

# 2013 interim guidelines for preparing regional public transport plans

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First edition

Effective from 7 October 2013

ISBN: 978-0-478-40785-3 (online)

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Published 2013  
ISBN: 978-0-478-40785-3 (online)

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## Foreword

There have been some significant changes recently influencing public transport provision and investment, notably the adoption of the Public Transport Operating Model (PTOM). You will almost certainly have already viewed our PTOM consultation document, with proposed operational policy and procurement manual changes. PTOM, and recent legislative changes, also require a change in the way regional public transport plans are prepared.



The focus is on a more collaborative, partnering approach between regional councils, territorial authorities, and operators. We welcome the new partnering approach and our role in helping regions and industry work more closely together to achieve common goals for the benefit of public transport users.

This document (interim guidelines) prepared with stakeholders, is a complete rewrite of our 2009 *Guidelines for the development of regional public transport plans*. I ask you and your organisation to provide us with feedback to ensure we develop robust and workable guidelines. Please contact my staff for any further information.

Thank you for your input so far in working with us to develop PTOM, refine policies and develop these interim guidelines. I look forward to receiving your feedback by 4<sup>th</sup> November 2013, so we can finalise the new guidelines.

A handwritten signature in black ink, appearing to read 'Dave Brash', with a long, sweeping underline.

Dave Brash

**Group Manager Planning and Investment**

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## 1.0 Introduction

All regional councils that financially support public transport (including financial support for taxis or shuttle services such as the Total Mobility Scheme) must adopt a regional public transport plan (RPTP). In practice, this means all regions must prepare an RPTP.

In June 2013, legislative amendments came into force which embedded a new Public Transport Operating Model (PTOM) in the Land Transport Management Act (LTMA). The government announced PTOM in 2012, a new framework for the planning, procurement and delivery of public transport services. Because of these changes in legislation and the strategic environment, RPTP requirements have changed.

The government expects the sector to respond to the aim of growing patronage with less reliance on subsidy, and to achieve the following two objectives:

- Grow the commerciality of public transport services and create incentives for services to become fully commercial.
- Grow confidence that services are priced efficiently and there is access to public transport markets for competitors.

### 1.1 Purpose of this document

This document helps regional councils prepare RPTPs under the LTMA. The LTMA (s124(a)(ii)) requires regional councils to be satisfied an RPTP is prepared in accordance with any guidelines issued by the Transport Agency. The guidelines will also assist Transport Agency staff providing assistance and advice, and set out the process the Transport Agency expects RPTPs to follow.

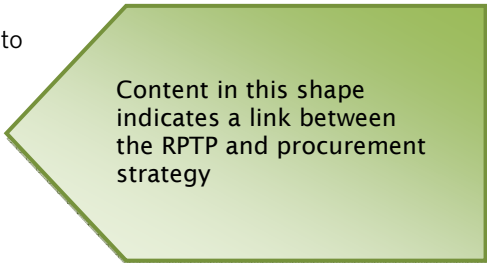
These guidelines relate to the *process* of preparing regional public transport plans (RPTPs). At the same time as being satisfied as to process, in preparing RPTPs regional councils should also focus on the *outcomes* the Government and Transport Agency seek from an integrated transport network. Documents such as the Government Policy Statement on Land Transport which regional councils must take into account, the Transport Agency Statement of Intent setting out our longer term objectives, and Transport Agency planning and investment signals should inform the preparation of the RPTP. Doing so will ensure alignment with Transport Agency investment priorities through the RLTPan and NLTP.

### 1.2 Using these guidelines

The Transport Agency intends these guidelines as a practical tool to help regional councils prepare RPTPs that meet statutory process requirements and clearly link to procurement strategies.

The guidelines are not intended to conflict with the LTMA, rather they are intended as a tool to help councils meet statutory requirements. If the guidelines are in conflict with the LTMA, the provisions of the LTMA will prevail.

Statutory requirements are identified within pink boxes in these guidelines, Transport Agency policy requirements that affect RPTPs in green boxes, and all other text is general guidance.



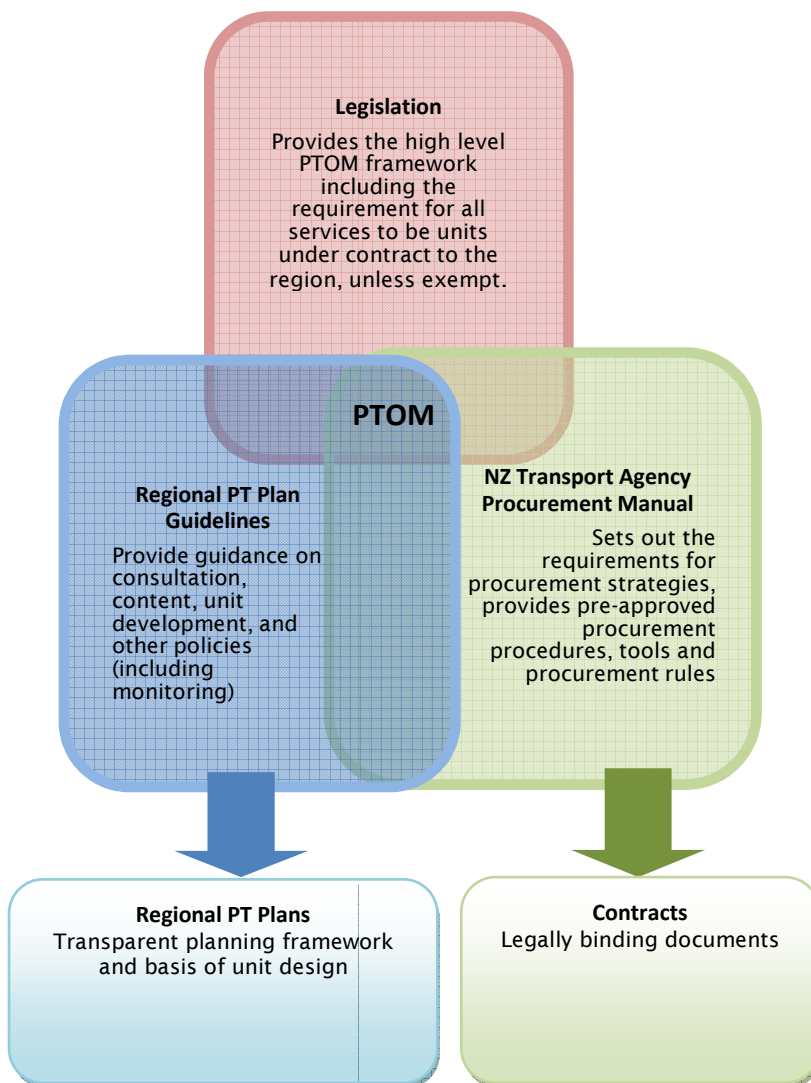
Content in this shape indicates a link between the RPTP and procurement strategy

## 2.0 Public Transport Operating Model (PTOM)

PTOM represents a fundamental shift in planning, procuring and delivering urban public transport services. The model emphasises engagement with operators during configuration of public transport networks, especially during the process of grouping integral public transport services into units in the RPTP. Once units are established, the model encourages ongoing partnering, with operators providing services under contract to the region to enable stronger network coordination and a basis for investment. The Land Transport Management Act 2008 (LTMA) sets the high-level policy framework, and the Transport Agency has developed operational policy to implement PTOM, primarily through the:

- *Procurement manual* ([www.nzta.govt.nz/resources/procurement-manual/](http://www.nzta.govt.nz/resources/procurement-manual/)), and
- these *Guidelines for the development of regional public transport plans* ([www.nzta.govt.nz/planning/who-does-what/local-government/plans.html#transport](http://www.nzta.govt.nz/planning/who-does-what/local-government/plans.html#transport)).

