

## PUBLIC TRANSPORT MANAGEMENT BILL – THE FUTURE OF PUBLIC TRANSPORT?

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The Public Transport Management Bill (the **Bill**) had its first reading on 16 October 2007. It is currently with the Transport and Public Relations Select Committee, which is now due to report back on 30 June.

The Bill has as its purpose contributing, “to the aim of achieving an integrated, safe, responsive, and sustainable land transport system”. To that end the Act:

- specifies the powers of Regional Councils to set standards for the public transport services provided in their region; and
- regulates the registration of public transport services provided on a commercial basis.

The key bone of contention is how far the Act should go in terms of the controls imposed on private or commercial operators, as explained below.

### Key Concerns

As well as broad concerns about the uptake of public transport, the Bill is intended to respond to concerns that commercial operators are manipulating the current system to discourage competition, for example by registering some trips along a specified route as commercial, giving them an advantage over other operators that may wish to contract for remaining services (examples include registering services in one direction only, or every second trip on a route). Likewise, there are concerns that commercial operators are able to ‘cherry pick’ the most profitable services, leaving other routes or trips to non-commercial operators.

The current system is also considered to make it more difficult to implement integrated services, including integrated ticketing systems, making public transport more convenient for passengers.

Standards of service, including accessibility for the disabled, are another key issue.

### Services “Caught” by the Act

The term “public transport service” includes the carriage of passengers for hire or reward by means of –

- (i) a large passenger service vehicle; or
- (ii) a small passenger service vehicle; or
- (iii) a harbour ferry; or
- (iv) a hovercraft; or
- (v) a passenger rail service vehicle; or
- (vi) a monorail; or
- (vii) a tramway; or
- (viii) a vehicle within the definition of rail vehicle in section 4(1) of the Railways Act 2005; or
- (ix) any other vehicle, boat, craft or other mode of transport available to the public generally; and

but does not include:

- (i) a taxi service;

- (ii) a dial-a-driver service;
- (iii) a shuttle service;
- (iv) an ambulance service;
- (v) a private hire service;
- (vi) a service that uses a large passenger service vehicle that is chartered; or
- (vii) a service that is not available to the public generally.

### **Regional Public Transport Plan**

Under the Bill, the key instruments for regulating public transport are Regional Public Transport Plans (**Plans**).

Clause 7 of the Bill states that the purpose of Plans is to specify how regional councils intend to give effect to the public transport service components of the relevant Regional Land Transport Strategies.

Notably, the promulgation of Plans is not mandatory. Under Clause 9, a Regional Council is only required to adopt a Plan if it intends to enter into a contract to pay for the supply of public transport services, impose controls on commercial services or provide financial assistance to taxi services or shuttle services.

Clause 10 sets out the contents of Plans and includes a requirement that they identify any control that is likely to have a material adverse effect on the financial viability of any registered commercial public transport service along with transitional arrangements to deal with such effects.

Plans can also, among other things:

- include policies on quality and performance standards;
- establish an, “integrated public transport system” which can include integrated ticketing, allowing passengers to use one ticket to travel on differing services; and
- incorporate quality standards relating to matters such as vehicle age, cleanliness, emissions and accessibility for disabled passengers.

### **Controls on Commercial Public Transport Services**

Commercial public transport services are those which are not funded in whole or in part by the Regional Council. If enacted in its current form the Bill will enable Regional Councils to set controls on such services provided they have:

- considered the impact of the control on the financial viability of commercial services; and
- satisfied themselves that the control contributes to the purpose of the relevant regional land transport plan; and
- the control complies with any relevant regulations.

The controls contemplated in the Bill include measures which:

- seek a minimum notice for commencing, varying or withdrawing a commercial service;
- require a commercial service to operate according to the frequency, capacity and times specified in the relevant regional public transport plan;
- require any commercial service to be an integrated service;

- set, apportion and collect integrated fares; and
- require the operator to provide detail of patronage, financial and operational information about the service to the Regional Council to assist it with public transport planning and monitoring.

All commercial services are also required to be registered under the Bill, which involves providing information including timetables and the intended duration of the service.

Importantly, a Regional Council is empowered under Clause 29 of the Bill to decline to register a commercial service in the event that it is likely to have a material adverse effect on the financial viability of any contracted public transport service, increase the cost of such a service, or would be “contrary to sound traffic management or any environmental factor identified by the Regional Council as being of importance to its region”.

Under Clause 36 of the Bill, the Regional Council can deregister a commercial service on specified grounds, including that it does not meet controls specified in the relevant Regional Public Transport Plan.

Under Clause 46, any person who operates a commercial service that is not registered commits an offence and is liable to a fine of up to \$30,000 in the case of a first offence, and \$60,000 in the case of a second or subsequent offence.

### **Will the Bill Achieve its Objectives?**

Predictably enough, concerns have been raised about the Bill by both regional councils (including the ARC) and commercial operators.

The ARC has sought the amendment of the Bill to include, “the option of a fully contracted network of services” saying that a two tier system will not provide funders with influence over a key portion of the public transport network.

The Bus and Coach Association has raised a number concerns, including:

- The Bill is not necessary since the current system enables regional councils to work with commercial operators, including enabling integrated ticketing systems already in place in the North Shore, Waikato, Canterbury and Dunedin;
- There are not enough protections around commercially sensitive information required to be provided to regional councils;
- The Bill enables regional councils to ‘bundle’ services (e.g. more profitable peak services and weekend services), which could discourage additional services during peak times;
- The Bill will stifle new public transport solutions by increasing commercial risk;
- Requirements to use a common colour scheme undermine the ability of commercial operators to brand their vehicles, attracting profitable charter and ad hoc contracts; and
- There are no appeal rights in terms of the provisions include in Plans.

The National Party has also raised concerns about the fact that the Bill provides regional councils, rather than territorial authorities, with control over services in all cases. It has been pointed out that in Hamilton, for example, it might be more appropriate for the city council to have control given that around 85% of the total public transport is provided within its jurisdiction.

The Select Committee Report, currently due 30 June 2008, will be eagerly awaited by commercial operators and territorial authorities, to see if the feedback is taken on board and whether the purpose is achieved of making public transport more convenient for passengers.