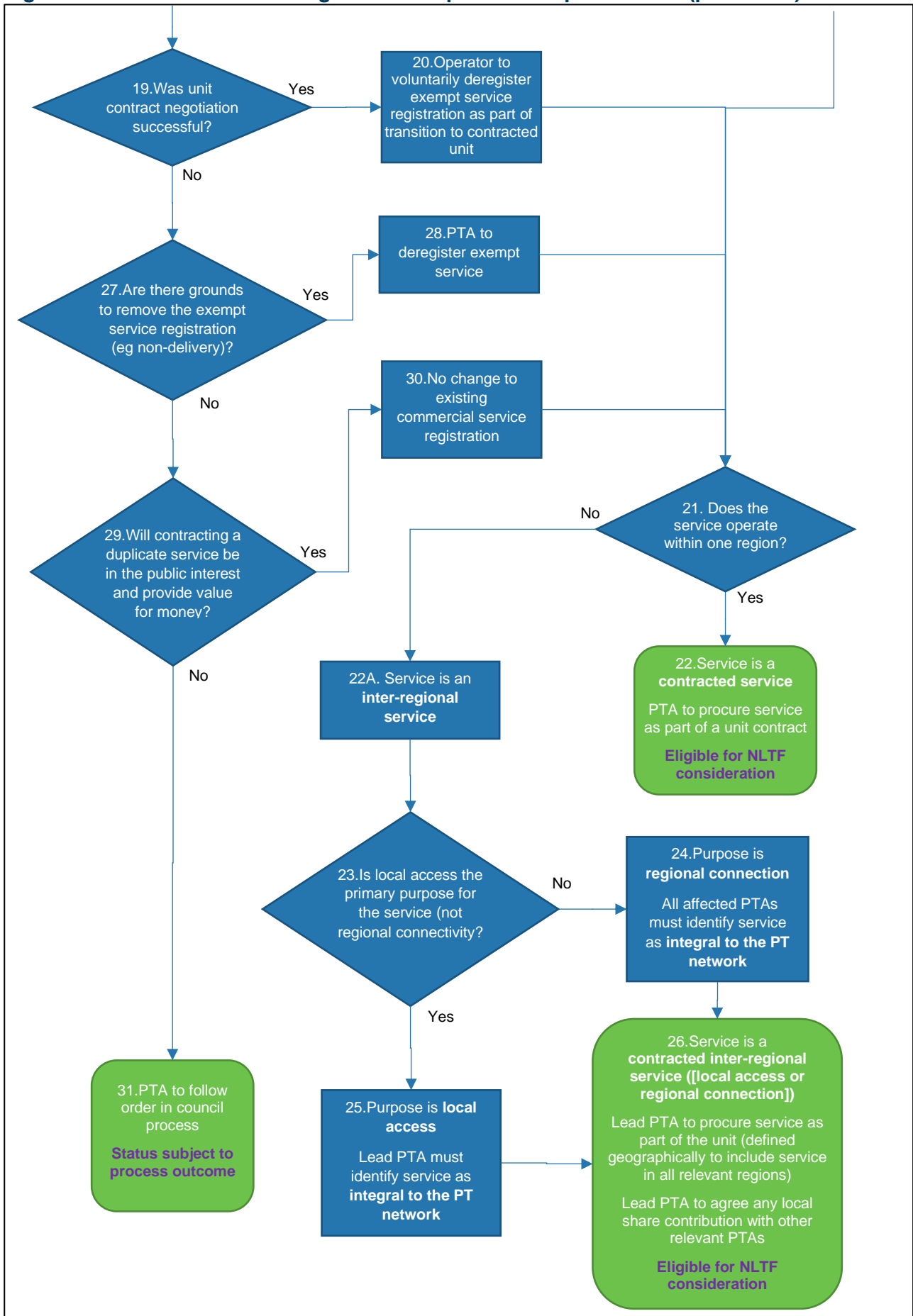


Figure 2 Process for determining status of a public transport service (part 2 of 2)



C.2 Supporting guidelines and operational policy considerations

The following table provides supporting guidelines and outlines operational policy considerations identified in each of the steps above.