The legislation, procurement manual, and these guidelines work together as outlined in the diagram below:





## 3.0 Partnership and collaboration

The Land Transport Management Amendment Act 2013 came into force on 13 June 2013, and repealed the Public Transport Management Act 2008 (PTMA). This legislative change, to give effect to PTOM, represents a significant shift in government policy and builds on existing good practice to focus on getting the best out of modern public transport networks. There is a strong emphasis on early partnership and collaboration between councils and operators, and the LTMA sets out several key ways in which partnering will occur - most notably set out through a new set of core principles in section 115:

### 115 Principles

(1) 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:

- a. 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.
- b. 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.
- c. Competitors should have access to regional public transport markets to increase confidence that public transport services are priced efficiently.
- d. Incentives should exist to reduce reliance on public subsidies to cover the cost of providing public transport services.
- e. The planning and procurement of public transport services should be transparent.


Other ways in which partnering will occur include:

- s124 requires the region to take into account the view of operators in preparing the RPTP
- s125 requires that every operator of a public transport service or exempt service is consulted when the region is preparing a draft of the RPTP
- s156 requires that during the transition to the new units regions must use all reasonable endeavours not to disadvantage operators of 'existing commercially registered services'

Partnering is an ongoing relationship and process that exists outside of a formal contract, and is about establishing trust and good working relationships among the parties in planning public transport networks and preparing the RPTP. The Transport Agency *Procurement manual* ([www.nzta.govt.nz/resources/procurement-manual/](http://www.nzta.govt.nz/resources/procurement-manual/)) requires partnering principles to be adhered to through procurement, and after signing the contract. The *Procurement manual* attempts to create an environment where trust and teamwork mean the partners:

- share a common commitment to achieving the goal of growing patronage with less reliance on subsidy
- are able to resolve tensions and disputes before they become intractable so they do not undermine their ability to work together to achieve the goal of growing patronage with less reliance on subsidy.

Good relationships should help joined-up planning for public transport services and infrastructure, connecting at all levels from the RPTP through to the Regional Land Transport Plan (RLTPlan), and the Long Term Plan (LTP). Early engagement is key - particularly with the Ministry of Education to avoid, as far as possible, unexpected withdrawal of school services.



Link to procurement manual content around partnering principles

## 4.0 Transition requirements

### 4.1 Existing RPTPs

In accordance with s156, any RPTP adopted under the PTMA continues in existence (is still relevant and appropriate) until an RPTP is adopted under the LTMA, or until 30 June 2015, whichever occurs earlier.


#### Transport Agency policy

Current Transport Agency investment policy requires the adoption of an RPTP in accordance with the LTMA as a condition of funding.

The RPTP adopted under the PTMA can be varied at any time up until 30 June 2015, but any variation must be in accordance with the LTMA. It is worth noting a new service cannot be included as a unit in an 'old' RPTP by way of variation. For a new service to commence operation it must be part of a unit in a 'new' RPTP adopted under section 119 of the LTMA. Therefore, if a council wants to tender contracts, it needs to prepare its RPTP earlier than 30 June 2015.

### 4.2 Existing services

Section 157 enables existing services provided under contract to the regional council before commencement of the section (before 13 June 2013) to continue to be provided by the existing operator, under the existing contract until it is replaced by a unit or part of a unit. The Act allows for variation of the contract, and where contracts are due to expire before a new RPTP is in place, it may be possible (depending on agreements between the regional council, the operator and the Transport Agency) to extend contracts. Contract extensions may be required to help the orderly phasing-in of units.



Link to *Procurement manual* content around contract extensions.


### 4.3 Existing commercial services

The RPTP must set out the date by when existing commercial services are expected to stop operating (s154(3)), necessitating early engagement with operators and discussions regarding like-for-like arrangements. Commercial services are existing bus services (as at 30 June 2011) registered under the PTMA as a commercial service, and offering fares set by the regional council; or existing ferry services (as at 30 June 2011) registered under the PTMA as a commercial service on 1 or more (but not all) trips on a route.

In spite of section 116 (which requires all services to be contracted to the regional council), existing commercial services (as at 30 June 2011) can continue operating without a contract, as if they are an exempt service, until a date the regional council specifies in a notice to the operator.

## 4.4 Information requirements

Operators of the existing commercial services outlined above must, if the regional council requests in writing, provide patronage and fare revenue data going back three years from the date of the request (s152(2)). The regional council must publish the patronage data associated with these commercial services, and may provide the fare revenue data to people registered to tender for provision of a unit (s152(3)).



Link to *Procurement manual* information for tenderers

The term 'publish' is not defined in the LTMA, however given the requirement for councils to publish the information, the information should be made available to the public at large, whether this be by publication on the council's website, or some other physical publication document. Councils should note the restrictions on publication however where the operator identifies the information as being commercially sensitive (s129).

## 4.5 The Regional Land Transport Strategy and Programme (RLTS and RLTProgramme)

Section 156(2) requires RPTPs adopted under the LTMA to take into account the public transport components of the relevant RLTS, and to not be inconsistent with the relevant RLTProgramme. In practice, this means any "new" RPTP will still have to reflect existing, potentially outdated RLTS and RLTProgramme provisions.

Section 156(3) and section 156(4) require that any RLTProgramme or RLTS in existence immediately before 13 July 2013 (the commencement of the Amendment Act) expires on close of 30 June 2015. The RLTS may not be varied. In practice, this means that on 1 July 2015 the "new" RPTP may reflect the "old" RLTProgramme and RLTS - which will have expired.

As a result, councils should consider reviewing their RPTP either during preparation of the RLTPlan, or as soon as possible after 30 June 2015 (when RLTS and RLTProgrammes expire). It may be necessary to renew or vary the RPTP, and the policy on significance will be relevant.

It may be possible for regional councils to prepare their RPTP under the LTMA at the same time as their RLTPlan, providing their existing public transport services contracts run for sufficient time to enable the processes to occur together. Timing and resourcing implications would need to be considered.

## 5.0 Regional public transport plans: statutory checklist

All regions require an RPTP, as all regions provide some level of financial assistance (including Total Mobility, taxi or shuttle services). Councils can use the LTP mechanism to determine whether, and at what level, to provide financial assistance – the RPTP is about public transport services and infrastructure within existing financial assistance envelopes.

