

Regional public transport plans and the Land Transport Management Amendment Act 2013

Purpose

This note will help approved organisations, operators and those involved in preparing regional public transport plans (RPTPs). The note is intended to give guidance about what recent changes to legislation mean for RPTPs but is not a substitute for legal advice, nor is it an official NZ Transport Agency guideline. NZTA regional office staff can provide extra operational support, information and advice, as needed.



Key points

The Land Transport Management Amendment Act 2013 came into force on 13 June 2013. The Public Transport Management Act 2008 (PTMA) has been repealed, and its relevant provisions incorporated into a new part 5 of the Land Transport Management Act (LTMA). These legislative changes help implement the Public Transport Operating Model (PTOM), the aim of which is to grow patronage with less reliance on public subsidies.

Provisions relating to controls have not been carried over to the new legislation. All services integral to the public transport network and set out in regional public transport plans (RPTPs) must now be segmented into 'units' (s120). Services making up those units must be provided under exclusive contract to the regional council (s116), giving exclusive rights to the operator holding the contract. This includes relevant urban bus, ferry, and metro rail services – but excludes exempt services.

A unit is defined (s4) as a public transport service (or group of services) a regional council identifies as integral to its public transport network. It operates on the entire length of the route/s specified in an RPTP, and it includes all services operating to a timetable applying to the entire route/s specified for the unit.

Some services will be exempt from having to operate under contract and these exempt services need to be identified in a register maintained by the regional council (subpart 2, s130). Exempt services include inter-regional bus and rail services, existing fully commercial ferry services as at 30 June 2011, and some existing fully commercial bus services as at 30 June 2011. Exempt services do not receive any subsidies.

Regional public transport plans (part 5, subpart 1)

The LTMA (s119) requires any council entering into a contract for public transport services, or providing financial assistance to taxi services or shuttles (Total Mobility) to adopt a new RPTP under the LTMA by 1 July 2015. In practice this means everyone (regions, Invercargill City, Auckland Transport).

The recent changes also mean some differences in the way RPTPs are prepared. Big changes to RPTPs occurred under the Public Transport Management Act (PTMA). Most of the material in those RPTPs is still relevant and can be adapted for the new LTMA requirements, while some (eg control provisions) can be disregarded. Helpfully, consultation requirements for RPTPs under the LTMA have been streamlined (s125).

The main changes required to RPTPs include changing references to the PTMA, reflecting the new purpose of RPTPs, ensuring all new content requirements are met, establishing units and procurement approaches to be used, including a new section on managing, monitoring and evaluating performance of units, and confirming accessibility, quality and performance standards. Further detail on some aspects is set out in the following sections.

Purpose of RPTPs (s117)

Changes to the LTMA around the purpose of RPTPs reinforce an emphasis on early engagement and working together to develop effective networks. The amended purpose of RPTPs is to provide a means to encourage councils and operators to work together in developing public transport services and infrastructure, and councils can use these early conversations as a good base for the ongoing partnering required through the contracting and delivery process. RPTPs are also intended to provide an instrument for engaging with the public about design and operational aspects of the network. Finally, they are to state the services that are integral to the network, the objectives and policies applying to those services, and the information and infrastructure that support the services.

Contents (s120)

In order to improve transparency and engagement, the LTMA is more prescriptive about the contents of RPTPs. RPTPs prepared under the new provisions will include (but not be limited to) information on the following:

- The network of public transport and other services that the council proposes to provide, including an outline of routes, frequency and hours of operation.
- The arrangement of public transport services (except exempt services) into units, the dates those units will start operating, and the date exempt services to be replaced by a unit are to be deregistered.
- Units, taxi and shuttle services for which the council proposes to provide financial assistance.
- A description of how services assist the transport disadvantaged.
- Objectives and policies relating to units and services.
- The contracting approach to be used for each unit, and how procurement of units will be phased over time.
- A significance policy.

Councils should note that even where the regional council does not intend to provide financial assistance (for example, commercial units or units for which there is third party subsidy), the approach to procurement must still be approved by NZTA (s120(3)).

Establishing units

The concept of a unit is fundamental to PTOM and has been extensively discussed in the development phase, but as yet operational experience is limited. It is envisaged that units should be 'marketable wholes' taking into consideration:

- a readily identifiable customer market for the service, thus enabling an operator and the region to apply the right commercial behaviours to growing the market
 - a package of services that would be attractive to a tenderer at tender time (noting the region's group tender policy may also influence this)
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- smaller regions which define all their services as one unit are committing to competition 'for the market' rather than 'in the market', with possible implications for procurement and value for money.

Regions also need to consider how each unit fits within the wider network and services at a strategic level, and consultation with operators and stakeholders is required during the development of the RPTP. Effective network planning may mean services overlap on common portions of key feeder routes. This is not only inevitable but may well be desirable to provide the sort of service frequencies on key routes that enable best practice integrated networks.