Table 1 Supporting guidelines and operational policy considerations

Process step	Supporting guidelines	Operational policy consideration
1. Public transport service proposal	<ul style="list-style-type: none"> PTA will propose a new service or change to an existing service. This will likely be the result of a network or service review. 	
2. Is the service an excluded service?	<ul style="list-style-type: none"> Refer LTMA 	
3. Service is an excluded service and not integral. Not eligible for NLTF funding	<ul style="list-style-type: none"> Service status = “Excluded service” Service type = “Non-integral service” 	<ul style="list-style-type: none"> Excluded services will not be considered by Waka Kotahi for funding from the NLTF.
4. Is the service integral to the PT network?	<ul style="list-style-type: none"> Any services not identified in a regional public transport plan should not be considered further until they have been added to the RPTP. The RPTP variation process includes public and stakeholder engagement on the proposed service and expected level of service. Waka Kotahi is developing further guidance on ‘integral’ services. 	<ul style="list-style-type: none"> Public transport services identified by a PTA as integral to the public transport network must be included as part of a “unit” in a regional public transport plan.
5. Is the service an exempt service?	<ul style="list-style-type: none"> Refer LTMA s114A (Meaning of exempt service) 	
6. Service is a non-integral service. Not eligible for NLTF funding	<ul style="list-style-type: none"> Service is not an exempt or integral service and therefore is not suitable for consideration as a public transport service. If a commercial operator wants to provide that service, they can consider operating it as an exempt service. 	<ul style="list-style-type: none"> To be considered for funding from the NLTF public transport services must be identified in a regional public transport plan (RLTP) as integral to the public transport network.
7. Does the service require registration?	<ul style="list-style-type: none"> Refer LTMA s130 (Exempt services must be registered to operate) 	<ul style="list-style-type: none"> TBD – operational policy guidance on processes for registering/deregistering exempt services
8. Service is an exempt service (unregistered) and not integral. Not eligible for NLTF funding	<ul style="list-style-type: none"> Service status = “Exempt (unregistered) service” 	<ul style="list-style-type: none"> Refer policy in step 6.
9. Service is an exempt service (registered) and not integral. Not eligible for NLTF funding	<ul style="list-style-type: none"> Service status = “Exempt (registered) service” 	<ul style="list-style-type: none"> Refer policy in step 6.

<p>10. Service is an integral service. PTA to allocate service to a unit in the RTP</p>	<ul style="list-style-type: none"> Refer guidance (to be developed) on allocation of services into units as part of a public transport plan 	<ul style="list-style-type: none"> Refer policy in step 4.
<p>11. Does the service duplicate an existing registered exempt service?</p>	<ul style="list-style-type: none"> This includes where the services might duplicate part of an existing exempt service, particularly if targeting similar markets (for example airport travel) Refer policy and guidelines on managing the registration and variation of exempt services 	
<p>12. Does the current service meet service expectations?</p>	<ul style="list-style-type: none"> There is no need for any further action if the current service/s meets service expectations. Service expectations can relate to levels of service, fare levels, etc as set out in the regional public transport plan or the LTMA Bill principles for the regulation of public transport. Refer step 14 if the gap relates only to passenger fares. 	<ul style="list-style-type: none"> PTAs service expectations should be publicly available to enable PTOs and the public generally understand what matters to the PTA and how the PTA determines whether a service is meeting expectations (or not that justifies an intervention).
<p>13. Service is an exempt (registered) service. Not eligible for NLTF funding</p>	<ul style="list-style-type: none"> Service status = “Exempt (registered) service” 	<ul style="list-style-type: none"> Exempt services will not be considered by Waka Kotahi for funding from the NLTF, except where explicitly provided for by another Waka Kotahi policy.
<p>14. Does the gap in service expectations relate only to passenger fares?</p>	<ul style="list-style-type: none"> Where the gap in service expectations relates only to passenger fares then negotiating a concessionary fare scheme agreement (for example SuperGold) will generally be the best approach. 	
<p>15. PTA and existing operator to attempt to negotiate a concessionary fare scheme agreement</p>	<ul style="list-style-type: none"> The negotiation of a concessionary fare scheme agreement may be with one or more operators depending on the services affected. 	
<p>16. Was the concessionary fare scheme agreement negotiation successful?</p>		
<p>17. Service is an exempt service. PTA to fund concessionary fares. Eligible for NLTF consideration</p>	<ul style="list-style-type: none"> Service status = “Exempt (registered) service” Any concessionary fare agreements to be eligible for NLTF funding consideration, must meet certain requirements [to be defined] and show value for money to be considered for NLTF funding. 	<ul style="list-style-type: none"> Concession fare agreements approved by Waka Kotahi under a concessionary fare scheme may be considered by Waka Kotahi for funding from the NLTF.