In preparing an RPTP it can be helpful to make a checklist of statutory requirements:

| PROCESS REQUIREMENT  | REFERENCE                                  | Y/N |
|--|--|-----|
| Is an RPTP needed?   | s119 LTMA                                  | Y   |
| Does the RPTP fulfil the required purpose?   | s117 LTMA                                  |     |
| When was the RPTP last reviewed?<br>Is it due for renewal/or need renewing because of contracts expiring?  | s126 LTMA (check s154 transitional issues) |     |
| Has everyone who needs to be consulted, been consulted?  | s125(1) and s125(2) LTMA                   |     |
| Have the consultation principles in the Local Government Act been observed?  | s82 LGA                                    |     |
| Have the s124 matters been satisfied or taken into account?<br>Is the RPTP consistent with the purpose of the LTMA?<br>Has the RPTP been prepared in accordance with these guidelines?<br>Have the s115 principles been applied?<br>If includes matters outside scope of RLTPlan, is it otherwise consistent with it?  | s124 LTMA<br><br>s115 LTMA<br>s118 LTMA    |     |
| Has the RPTP been formally adopted, publicly notified, and copies provided to relevant parties?  | s119 LTMA                                  |     |
| CONTENT REQUIREMENT  | REFERENCE                                  | Y/N |
| Does the RPTP:<br>Identify the services integral to the network<br>Provide an outline of routes, frequency, hours of operation, of services<br>Arrange all services into units<br>Indicate the date the unit is expected to start operating<br>Indicate the date exempt services to be replaced by a unit will be deregistered<br>Identify any units or taxi/shuttle services for which council intends to provide financial assistance<br>Contain objectives and policies applying to the units or taxi/shuttle services above<br>Contain policies for units on:<br>Accessibility, quality and performance;<br>Fares and setting/reviewing fares;<br>Process for establishing units;<br>Approach taken to procuring delivery of services in a unit;<br>How procurement of units will be phased in over time;<br>Managing, monitoring and evaluating performance of units?<br>Contain a description of how services will assist the transport-disadvantaged?<br>Contain a significance policy? | s120 LTMA                                  |     |

## 6.0 Purpose, responsibility and context

This chapter includes information about the strategic context of the RPTP, and its relationship to other key documents. It addresses the following matters:

- What is the purpose of the RPTP?
- Who is responsible for the preparation and adoption of the RPTP?
- When must the RPTP be prepared, and what are the transitional arrangements for existing plans?
- What is the relationship with other plans and strategies prepared by the regional council, including the LTP and the RLTPlan?

### 6.1 Purpose of the RPTP

#### Statutory requirement

##### LTMA section 117

The purpose of a regional public transport plan to provide:

- a means for encouraging councils and operators to work together in developing public transport services and infrastructure, and
- an instrument for engaging with the public, and
- a statement of public transport services integral to the network, policies and procedures information and infrastructure that support those services.

This requirement identifies a three-part role for the RPTP:

- There is a clear signal encouraging **early engagement and partnering between councils and operators** in developing public transport services and infrastructure. This means councils working together with operators, regional councils and territorial authorities particularly around infrastructure planning and investment.
- The RPTP is **important as a tool for engaging with the public**. The RPTP provides the mechanism by which regional councils can engage the public in a discussion on the public transport priorities for the region, and the specific public transport services and infrastructure that are proposed.
- The RPTP is a **public record of public transport services** that are integral to the network, and all the policies and procedures applying to them (e.g. fare setting policy). It is also a public record of the information (frequency, RTI, etc) **and infrastructure** (stations, bus stops) that support the public transport services.

### 6.2 Responsibility for RPTP preparation and adoption

In accordance with s119(1), preparation and adoption of the RPTP is the responsibility of the regional council (in the case of Auckland, the LTMA confers responsibility on Auckland Transport and in Southland, the function has been transferred to Invercargill City Council). The LTMA (s119(4)) expressly prohibits delegation of the responsibility for adopting, varying, or renewing a regional public transport plan to a committee or other subordinate decision-making body, or a member or an officer of the council.

## 6.3 When to prepare the RPTP

### Statutory requirement

#### LTMA section 126

- (1) A regional public transport plan adopted under section 119 –
- a. must, at all times, be kept current for a period of not less than 3 years in advance, but not more than 10 years in advance; and
  - b. may be reviewed by the regional council from time to time, but must be reviewed at the same time as, or as soon as practicable possible after the public transport components of a regional land transport plan are approved or varied.

The first RPTP prepared under the LTMA must be adopted on or before 1 July 2015. Existing RPTPs prepared under the PTMA will expire on this date.

It may be beneficial for regional councils to prepare RPTPs in parallel with, or shortly after the RLTPlan, to work with the legislative requirement for review of the RPTP after adoption of an RLTPlan.

Note: Because of interdependencies between procurement strategies and RPTPs, the Transport Agency also recommends the two documents are prepared in parallel, so an iterative process can ensure alignment.

Significant linkages  
between the RPTP and  
procurement strategy.

### Transport Agency policy

In accordance with Transport Agency procurement policy, the public transport aspects of the procurement strategy cannot be finalised until the RPTP is adopted.

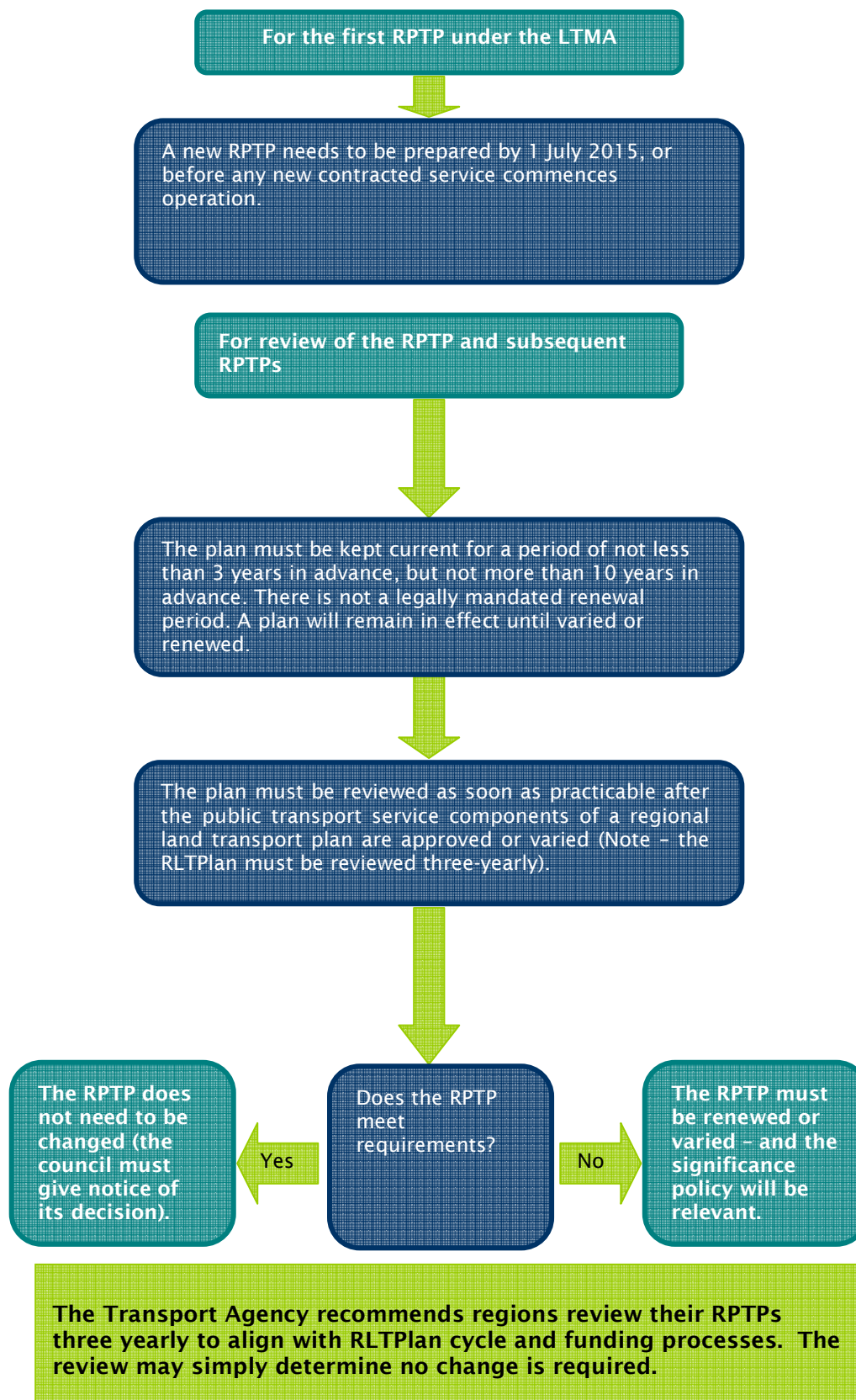
The LTMA requires regular review of the RPTP, with timing aligned as closely as possible to the RLTPlan (s126(1)). Regions with very small public transport networks, or where public transport plays a relatively minor role, may consider publishing the RPTP and a RLTPlan as a single document. Although the RPTP will need to be formally identified as having been prepared under Part 5, Subpart 1 of the LTMA, (and include the minimum requirements noted below), there may be efficiencies and consultation advantages in combining the documents.