Early indications are that a wide range of unit configurations is possible, from Auckland's 49 units (ranging from a 4 bus unit to approximately 50 bus units) accommodating the 1,000 bus fleet, to regions where there may be only one unit incorporating a range of services.

The PTOM consultation material www.nzta.govt.nz/consultation/ptom/ contains further information on units.

Fare setting policy

The amended LTMA requires fares and the method (or formula or other basis) for setting and reviewing those fares to be set out in the RPTP and consulted on with operators (s120(2) and s125(1)). This includes the setting of concessionary fares. In setting fares a number of factors need to be taken into account including community needs, the needs of the transport disadvantaged, and the government objective to grow the commerciality of public transport services and create incentives for services to become fully commercial.

Link between RPTP and procurement strategy

The RPTP and the procurement strategy need to be developed in parallel through an iterative process, as a number of issues need to be addressed in both documents. For example, RPTPs must set out the approach to procuring services in a unit, how procurement will be phased in over time, and monitoring units. The NZTA *Guidelines for the preparation of regional public transport plans* will suggest how these issues could be covered in the RPTP and provide a linkage to the content that will be required in the procurement strategy.

Consultation (s125)

A significant benefit of an RPTP is the opportunity it gives to engage with operators, potential operators and the community about a network before tendering and contracting takes place. This ensures the whole public transport operating environment is based on robust network. However, the new legislation does streamline consultation requirements. Consultation on RPTPs and regional land transport plans can be done in conjunction with each other, and using the special consultative procedure under the Local Government Act (LGA) before adopting an RPTP is now optional. Councils must however consult in accordance with the consultative principles set out in the LGA - those principles include reference to affected or interested parties having access to relevant information, and being encouraged to present their views to council, who receive them with an open mind and give them due consideration.

NZTA RPTP guidelines

The attention councils need to give to the NZTA guidelines has changed. Regional councils must now be satisfied that RPTPs have been prepared in accordance with any NZTA guidelines issued under the LTMA (s124(a)(ii)). NZTA is revising its *Guidelines for the preparation of regional public transport plans* (RPTP uidelines) with a draft version expected in July, and final guidelines by the end of 2013. In the meantime, NZTA regional offices (and in some cases national office staff) can assist with information and guidance around RPTP preparation.

Section 115 principles

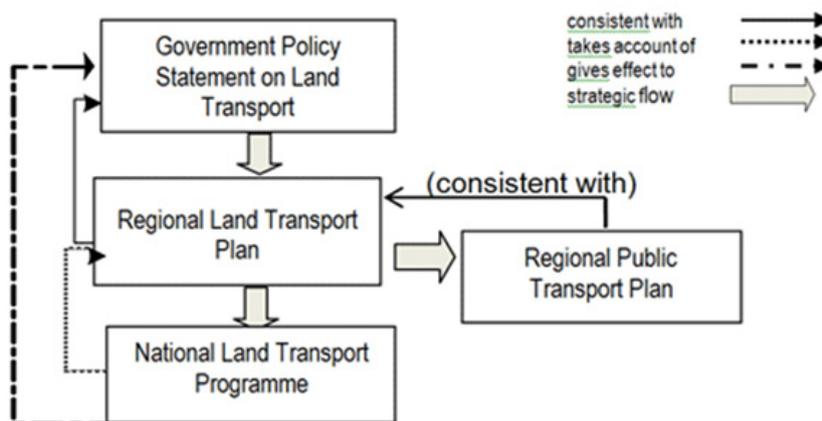
A new provision has been introduced through the LTMA, requiring all persons exercising powers or performing functions in relation to public transport services to be guided by principles set out in the Act (s115). This means, in adopting RPTPs, regional councils should be guided by the principles. In addition, NZTA must take the principles into account when preparing the RPTP guidelines. The principles are:

- 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
- 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
- competitors should have access to regional public transport markets to increase confidence that public transport services are priced efficiently
- incentives should exist to reduce reliance on public subsidies to cover the cost of providing public transport services
- the planning and procurement of public transport services should be transparent.

Relationship between RPTP and other documents

Figure 1 below is a simple explanation of the relationship between RPTPs, other plans and policy statements, and the NLTP.

Figure 1 - link between RPTP and other documents



Helpful links

MoT PTOM webpage www.transport.govt.nz/ourwork/land/ptom/

NZTA PTOM consultation documents www.nzta.govt.nz/consultation/ptom/



NZ Transport Agency

For more information, contact Sarah Stevenson, Integrated Planning Team, NZTA National Office. Phone 04 890 4742 / 0274 752 662 or email sarah.stevenson@nzta.govt.nz.

You can also visit our website at www.nzta.govt.nz.