<p>18. PTA and existing operator to attempt to negotiate a unit contract</p>	<ul style="list-style-type: none"> • This step applies where there is a gap in service expectations relating to factors other than passenger fares or where the negotiation of a concessionary fare scheme agreement is unsuccessful. • The PTA may attempt to negotiate a unit contract with the existing transport operator. • If there are multiple transport operators providing existing services there might need to be a limited competitive process, for example to determine which operator provides any additional services. 	<ul style="list-style-type: none"> • A PTA must attempt to negotiate a unit contract with any existing transport operator/s before seeking to deregister an exempt service that is identified as integral to the public transport network, and before requesting that the status of an exempt service be changed under section 150 of the LTMA
<p>19. Was unit contract negotiation successful?</p>	<ul style="list-style-type: none"> • In principle a unit contract could operate without subsidy, that is to say 100% commercial. 	<ul style="list-style-type: none"> • Any agreed subsidy for a negotiated unit contract should only reflect the marginal increase in cost.
<p>20. Operator to voluntarily deregister exempt service registration as part of transition to contracted unit</p>	<ul style="list-style-type: none"> • When a unit contract is negotiated the transport operator will need to ensure that the deregistration of the exempt service occurs, and that will no longer be operated. • The deregistration date and notice period should be agreed and set to align with the commencement of the unit contract to ensure continuation of service. 	<ul style="list-style-type: none"> • When transitioning from an exempt service to a contracted unit the PTA must ensure that there is continuity of service.
<p>21. Does the service operate within one region?</p>	<ul style="list-style-type: none"> • This question is necessary because inter-regional services are automatically deemed exempt services and therefore need to be addressed separately 	
<p>22. Service is a contracted service. PTA to procure service as part of a unit. Eligible for NLTF consideration</p>	<ul style="list-style-type: none"> • Service status = “Contracted service” 	<ul style="list-style-type: none"> • Refer policy in step 4
<p>22A. Service is an inter-regional service</p>		
<p>23. Is local accessibility the primary purpose for the service (not regional connectivity)?</p>	<ul style="list-style-type: none"> • This question relates to whether “local access” or “regional connectivity” is the primary purpose of the services with the answer determining the Waka Kotahi’s operational policy for the inter-regional service. 	<ul style="list-style-type: none"> • Inter-regional public transport services that are identified as integral to the public transport network and that are provided for the purpose of local access or regional connection may be considered by Waka Kotahi for funding from the NLTF.
<p>24. Purpose is regional connection. All affected PTAs</p>	<ul style="list-style-type: none"> • Regional connection means the service provides wider 	<ul style="list-style-type: none"> • Inter-regional public transport services that are provided for

<p>must identify service as integral to the PT network</p>	<p>access between regions (eg Capital Connection and Te Huia train services)</p>	<p>the purpose of a regional connection must be identified as integral to the public transport network of all PTAs where the service operates.</p>
<p>25. Purpose is local access. Lead PTA must identify service as integral to the PT network</p>	<ul style="list-style-type: none"> • Local access means that the service provides localised amenity across a regional boundary (for example Levin to Waikanae and Tuakau to Pukekohe bus services). 	<ul style="list-style-type: none"> • Inter-regional public transport services that are provided for the purpose of local access must be identified as integral to the public transport network of at least the primary PTA, even if part of the service operates in another region.
<p>26. Service is a contracted inter-regional service ([local access or regional connection]). Lead PTA to procure service as part of the unit (defined geographically to include service in all relevant regions). Lead PTA to agree any local share contribution with other relevant PTAs. Eligible for NLTF consideration</p>	<ul style="list-style-type: none"> • There is no requirement that precludes PTAs from funding exempt services. • Lead PTA to procure service as part of the unit (defined geographically to include service in all relevant regions). • Lead PTA to agree any local share contribution with other relevant PTAs. 	<ul style="list-style-type: none"> • A lead PTA must be identified for each inter-regional public transport service. The lead PTA will be responsible for agreeing local share funding with other relevant PTAs and engaging with Waka Kotahi. Waka Kotahi will only consider providing funding to the lead PTA.
<p>27. Are there grounds to remove the exempt service registration?</p>	<ul style="list-style-type: none"> • Under s137 there are two grounds under which an exempt service can be deregistered: <ul style="list-style-type: none"> ○ the PTO has persistently failed to operate the exempt service or part of the exempt service; or ○ has failed to commence operation within 90 days after registration • Any registered exempt service that is not being delivered in accordance with the registration can be deregistered by the PTA • Refer LTMA s137 Deregistration of exempt services and removing details of variations • Before deregistering a service that a PTO has failed to deliver the PTA needs to be satisfied that the failure is not due to circumstances beyond the reasonable control of the transport operator. 	
<p>28. PTA to deregister exempt service</p>	<ul style="list-style-type: none"> • Refer LTMA 	

<p>29. Will contracting a duplicate service be in the public interest and provide value for money?</p>	<ul style="list-style-type: none"> • Under the SPTF there is no requirement for contract exclusivity. • This is a possible new policy position for discussion and is intended to provide explicit guidance on circumstances (if any) when “contracting over” may be considered appropriate. • There is nothing precluding PTAs from contracting exempt services, the requirement to operate as a unit on an exclusive basis is explicitly removed by s116A(2). 	<ul style="list-style-type: none"> • PTAs may provide public transport services that duplicate, or partially duplicate existing exempt services provided this is in the public interest and will deliver value for money. Such services may be considered by Waka Kotahi for funding from the NLTF.
<p>30. No change to existing commercial service registration</p>	<ul style="list-style-type: none"> • Refer step 29 	<ul style="list-style-type: none"> • Refer step 29
<p>31. PTA to follow order in council process. Status subject to process outcome</p>	<ul style="list-style-type: none"> • Refer guidelines for changing the status of an exempt service to contracted service. 	<ul style="list-style-type: none"> • Refer proposed policy on changing the status of an exempt service to contracted service.

Engagement questions

- 15) Do you find the flow chart useful? Any suggestions on how we can improve the information within these supporting guidelines?

Appendix D – Guidelines for managing the registration and variation of exempt services

D.1 Purpose

The process to register, vary or decline an ‘exempt service’ varies across PTAs. It has been highlighted that access to the exemption process is not easily visible to potential exempt service operators and the treatment of applications may not be consistent across New Zealand.