The timetable for RPTP preparation should also take account of the dates at which the RPTP has legal effect, particularly if the regional council is intending to enter into new contracts at a specific date. The council will need to allow sufficient time for RPTP preparation, including any transitional provisions, before implementing the RPTP.

An RPTP (or variation) takes effect 20 working days after the regional council resolves to adopt it (s122).

Regions should note the validity of an RPTP is not affected by the failure of a regional council to complete a review within the time specified in the LTMA, or by the inclusion of any matter that is out of scope of an RLTPlan (so long the RPTP is otherwise consistent with the RLTPlan) (LTMA s118).

## When to prepare the RTPP



## 6.4 Relationship with the long term plan (LTP)

The purpose of the LTP, among other things, is to describe the activities of the regional council and to provide the opportunity for public participation in the decision-making process on the activities to be undertaken. This provides an opportunity to engage the community in a high level discussion on the extent to which council should provide and financially support public transport services over the next 10 years. The LTP also considers the level of regional funding for public transport expected to be available.

All communities may be particularly interested in the consultation opportunity provided through the LTP process. The community may wish the council to increase (or decrease) its level of involvement in public transport. The LTP provides the opportunity to consider what public transport initiatives best contribute to identified community outcomes, in the context of other expenditure priorities. This is particularly important for infrastructure investment and linkage to territorial authority LTPs.

## 6.5 Relationship with regional land transport plan (RLTP)

The RLTP now contains both strategic and programming components, must be prepared every six years, and look ahead ten years. The RLTP must also be reviewed during the six month period immediately before the expiry of the third year of the plan. The RPTP must be reviewed, and if necessary renewed or varied, at the same time or as soon as practicable after public transport service components of the RLTP are approved or varied (s126(1)(b)). This means regional councils are effectively committed to 3 yearly reviews of the RPTP, and need to plan and budget accordingly.

### Transport Agency policy

From the 2015-2018 NLTP, Transport Agency investment policy requires all new proposals (therefore, new projects in RLTPs) to have been prepared using the Transport Agency Business Case Approach. Refer to Appendix C for details of how the Business Case Approach may relate to RPTPs in the meantime.

## 6.6 Linkage between RPTP and procurement strategy

The LTMA requires the RPTP to include a high level statement of the procurement approach. The region's procurement strategy includes details of contract components, transition plans and other matters set out in the Transport Agency's Procurement Manual. Note: these Guidelines do not negate reference to and compliance with the Transport Agency's Procurement Manual.

A region's procurement strategy can be developed in parallel with the RPTP, but the strategy cannot be completely finalised<sup>1</sup> until the RPTP is adopted. It can be an iterative process because many features of the strategy will be independent of the RPTP - but others will not be. For example, the final configuration of units will be dependent on final route design. Early involvement of the Transport Agency will enable approval of contract components and endorsement of the strategy at the earliest opportunity.

When developing the procurement strategy it is important to remember it will need to be a comprehensive document. Examples of matters to be addressed in the public transport component of the strategy are:

<sup>1</sup> Adopted by regional council, and endorsed by the Transport Agency.

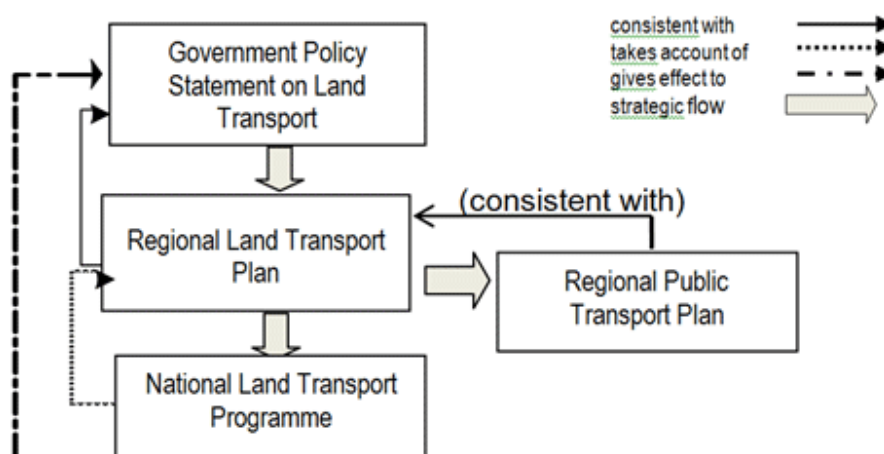


- Bus services and ferry and rail services where applicable
- Infrastructure provision and maintenance where funded by the RC
- Total Mobility
- Professional services (in-house and outsourced) for the planning, tendering, management and operations<sup>2</sup> of the services
- The proposed approach to procuring services for which no financial assistance will be provided (s120(3) of the LTMA).

There are significant linkages throughout the RPTP and procurement strategy processes, for example councils must be guided by the s115 Principles including s115(1)(d) relating to incentives, which need to be taken into account in network design, farebox policy and other factors that affect commerciality. Equally, the principle must guide the procurement strategy, in which incentives will include a clearly set out financial incentive mechanism, and other possible initiatives including annual business planning.

## 6.7 Relationship between GPS, RLTPan, NLTP and RPTP

The diagram below sets out the relationship between the RPTP and other transport policy statements, programmes and plans (both national and regional):



<sup>2</sup> Includes call centre operations and any other support services provided by the regional council which are necessary for the provision of the services.

## 7.0 Core requirements

There are a number of matters that must be included in an RPTP, as well as a number of matters regional councils must take into account when they prepare an RPTP. This chapter discusses these core requirements together with suggestions (as appropriate) for addressing them.

### 7.1 Description of services

#### Statutory requirement

##### LTMA section 120(1)(a)

A regional council, in a regional public transport plan, -

(a) must -

- i. identify the public transport services that are integral to the public transport network
- ii. provide an outline of the routes, frequency and hours of operation of the services identified in (i)
- iii. arrange all of the services identified under (i) into units
- iv. indicate the date by which a unit is expected to start operating.

#### 7.1.1 Services integral to the public transport network

Councils need to consider what makes a service 'integral' to their public transport network - and it will vary from region to region. A good rule of thumb might be to consider what would happen if the service in question was withdrawn - would the regional public transport network be able to operate effectively?

The description of services should be enough to tell the reader what overall level of service they can expect in the region for the period covered by the RPTP. This includes a description of routes, frequency and hours of operation of services. The regional council will need to consider how much detail to include in this service description, striking a balance between giving the reader an idea of the network, and enabling flexibility should services need to change. To meet the purpose statement in s117(b) the RPTP should include sufficient detail to enable informed comment during the consultation process.

In addition to conventional public transport services, the RPTP must also include the taxi or shuttle services that the regional council intends to provide financial assistance for (including Total Mobility schemes)

The level of detail provided about Total Mobility will need to give a clear idea of what is intended, but again, provide sufficient flexibility. As a minimum, the RPTP should state the areas of operation and any exemptions to 24-hour operation. Detail such as eligibility criteria and discount levels available for Total Mobility schemes or any other subsidised taxi and shuttle based services is not required in the RPTP and can simply refer to central government policy and information.

## 7.2 Unit establishment

### Statutory requirement

#### LTMA section 5(1)

'Unit' means:

a public transport service, or group of public transport services, -

- (a) that a regional council identifies as integral to the region's public transport network; and
- (b) that operates, or will operate, on the entire length of 1 or more routes specified in the regional council's regional public transport plan; and
- (c) that includes all of the public transport services operating to a timetable that applies to the entire route or routes specified for the unit

#### LTMA section 120(2)

A regional council must, in relation to any units, include in a RPTP policies on:

- ...(c) the process for establishing units; and
- (d) the approach that will be taken to procuring the delivery of the service or services in a unit; and
- (e) how the procurement of units will be phased in over time; and
- (f) managing, monitoring, and evaluating the performance of units.

The concept of a unit is fundamental to the development of regional public transport plans and the segmentation of the network and services into coherent elements. Only exempt services do not have to be arranged into units. Operational experience with units is limited in the new legislative environment, however there are principles that may, depending on circumstances, be useful to apply, and a possible process is shown in the diagram on page 17.

### Principles

Regions are encouraged to develop principles in designing units that cover the following considerations.

**Network and service review** Before identifying units, regions need to have identified routes and services that are integral to the public transport network in their region. Since many services are historic and do not necessarily get reviewed when new services are added, a region-wide network and service review may be helpful.


**Marketable whole** Units should be 'marketable wholes' – that is, potentially able to be delivered by an operator either as a stand-alone operation or as part of a wider suite of services. However this principle should not necessarily limit the range of unit sizes. For example the smallest known unit in NZ is a twice weekly service running 100km (which the operator leverages off a school bus service business using a bespoke minivan), while the largest is a 50-bus urban Auckland unit comprising main line and feeder services. The question regions need to be able to ask, and answer, is 'is it reasonable to expect there will be competition for, and sustained quality delivery of services in this unit, either by itself or potentially grouped with other units, should an operator so desire?'

**Customer market** In defining a unit, regional councils need to consider whether there is 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 customer market might be a geographic area or areas, but could also be generated by a particular activity or use – for example an airport, shopping precinct, health centre, hospital or industrial park.

**Whole route operation** Each unit must comprise a service or group of services that operates all timetabled services on the entire length of one or more routes in the RPTP (legal requirement). This precludes the defining of a unit that only covers part of a route in the network, and helps define the 'marketable whole' and reinforce the customer base.

**Unit attractiveness** Regions also need to consider whether services packaged as a unit would be attractive to a potential tenderer. This might involve awareness of operators' depot locations and other contracts (for example any long term adjacent contracts which could enable economies of scale and hence value for money). However it is critical that such considerations of current operations do not compromise competition from a new operator.

**Group tender policy** It is important to note that the region's policy on group tenders, which is mandatory in its procurement procedure<sup>3</sup>, may enable operators to group units to encourage efficiencies and thus value for money. The group tender policy can be a tool to allow flexibility in grouping options and combinations of units. For example rather than just having one large unit for a provincial town, a region may prefer to create say two units which are potentially attractive to two different operators but, enabled by the region's group tender policy, could be grouped and operated by one operator.



Link to *Procurement manual*  
content around group tenders

**Mode specific** Units must be single mode-specific - that is, a unit cannot include both a bus and ferry or train route.

**School services consideration** School services not provided by the Ministry of Education must be arranged into units. School services operating on a timetabled route would logically be allocated into that unit, although in regions with large dedicated school bus networks geographic units may be appropriate.