D.2 LTMA Bill 2023 changes

D.2.1 Definition of exempt service

The definition of exempt service is provided in section 114A of the LTMA Bill 2023:

114A Meaning of exempt service

(1) In this Part, an exempt service is a public transport service that satisfies one of the following:

(a) it operates inter-regionally:

(b) it operates in a region that is required to have a regional public transport plan, but—

(i) when it started operating, it was not identified in that plan as integral to the public transport network in that region; and

(ii) it operates without a subsidy for its provision:

(c) it operates in a region that is not required to have a regional public transport plan:

(d) it is specified as an exempt service by regulations made under section 150.

(2) For the purposes of subsection (1)(b)(ii), a subsidy does not include anything done under an agreement between a PTA and an operator to reduce passenger fares.

D.2.2 Other LTMA Bill 2023 changes

D.2.2.1 General requirements for registration, variation and withdrawal of exempt services

The requirements for the registration, variation and withdrawal of exempt services are in sections 130-139 (registration of exempt services) of the LTMA 2003, as amended by the LTMA Bill 2023.

D.2.2.2 LTMA Bill 2023 definition changes and requirement to register exempt services

The definition of exempt services has been expanded in scope, refer section 114A of the LTMA 2003, as amended by the LTMA Bill 2023 for the new meaning of registered and non-registered exempt services.

Section 130 defines which exempt services need to be registered with the PTA. The intent of this change is to mitigate the potential for increased regulatory burden on operators and the potential for increased administrative burden on PTAs now that more passenger services are regulated under the SPTF, and most of which will not impact delivery of integral public transport services.

For those exempt services that must be registered with PTA, operators must notify the PTA when they intend to vary or withdraw services.

D.2.2.3 LTMA Bill 2023 increases in the minimum notice period to withdraw an exempt service that has been identified as integral

The previous minimum notice period in the LTMA 2003 to withdraw an exempt service is 15 working days. This notice period has been identified as too short where an exempt service has been identified as an integral part of a regional public transport network.

The LTMA Bill 2023 amendments establish a new minimum notice period for withdrawal of an exempt service that has been identified as integral in a RPTP to 60 working days. The intent of this

change is to give PTAs an opportunity to establish a replacement service (such as through an interim contract with the incumbent operator) but would not require operators to maintain an uncommercial service for longer than necessary.

The notice period to withdraw an exempt service that is not identified as integral remains unchanged at 15 working days.

Refer section 139 of the LTMA 2003, as amended by the LTMA Bill 2023.

D.3 Guidelines

A template for the registration and variation of exempt services is provided as an Attachment 1 (refer section D.4).

Engagement questions

16) Do you have any feedback on these supporting guidelines?

D.4 Attachment 1 – Template for registration or variation of exempt services

Operator Details	
Name of Organisation / Individual:	
Registration number:	
Trading Name:	
Postal Address:	
Street Address (if different from above):	
Name and title of person to whom the correspondence should be addressed:	
Telephone Number:	Fax Number:
Website:	Email:
Details of Scheduled Services	
New Service or Variation to Existing Service (cross-out option that is not applicable)	
Description: [For a New Service, please outline a brief description of the service and its intended function and customer base] [For a Variation to an Existing Service, please outline a brief description of the proposed changes]	
Route Description [only high-level for inter-regional required]:	
Service to operate between the following terminal points: A: B:	
Roads/Streets to be used [not applicable for inter-regional services]:	
Attach schedules, etc to describe the following: 1. Route description 2. Stopping places 3. Indicative timetable (departure and arrival times, intermediate timing points and stopping locations) [For all public transport services, a description is required. This description must include stopping places, proposed routes and an indicative timetable as set out in section 133 of the Land Transport Amendment Act 2003.]	
Additional Comments:	
Service Summary	
High-level description of vehicle(s) to be used:	
Proposed Date of Commencement:	
Please set out the relevant licensing details for the service you intend to provide:	

Declaration	
<p>I confirm that I act legally on behalf of the aforementioned organisation/ operator/ directors/ shareholders.</p> <p>I confirm that the exempt public transport service provided in our registration will be operated as detailed above and hereby request that you [register/vary] our service in the exempt public transport services register.</p> <p>Signed:</p> <p>Name:</p> <p>Position:</p> <p>Date:</p>	
Official Use Only	
<p>Registration Number:</p>	<p>Receipt:</p> <p>Date:</p> <p>Acknowledged:</p> <p>Initials:</p>
<p>Notes:</p>	
<p>Date Service Entered in Register:</p>	<p>Confirmed Service Commencement Date:</p>

Appendix E – Guidelines for changing the status of an exempt service to contracted

E.1 Purpose

The following is a draft framework setting out Waka Kotahi expectations of PTAs and the process for making a request under section 150. For clarity, a request to change the status of a contracted service to exempt is not addressed in this note.

E.2 LTMA Bill 2023 changes

Under the LTMA Bill 2023 the following changes have been made to the process for changing the status of an exempt service to a contracted service.