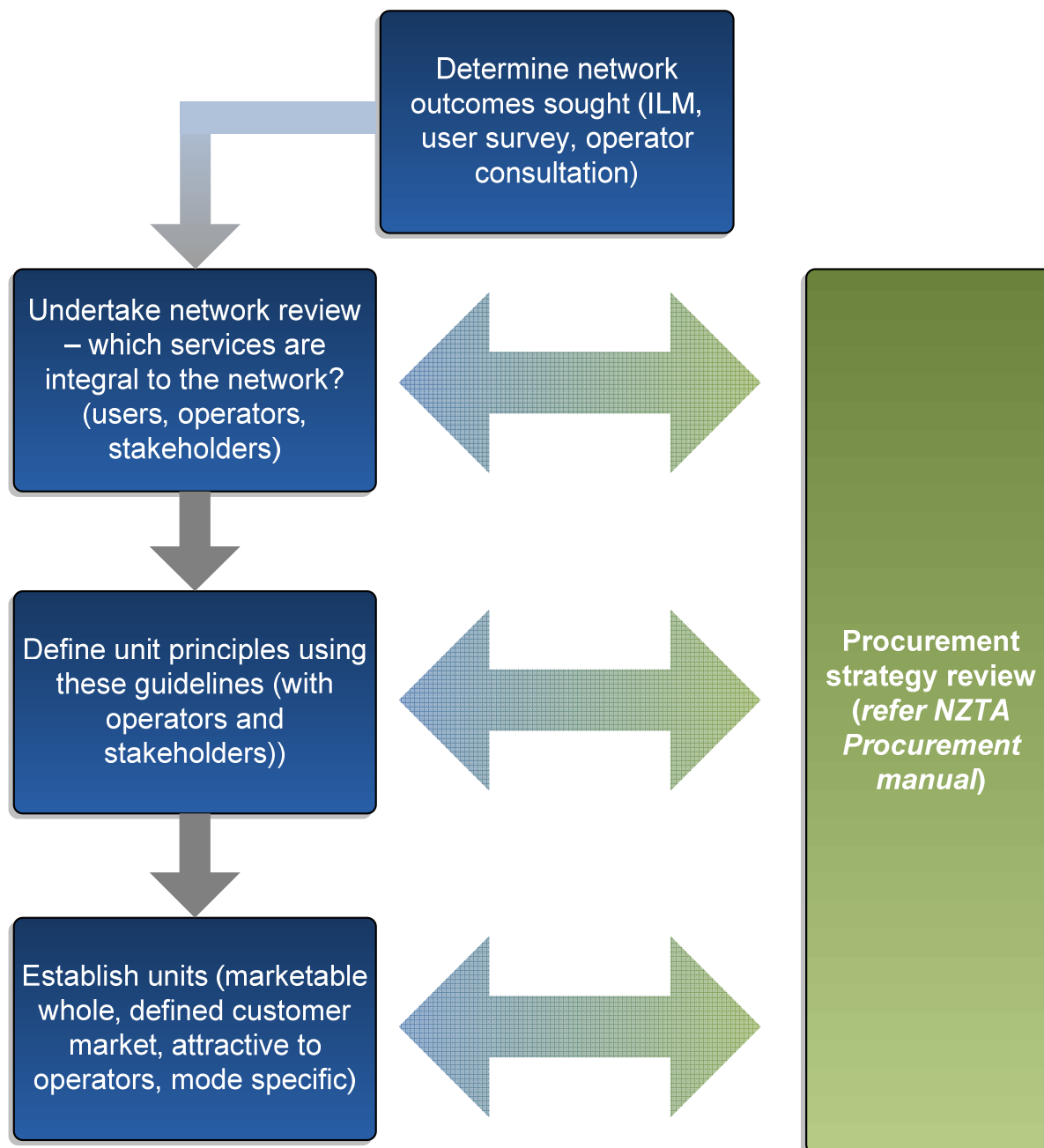
**Wider network consideration** Regional councils need to consider each unit in the context of the wider network. Network planning may mean services overlap on common portions of key feeder routes. This may be desirable to provide the sort of service frequencies that enable best practice integrated networks. The overlapping portions are likely to contain bus stops used by all services operating on the common section of the route. Regional councils should also consider whether the network may expand in future to accommodate developing areas, and whether unit arrangements might be adapted in response.

**Stakeholder involvement** Regional councils are advised to involve stakeholders (especially operators and territorial authorities) in the reviews of networks and services, and in the development of units. Not only will their expertise and experience influence the review, but later when services (and infrastructure) are required to complement each other in order to deliver the frequencies and reliability required, there will be significant understanding and ownership of the design.

**Quality of service provided** Regions need to consider the quality of service provided (either increasing quality where patronage exceeds trigger levels, or decreasing it once patronage declines past certain trigger levels).

<sup>3</sup> NZTA *Procurement manual* Chapter 8

## Possible process for developing units



### **Like-for-like units (Note: most regions do not need to concern themselves with these)**

Regional councils with incumbent operators who held existing commercially-registered services at 30 June 2011 need to carefully consider and allocate units to such operators in recognition of the value of the commercial registrations. The main principle to be followed when determining like-for-like unit contracts is that incumbent operators are to receive contracts with in-service kilometres equivalent to the quantum of in service kilometres operated under registered commercial services existing at 30 June 2011. Where possible, units with higher commerciality ratios should be allocated. It is possible regional councils may need to adjust the size of units slightly at the design stage and/or group units in such a way that the requirement to allocate an equivalent quantum of in-service kilometres can be accommodated.

### **Other unit considerations**


The amended LTMA and new RPTPs provide a good opportunity for regions to review historic or out of date networks and services, in consultation with operators and stakeholders. One example of good practice involves reducing the number of routes to a coherent grid network, with consequent service frequency and daily time span increases. Such network redesigns can be transformational in terms of mode change and patronage growth – potentially a significant factor in contributing to the patronage and revenue growth objectives of the legislation.

It is highly likely such network reconfigurations will involve multiple services running on common key parts of the network, potentially using the same bus stops. Network reconfiguration may also involve some 'cross town' services that intersect with a number of radial routes operated as different units. This has an impact on units as operators will focus on increasing the unit commerciality ratio (fare revenue as a proportion of the cost of providing the service) and want to maximise patronage and revenue growth. Understanding the benefits of an integrated network, joint planning, and the negotiation of realistic key performance indicators and a financial incentive mechanism will mitigate these effects.

Effective service planning by the region (in collaboration with operators) will mean that services complement each other rather than compete for passengers. It is important that operators adhere to schedules, and known operational issues such as bunching buses together, driving too fast, or failing to stop at bus stops are avoided to ensure the specified service frequency is achieved.

### **Grouping units**

The Transport Agency's *Procurement manual* requires councils to specify in their Request for Proposals their policy on group tenders. Grouping may be desirable to help achieve value for money, and from the perspective of operators wanting to maximise fleet and depot efficiency. Consideration of group tenders should take into account the desirability of maintaining competitive markets. When designing units, regions should consider how natural groupings that contribute to efficiency and service coherence might occur.



Link to *Procurement manual*  
content around grouping units

**Regional examples:****Auckland network review**

With assistance from a North American and a local consultant, and steered by a stakeholder group, Auckland Transport reviewed its network of about 450 routes, some of which were tortuous, historically-developed services involving long travel times. Auckland Transport consulted on a revised grid network with about 150 routes that is better integrated with its core rail and ferry services, is more intuitive, and will allow higher frequency services during more of the day while not materially increasing service kilometres. One implication is the need for more transfers, emphasising the desirability of better transfer facilities (stops, shelters, information provision etc), integrated electronic ticketing, and a zonal fare system.

The new network involves 49 units, ranging in size from a unit requiring about four peak buses to a unit requiring about 50 buses, with a region-wide total of about 980 buses. Some obvious groupings of units will likely occur, but there is space in the market for operators of varying sizes.

The first sector to be put for tender is South Auckland where six units cover about 10% of the region. Unit design considerations do not constrain innovation and flexibility. For example services in and around the township of Papakura comprise one unit. A premier service from Manurewa to Onehunga via the Airport has been defined as a separate unit to due to its high profile, marketability and growth potential.

**Whangarei unit considerations**

Whangarei operates five routes within the city, Kamo and Onerahi areas with one operator contract. Passenger growth on these services has been impressive. While on paper the services could possibly be segmented into, maybe, three units (city, Kamo, Onerahi) closer inspection reveals such a split would be unlikely to deliver three 'marketable wholes', as there is in fact considerable overlap of vehicles and drivers on the services. Operating three units may result in increased costs rather than efficiencies, and could struggle to find operators prepared to add them to an existing business.

While a decision to incorporate all five routes and services into one unit would define competition as 'for the market' rather than 'in the market', tenderers would be likely to want to group the units anyway, subject to the region's group tender policy. Note: PTOM effectively removes competition 'in the market' as all units are exclusive operating areas (with some common overlaps where routes meet)

Whangarei services may operate best as a single unit.

## 7.3 Assisting the transport disadvantaged

### Statutory requirements

#### LTMA section 124(d)

A regional council must, before adopting an RPTP ... consider the needs of persons who are transport-disadvantaged.

#### LTMA section 120(1)(viii)

The RPTP must describe how the public transport services described in the RPTP, and any taxi services or shuttle services for which it intends to provide financial assistance, will assist the transport-disadvantaged.

#### LTMA section 5

Transport-disadvantaged" means people who the regional council has reasonable grounds to believe are the least able to travel to basic community activities and services (for example, work, education, health care, welfare, and shopping).

The legal definition of transport-disadvantaged is based around access to activities and services. Who is transport-disadvantaged may vary across regions depending on what factors may impede access, e.g. disability, distance, age, socio-economic status. The definition in the LTMA is a legal definition, and thus regional councils must ensure that their view of who is transport-disadvantaged is consistent with the definition in the LTMA. In doing this, regional councils may also consider the factors that can lead to transport disadvantage. These may include lack of modal choice, affordability and disability. It would be good practice to look at what factors have the biggest impact on transport-disadvantaged in your region and whether some groups are disproportionately affected.

### Regional example - Waikato:

For the Waikato Regional Public Transport Plan 2012-21 a transport-disadvantaged study was undertaken using census data and geospatial information to identify:

- Who is involved in transport for the transport-disadvantaged?
- Who is transport-disadvantaged?
- Where are transport-disadvantaged located within the Waikato region?
- What are the priorities for addressing transport-disadvantaged?
- What policies and actions should be included in the plan to address the needs of transport-disadvantaged?

[www.waikatoregion.govt.nz/Council/Policy-and-plans/Transport-policy/Regional-Public-Transport-Plan/](http://www.waikatoregion.govt.nz/Council/Policy-and-plans/Transport-policy/Regional-Public-Transport-Plan/) for further information.

The list of people possibly transport-disadvantaged may, depending on the region, include students, the elderly, those with a physical or mental disability, or a health problem, and those on a low income.

The next step is to determine the needs of the transport-disadvantaged. Needs may relate to access to specific opportunities (eg travel to employment, education, shopping, medical facilities etc), physical accessibility issues (eg pedestrian access to stops, stations and vehicles) and cost issues (eg fare levels). The needs identified in the RPTP should be specific to the region.

Possible interventions can be identified using the business case approach to consider the range of interventions and which will deliver the best transport outcomes. Interventions may include partnering with other agencies or community groups. Possible interventions that could be considered as part of this process are:



- specialised services for target groups (eg dial a ride)
- services to locations and at times that serve the needs of transport-disadvantaged
- accessible vehicle standards
- total mobility services
- travel training for users and customer service awareness
- provide appropriate forms of assistance and support to transport-disadvantaged to ensure their access to public transport information (for example, the design of websites using accessibility standards, signage in Braille and ensuring new technology such as real time information is easy to read).

The RPTP must describe how the services (including financially supported taxi or shuttle services) will assist the transport-disadvantaged (s120(1)(a)(viii)).

### 7.3.1 Total mobility services

The Total Mobility Scheme is one way to meet the needs of some transport-disadvantaged people. Where Total Mobility is provided, the RPTP must include it in its description of services, consistent with the information provided in these guidelines.

The Total Mobility Scheme provides a subsidised transport service for disabled people with mobility constraints by way of vouchers that provide a discount of 50 percent off the normal fare and financial assistance to wheelchair hoists vans. The purpose of the scheme is 'to assist eligible people with impairments to access appropriate transport to enhance their community participation. This assistance is provided in the form of subsidised door-to-door transport services wherever transport providers operate'.

See *Total Mobility Scheme – a guide for local authorities* <http://www.nzta.govt.nz/resources/total-mobility-council-guide/>

### 7.3.2 SuperGold card free off-peak travel scheme

The SuperGold card is available to all eligible New Zealanders aged 65 years or over and those under-65 who receive the New Zealand Superannuation or the Veterans' Pension. The free travel entitlement is funded by the Crown through the Ministry of Transport. SuperGold Card holders can travel for free on eligible off-peak bus, rail and harbour ferry services. Off-peak is defined as 9 am to 3 pm and after 6.30 pm on weekdays and all day on weekends and public holidays. Public transport services set out in the RPTP should include eligible SuperGold services, as set out in a schedule to the SuperGold memorandum of understanding between the council and the Transport Agency. All participating operators must have an agreement with the relevant regional council.

## 7.4 Aligning services and infrastructure planning

### Statutory requirements

#### LTMA section 115(1)

(1) 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:

- a. 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.

### LTMA section 117(a)

The purpose of the regional public transport plan is to provide –

- a. a means for encouraging regional councils and public transport operators to work together in developing public transport services and infrastructure.
- b. an instrument for engaging with the public in the region on the design and operation of the public transport network; and
- c. a statement of:
  - i. the public transport services that are integral to the public transport network; and
  - ii. the policies and procedures that apply to those services; and
  - iii. the information and infrastructure that support those services.

### LTMA section 125(3)

(3) a regional council that is preparing a regional public transport plan may request any information from any territorial authority within its region that the regional council considers necessary to perform its functions under this Act in relation to that plan, and the territorial authority must promptly comply with that request.

Efficient and effective public transport services require well integrated transport infrastructure, including intersections, public transport interchanges, bus stops, bus ways, and bus lanes, traffic management devices such as bus pre-emption signals, real time information, park and ride facilities and standing areas for surplus off-peak vehicles, ferry and rail infrastructure. With a few exceptions, territorial authorities 'own' and manage the road and traffic management related infrastructure while regional councils own and manage the services supporting infrastructure such as real time information and call centres. Ferry and rail infrastructure and services have slightly different operating dependences (infrastructure tends to determine services rather than the other way around) but the need to ensure alignment between services and infrastructure is the same.

Because territorial authorities are responsible for providing most local transport infrastructure, the role of the territorial authority with respect to infrastructure must be understood and taken into account in RPTPs. In their role, territorial authorities need to manage a number of issues including:

- competing demand for access to the infrastructure (cars as well as PT services)
- ownership, control, management and maintenance
- resource and building consents
- road design and implementation of traffic management measures
- provision of land and access ways to bus stops
- their investment and investment priority in the regional land transport programme
- consultation requirements which may result in supporting or conflicting with regional council's objectives.

The LTMA expects regional councils and territorial authorities to work closely together to deliver an efficient public transport system (services and infrastructure). The Transport Agency recommends the RPTP should:

- identify high level principles<sup>4</sup> for infrastructure requirements, particularly bus stops and transfer points
- set out the basis for collaborative working with territorial authorities to ensure timely provision of

<sup>4</sup> The Transport Agency is preparing guidance related to public transport infrastructure which reflects four core principles – accessibility, safety, efficiency and affordability. The guidelines are currently focused on bus stops but will extend to other infrastructure in time.

infrastructure

- include a clear description of significant assets/activities. This should include any physical asset owned by the regional council such as interchanges, exchanges or station infrastructure, metro rail rolling stock and a clear statement of what public transport support such as real time information and call centres is provided
- include information about the provision and maintenance of infrastructure as appropriate, including any staging of the provision of infrastructure needed for the development of services. This should address any shared responsibilities (financial and non-financial) between the regional council and the territorial authority.