E.2.1 The LTMA Bill 2023 establishes explicit triggers for commencing an Order in Council process to remove an exemption:

Changes in the LTMA Bill 2023 seek to provide clarity on the process for initiating a review of a service that may lead to an Order in Council process to remove a service's exempt status or conversely to grant exempt status to a service.

The amendments enable a Minister or a PTA (which may be requested to do so by a member of the public, a local authority or an operator) to request that Waka Kotahi undertake a review of a service and make a recommendation to the Minister on whether to progress an Order in Council to change the status of a service.

Refer section 150 of the LTMA 2003, as amended by the LTMA Bill 2023.

E.2.2 The LTMA Bill 2023 amends criteria to assess whether an exemption should be added or removed

Currently, before recommending an Order in Council to add or remove an exemption, the Minister must be satisfied that Waka Kotahi has consulted with the relevant PTA and the operator. In the case of changing an exempt service's status to contracted, the Minister must also be satisfied that the service is integral to the region's public transport network and that its fares need to be regulated. Conversely if a service is to be made exempt, the Minister must also be satisfied that the service will not receive a subsidy.

This previous decision-making process primarily hinges on whether a service is integral to a region's public transport network, and whether its fares need to be regulated. This takes a narrow view of why it might be desirable to contract a service that is currently being provided commercially (and conversely why it might not be desirable to commercialise a service that is currently contracted).

E.2.3 The LTMA Bill 2023 broadens the assessment criteria to better reflect the SPTF objectives to include:

Where an exempt service is to be replaced by a unit, the Minister will now need to be satisfied that (refer s150 as amended by the LTMA Bill 2023):

- Waka Kotahi has consulted with the relevant PTA and operator of the service.
- the public transport service is being provided as part of the local roading network; or
- the service is an integral part of the region's public transport network; and, either:
 - the service needs its fares to be regulated; or
 - contracting the service would have a positive overall impact on achieving the SPTF outcomes – namely achieving mode-shift, a sustainable labour market, health and environmental outcomes, and value for money/efficiency.

Where a service is to be made exempt, the Minister would need to be satisfied that:

- Waka Kotahi has consulted with the relevant PTA and the operator of the service.
- the public transport service, while operating as an exempt service:
 - will not receive a subsidy
 - will not be an integral part of the relevant region’s public transport network
 - will not need its fares to be regulated; and
 - exempting the service will have a positive overall impact on achieving the SPTF outcomes – namely achieving mode-shift, a sustainable labour market, health and environmental outcomes, and value for money/efficiency

E.3 Guidelines

This guidance covers:

- What is required before making a request and information to provide
- PTAs making a request to Waka Kotahi
- Waka Kotahi process for considering a request
- Waka Kotahi process for completing an investigation
- Waka Kotahi consideration of individual criterion
- Process for transitioning a service from exempt to contracted

E.3.1 What is required before making a request and information to provide

The requirements for making a request and the information to provide when requesting Waka Kotahi undertaken an investigation into changing the status of an exempt service to contracted service under section 150 are set out in the proposed operational policy above.

E.3.2 PTAs making a request to Waka Kotahi

Refer proposed operational policy above for requirements for PTAs making a request to Waka Kotahi for an investigation under section 150.

E.3.3 Waka Kotahi process for considering a request

Waka Kotahi will review the PTA request and formally confirm whether it will proceed with an investigation. Waka Kotahi will advise the affected transport operator that it has received a request from a PTA.

If Waka Kotahi decides to proceed with an investigation, it will then engage with the PTA and transport operator to discuss how the process will run and what is required from the PTA and transport operator to assist with the investigation.

If Waka Kotahi declines a request the PTA and transport operator will be advised of the grounds on which Waka Kotahi is declining a request.

The Minister of Transport will also be kept informed of requests made to Waka Kotahi and progress with a review, should a review proceed. The Minister of Transport may have a different view to a PTA which Waka Kotahi will be required to consider.

E.3.4 Waka Kotahi process for completing an investigation

Beyond the PTA and transport operator Waka Kotahi will identify all the affected stakeholders it should consult (engage) with when undertaking its investigation.

Waka Kotahi will review the material available to it (for example the business case and the request) and determine whether further work is required to reach a view on whether the criteria have been met. This task may include seeking legal advice.

Once Waka Kotahi has determined it has sufficient information to reach a view it will release a position paper to affected stakeholders for feedback.

Waka Kotahi will consider feedback and reach a final view.

If Waka Kotahi determines that the criteria have been met before making a request to the Minister, Waka Kotahi will reconfirm with the affected PTA that contracting the service remains a priority and that they can meet the local share of costs.

Waka Kotahi will advise stakeholders of the position that it has reached and whether Waka Kotahi will request that the Minister recommend the status of the affected service to be changed from exempt to contracted through an Order in Council.

E.3.5 Waka Kotahi consideration of individual criterion

The following statutory criteria will be assessed as part of a review to change the status of an exempt service. An assessment will need to meet criteria A and one of criteria B and C, but even if this criteria is met, Waka Kotahi at its discretion may choose to not request a change in exempt status.

	Criteria	Guidance
A	Service is integral to the public transport network	Minimum requirement is that the service is identified in a regional public transport plan as integral to the public transport network. Potential requirements include: evidence that the affected transport operator/s have been consulted with by the PTA and the outcome of this consultation (s125 of the LTMA) evidence of how the service contributes to the objectives and aligns with the policies of the RPTP, including consultation on the regional public transport plan
B	Service needs its fares to be regulated	Waka Kotahi will consider the extent to which fares need to be regulated. Assessing whether fares need regulating is a continuum. One end is a pure competition assessment and at the other some form of public interest test (for example setting fares to achieve desired outcomes).
C	Contracting the service reflects and reinforces the principles for regulation of public transport	Waka Kotahi will consider the extent to which changing the status of the service will reflect and reinforce the principles for the regulation of public transport in section 115(1) of the LTMA 2003 as amended by the LTMA Bill 2023.

E.3.6 Process for transitioning a service from exempt to contracted

It is the responsibility of the PTA that made the request to lead the transition from exempt to contracted. The PTA is also required to prepare a transition plan as part of its request to Waka Kotahi.

A principles-based approach is recommended where the PTA presents a transition plan to Waka Kotahi covering:

- Principles / objectives that should inform transition plan:
- Smooth transition with minimal disruption to users:

- How a PTO's 'property rights' in the service will be recognised (NB this does not necessarily have to be solely in the form of financial compensation and could be something else like a longer contract term than normal):
- How transition plan supports SPTF objectives and delivers value for money:

Alternatively, Waka Kotahi could develop a standardised approach across all PTAs but due to resourcing and time constraints this would not be considered any earlier than the 2023/24 financial year.

Engagement questions

17) Do you have any feedback on these supporting guidelines?

Appendix F Summary of LTMA Bill 2023 changes

F.1 General changes (does not cover all changes)

Topic	LTMA 2003	LTMA Bill 2023
<p>Principles for the regulation of public transport services</p> <ul style="list-style-type: none"> • Section 115(1) 	<p>115 Principles</p> <p>(1) <i>All persons exercising powers or performing functions under this Part in relation to public transport services must be guided by each of the following principles to the extent relevant to the particular power or function:</i></p> <p>(a) <i>regional councils and public transport operators should work in partnership and collaborate with territorial authorities to deliver the regional public transport services and infrastructure necessary to meet the needs of passengers:</i></p> <p>(b) <i>the provision of public transport services should be coordinated with the aim of achieving the levels of integration, reliability, frequency, and coverage necessary to encourage passenger growth:</i></p> <p>(c) <i>competitors should have access to regional public transport markets to increase confidence that public transport services are priced efficiently:</i></p> <p>(d) <i>incentives should exist to reduce reliance on public subsidies to cover the cost of providing public transport services:</i></p> <p>(e) <i>the planning and procurement of public transport services should be transparent.</i></p> <p>(2) ...</p>	<p>Section 115(1) is replaced with a new set of principles (refer chapter 3 for further detail).</p> <p>115 Principles</p> <p>(1) <i>All persons exercising powers or performing functions under this Part must be guided by each of the following principles to the extent relevant to the particular power or function:</i></p> <p>(a) <i>well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero-emission technology:</i></p> <p>(b) <i>public transport services support a mode shift from private motor vehicle use if they are co-ordinated, integrated, reliable, frequent, accessible, affordable, and safe:</i></p> <p>(c) <i>fair and equitable employment or engagement of people in the public transport workforce should ensure that there is a sufficiently robust labour market to sustain and expand public transport services:</i></p> <p>(d) <i>regional councils, territorial authorities, and public transport operators should work together to provide co-ordinated public transport services and the associated infrastructure necessary—</i></p> <p style="margin-left: 20px;"><i>(i) to meet the needs of passengers; and</i></p> <p style="margin-left: 20px;"><i>(ii) to encourage more people to use the services:</i></p> <p>(e) <i>providing public transport services assists—</i></p> <p style="margin-left: 20px;"><i>(i) public transport investment to be efficient; and</i></p> <p style="margin-left: 20px;"><i>(ii) public transport investment to give value for money:</i></p> <p>(f) <i>providing public transport services assists in furthering the principles set out in paragraphs (a) to (d).</i></p>

F.2 Changes specific to exempt services

The following table summarises the key changes relating to exempt services under the LTMA Bill 2023.

Topic	LTMA 2003	LTMA Bill 2023
<p>Definition of public transport service – what constitutes a public transport service?</p> <ul style="list-style-type: none"> Section 5(1) (amended) 	<p>5 Interpretation ... public transport service—</p> <p>(a) <i>means, subject to paragraph (b), a service for the carriage of passengers for hire or reward by means of—</i></p> <p>(i) <i>a large passenger service vehicle; or</i></p> <p>(ii) <i>a small passenger service vehicle; or</i></p> <p>(iii) <i>a ferry; or</i></p> <p>(iv) <i>a hovercraft; or</i></p> <p>(v) <i>a rail vehicle; or</i></p> <p>(vi) <i>any other mode of transport (other than air transport) that is available to the public generally; but</i></p> <p>(b) <i>in relation to Part 5, does not include—</i></p> <p>(i) <i>an excluded passenger service; or</i></p> <p>(ii) <i>a shuttle service</i></p>	<p>Subsection (b)(ii) reference to ‘shuttle service’ is removed from the definition.</p>
<p>Definition of excluded passenger service – services not subject to regulation under Part 5 of the LTMA 2003</p> <ul style="list-style-type: none"> Section 5(1) (amended) 	<p>5 Interpretation ... excluded passenger service means a service for the carriage of passengers for hire or reward, and that—</p> <p>(a) <i>is contracted or funded by the Ministry of Education for the sole or primary purpose of transporting school children to and from school; or</i></p> <p>(b) <i>is not available to the public generally, and is operated for the sole or primary purpose of transporting to or from a predetermined event all the passengers carried by the service; or</i></p> <p>(c) <i>is not available to the public generally, and is operated for the sole or primary purpose of tourism; or</i></p> <p>(d) <i>does not fall within any of paragraphs (a) to (c), and is not operated to a schedule</i></p>	<p>Subsection (d) is removed from the definition.</p>
<p>Definition of exempt passenger service - what constitutes an exempt service?</p> <ul style="list-style-type: none"> Section 5(1) (amended) Section 114A (new) Section 130 (replaced) 	<p>5 Interpretation ... exempt service means a public transport service that is exempt under section 130(2) or treated as exempt under section 153(2)</p> <p>130 All exempt services to be registered ...</p> <p>(2) <i>The following public transport services are exempt services:</i></p> <p>(a) <i>an inter-regional public transport service;</i></p> <p>(b) <i>a public transport service,—</i></p> <p>(i) <i>in a region that is required to have a regional public transport plan, that—</i></p> <p>(A) <i>begins, or is to begin, operating after the plan is adopted; and</i></p>	<p>Changes made to support on-demand services. The definition of exempt services now includes services that do not operate to a schedule (eg taxi, Uber/Lyft and shuttle services) and to ensure un-scheduled services are not subject to unnecessary regulation these services are not required to be registered (refer below).</p> <p>Section 5(1) definition of exempt service is repealed.</p> <p>New section 114A replaces section 130(2) and (3):</p> <p>114A Meaning of exempt service</p> <p>(1) <i>In this Part, an exempt service is a public transport service that satisfies one of the following:</i></p> <p>(a) <i>it operates inter-regionally;</i></p>

	<p>(B) is not identified in the plan as integral to the public transport network; and</p> <p>(C) operates without a subsidy for the provision of the service:</p> <p>(ii) in a region that is not required to have a regional public transport plan, that operates within the region:</p> <p>(c) a public transport service that is specified as an exempt service by an Order in Council made under section 150.</p> <p>(3) For the purposes of subsection (2)(b)(i)(C), subsidy does not include anything done under an agreement between a regional council and an operator to reduce passenger fares.</p>	<p>(b) it operates in a region that is required to have a regional public transport plan, but—</p> <p>(i) when it started operating, it was not identified in that plan as integral to the public transport network in that region; and</p> <p>(ii) it operates without a subsidy for its provision:</p> <p>(c) it operates in a region that is not required to have a regional public transport plan:</p> <p>(d) it is specified as an exempt service by regulations made under section 150.</p> <p>(2) For the purposes of subsection (1)(b)(ii), a subsidy does not include anything done under an agreement between a regional council and an operator to reduce passenger fares.</p>
<p>Registration requirements for exempt services</p> <ul style="list-style-type: none"> Section 130 (replaced) 	<p>All exempt services need to be registered.</p> <p>130 All exempt services to be registered</p> <p>(1) No person may operate an exempt service specified in subsection (2) in a region unless, at the time it is operated, the service is registered with the regional council of that region.</p>	<p>New section 130 introduces two tier system for exempt services:</p> <ul style="list-style-type: none"> Exempt services that need to be registered (no change to PTOM requirements) Exempt services that do not need to be registered (unscheduled services like taxis and shuttle services that are now defined as exempt services) <p>Section 130 replaced with:</p> <p>130 Exempt services must be registered to operate</p> <p>(1) A person must not operate an exempt service in a region unless the service is registered as an exempt service with the regional council of that region.</p> <p>(2) Despite subsection (1), a person may operate an exempt service in a region without the service being registered if—</p> <p>(a) the service can be reserved for use by a single person or a self-selected group of people; or</p> <p>(b) the service cannot be reserved for use by a single person or a self-selected group of people, but—</p> <p>(i) it is operated using fewer than 10 vehicles; or</p> <p>(ii) it is operated using vehicles with 9 or fewer seating positions, including the driver's; or</p> <p>(iii) it is a shuttle service.</p>
<p>Minimum notice period to withdraw a registered exempt service</p> <ul style="list-style-type: none"> Section 139 	<p>Minimum notice period = 15 working days (all services).</p> <p>139 Withdrawal of exempt services</p> <p>(1) The operator of an exempt service who proposes to withdraw from providing the</p>	<p>Minimum notice period:</p> <ul style="list-style-type: none"> 60 working days for services identified as integral 15 working days all other services

	<p><i>exempt service must notify the regional council in whose region the exempt service is registered of that proposal not less than 15 working days before the exempt service is to cease operating.</i></p> <p>(2) <i>The regional council may reduce or waive the period of notice required by subsection (1), if it is satisfied that the public would not be unreasonably disadvantaged by the earlier withdrawal of the exempt service.</i></p> <p>(3) <i>The regional council must remove the withdrawn exempt service from the register of exempt services within 15 working days after the date that the exempt service ceases to operate.</i></p>	<p>139 Withdrawal of exempt services</p> <p>(1) <i>The operator of an exempt service that must be registered under section 130 must notify the regional council in whose region the service is registered if it intends to withdraw from operating the service.</i></p> <p>(1A) <i>The operator must give notice—</i></p> <p>(a) <i>at least 60 working days before it ceases to operate the exempt service, if the service is identified in the regional public transport plan as integral to the public transport network; or</i></p> <p>(b) <i>at least 15 working days before it ceases to operate the service, in any other case.</i></p> <p>(2) <i>The regional council may reduce or waive the period of notice required by subsection (1A), if it is satisfied that the public would not be unreasonably disadvantaged by the earlier withdrawal of the exempt service.</i></p> <p>(3) ...</p>
<p>Triggers to initiate a review of a registered exempt service (or contracted service)</p> <ul style="list-style-type: none"> Section 150 	<p>No clear guidance in section 150 as to who can initiate. Current interpretation is that only Waka Kotahi can initiate a review</p>	<p>Clarifies that the Minister or a PTA can request Waka Kotahi undertake a review of a service's status under section 150. Section 150(2) and (3) now states that the "<i>Minister may make a recommendation ... if the Minister or a regional council has requested the Agency to investigate whether the Minister should recommend making the order; and...</i>"</p>
<p>Criteria to change the status of an exempt service</p> <ul style="list-style-type: none"> Section 150 	<p>The current criteria relate primarily to whether a service is an integral part of the relevant region's public transport network; and needs its fares to be regulated.</p> <p>150 Regulations</p> <p>(1) ...</p> <p>(2) <i>Before recommending the making of an Order in Council under subsection (1), the Minister must be satisfied that the Agency has consulted any relevant regional council and,—</i></p> <p>(a) <i>in the case of an Order in Council under subsection (1)(a), that the Agency has consulted the operator of the public transport service, and that—</i></p> <p>(i) <i>the public transport service, while operating as an exempt service,—</i></p> <p>(A) <i>will not receive a subsidy for the provision of the service; and</i></p> <p>(B) <i>will not be an integral part of the relevant region's public transport network; and</i></p> <p>(C) <i>will not need its fares to be regulated; or</i></p>	<p>The Bill extends the existing criteria to include consideration of the new principles for the regulation of public transport in section 115(1).</p> <p>150 Regulations relating to exempt services</p> <p>(1) ...</p> <p>(2) <i>The Minister may make a recommendation for the purposes of subsection (1)(a) only if all of the following apply:</i></p> <p>(a) <i>the Minister or a regional council has requested the Agency to investigate whether the Minister should recommend making the order; and</i></p> <p>(b) <i>the Agency, after consulting the operator of the service and any relevant regional council, requests the Minister to recommend making the order; and</i></p> <p>(c) <i>the Minister is satisfied that the consultation has taken place and either—</i></p> <p>(i) <i>the service is being, or will be, provided as part of a local roading network; or</i></p>

	<p>(ii) <i>the public transport service is being provided as part of the local roading network:</i></p> <p>(b) <i>in the case of an Order in Council under subsection (1)(b), that the Agency has consulted the operator of the public transport service, and that the public transport service—</i></p> <p>(i) <i>is an integral part of the relevant region’s public transport network; and</i></p> <p>(ii) <i>needs its fares to be regulated:</i></p> <p>(c) <i>in the case of an Order in Council under subsection (1)(c), that the Agency has obtained the agreement of the operator of the public transport service.</i></p> <p>(3) ...</p>	<p>(ii) <i>the service, while operating as an exempt service,—</i></p> <p>(A) <i>will satisfy the criteria in section 114A; and</i></p> <p>(B) <i>will not need its fares to be regulated; and</i></p> <p>(C) <i>will reflect and reinforce the principles set out in section 115(1).</i></p> <p>(3) <i>The Minister may make a recommendation for the purposes of subsection (1)(b) only if—</i></p> <p>(a) <i>the Minister or a regional council has requested the Agency to investigate whether the Minister should recommend making the order; and</i></p> <p>(b) <i>the Agency, after consulting the operator of the service and any relevant regional council, requests the Minister to recommend making the order; and</i></p> <p>(c) <i>the Minister is satisfied that the consultation has taken place and—</i></p> <p>(i) <i>the service is integral to the public transport network (whether or not it is identified as such in the relevant regional public transport plan); and</i></p> <p>(ii) <i>either—</i></p> <p>(A) <i>the service needs its fares to be regulated; or</i></p> <p>(B) <i>operating the service in a unit or part of a unit will reflect and reinforce the principles set out in section 115(1).</i></p>
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