## 7.5 Public transport service objectives and policies

### Statutory requirement

#### LTMA section 120(1)

A regional council, in a regional public transport plan, -

- b. must specify any objectives and policies that are to apply to -
  - i. any units; and
  - ii. any services referred to in paragraph (a)(vii) (taxi service or shuttle service for which the regional council intends to provide financial assistance) and
- c. may describe exempt services but may not make them subject to the objectives and policies described in paragraph (b), and
- d. may state or describe any other matters that the regional council thinks fit

#### LTMA section 120(2)

(2) Without limiting subsection (1)(b), a regional council must, in relation to any units, include in a regional public transport plan policies on -

- a. accessibility, quality and performance
- b. fares and the method or formula or other basis for setting and reviewing those fares
- c. process for establishing units
- d. the approach that will be taken to procuring the delivery of the service or services in a unit
- e. how the procurement of units will be phased in over time
- f. managing, monitoring and evaluating the performance of units.

The LTMA sets out public transport policies that must be included in an RPTP, and gives broad scope for other policies to be included. The key point that needs to be noted is that any policy on units, taxi services or shuttle services must be included in the RPTP (s120(1)(b)). In addition to the policies referred to in the legislation, the Transport Agency requires other policies, for example a fare box recovery policy in its RPTP.

Policies set out the intent of the regional council, and the RPTP also sets out how council will implement the policies – a significant part of implementation is through units and contracts, but other aspects are important, such as information. Clarity is important, and action-oriented policies should be emphasised, directed at matters for which the regional council is accountable. To aid interpretation, there should be a clear rationale for each policy.

### 7.5.1 Transport Agency farebox recovery policy

The amended LTMA requires policy on 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). 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 more commercial.

In April 2010, the Transport Agency Board adopted a national farebox recovery policy, which sets out the Transport Agency's expectations regarding the inclusions of the regional farebox recovery policy as part of a RPTP.

#### Transport Agency policy

It is a Transport Agency funding condition that councils include a farebox recovery policy in their RPTP, and regional councils must take the national policy into account when developing or revising their RPTP.

The Transport Agency's national farebox recovery policy resides in full in the Transport Agency's Knowledge Base and is currently (2013) being reviewed. The RPTP should refer to the relevant section of the Transport Agency policy when developing a regional farebox recovery policy<sup>5</sup>.

### 7.5.2 Units

Policies relating to units form the basis of contractual obligations for operators, and therefore need to be clearly expressed through the RPTP process. As noted previously, s120(2) of the LTMA requires policies related to units to include a number of matters including accessibility, quality and performance, fare setting and review, the process for establishing units, the procurement approach for delivery of the service or services in a unit, how procurement of units will be phased in over time, and managing, monitoring and evaluating the performance of units.

#### Case study: Auckland Regional Public Transport Plan – policies that apply to units

For legibility and readability it can be helpful to simply list (cross reference) the policies that apply to units. Chapter 6 (page 27) of the Auckland RPTP 2013 lists the policies that will apply to units, set out in a clear and concise manner. Subsequent sections of Chapter 6 contain the policies in detail.

Refer to section 7.2 of this document for information about establishing units, procurement approaches, and refer to chapter 10 for information about policies on managing, monitoring and evaluating the performance of units.

### 7.5.3 Transport Agency total mobility policy

#### Transport Agency policy

Transport Agency investment policy requires as a condition of funding that all Total Mobility policies contained within the RPTP are consistent with national policies.

Transport Agency investment policy requires as a condition of funding that all Total Mobility policies contained within the RPTP are consistent with the following national policies:

<sup>5</sup> Please also refer to General Circular Policy: No 10/03, which includes the full policy.

- The fare subsidy is set at 50% up to the maximum fare subsidy for all trips.
- The scheme has no minimum fare threshold.
- There are no restrictions on the purpose of the trip for the scheme, but trips that are the responsibility of another government agency, such as the Ministries of Education, Health or Social Development should not be covered.
- Any review of the RPTP should include investigations into the potential to improve the scheme outcomes, including whether the scheme can be extended to areas that are not currently covered.

Further information on these policies is provided in the *Total Mobility Scheme – A Guide for local authorities* <http://www.nzta.govt.nz/resources/total-mobility-council-guide/>

The RPTP should also include a policy for procuring any wheelchair hoist equipment.

## 7.6 Policy on significance

### Statutory requirement

#### LTMA section 120 (4)

The RPTP must set out the policy the regional council will apply in determining whether a proposed variation to the regional public transport plan is significant for the purpose of the consultation obligations found in section 126(4).

The policy on significance needs to be specifically included in the RPTP itself, even if it is similar or the same as the significance policy for other key documents, for example, the RLTPlan.

The significance policy will help the council in future decisions on variations to the RPTP. Where a variation is not significant, the LTMA gives regional councils greater flexibility in their consultation obligations, excusing them from the need to undertake the full consultation requirements of a normal RPTP variation or renewal process. This requires a formal determination of what is significant.

The special consultative procedure is not mandatory, but the significance policy should identify thresholds beyond which the full consultation set out in s125(1) and the special consultative procedure set out in s125(2)(b) need to be followed. The thresholds should take account of the scale of the proposal/variation, the likely level of public interest, and the relative costs and benefits of a full “special consultative procedure”. Any other criteria or procedures council will use in assessing whether a proposal/variation is significant should also be included. Regional councils might like to ensure the policy on significance is sufficiently flexible to allow them to make small, sensible changes efficiently. Note: the policy on significance should note that regional councils remain bound by the requirement to act in accordance with the consultation principles in the LGA.

The RPTP policy on significance should be consistent with other policies on significance adopted by the regional council, including the significance policy for the RLTPlan and in relation to local government decision-making generally (section 90 of the LGA).

Changes to the policy on significance itself cannot be treated as ‘not significant’. If a regional council intends to change its policy on significance, it must consult each of the parties listed in s125(1)(a).

## 7.7 Matters to be satisfied of/taken into account in preparing RPTPs

### Statutory requirement

#### LTMA section 124

A regional council must, before adopting an RPTP:

- a) be satisfied that the plan:
  - i) contributes to the purpose of the LTMA;
  - ii) has been prepared in accordance with any relevant guidelines that the Agency (Transport Agency) has issued;
  - iii) is, if it includes a matter that is not within the scope of the RLTP, otherwise consistent with that plan;
- b) be satisfied it has applied the principles specified in section 115(1):
- c) take into account:
  - i) any national energy efficiency and conservation strategy; and
  - (ii) any relevant regional policy statement, regional plan, district plan or proposed regional plan or district plan prepared under the RMA
  - iii) the public transport funding likely to be available within the region;
  - iv) the need to obtain the best value for money, having regard to the desirability of encouraging a competitive and efficient market for public transport services; and
  - v) the views of public transport operators in the region.

The list of matters to be satisfied and those that need to be taken into account in preparing an RPTP is similar (though not exactly the same) to that required for other land transport planning documents, for example, RLTPs under s14 of the LTMA. The key points are elaborated on as follows:

### 7.7.1 Matters to be satisfied of

#### Contribution to the purpose of the LTMA

The purpose of the LTMA is 'to contribute to an effective, efficient, and safe land transport system in the public interest'. This wording is new, a result of the 2013 Amendment Act and is intended to be simpler, clearer, and easier to understand and interpret. It was intended to reduce compliance costs and simplify processes through the reduction in the criteria needed to be considered – including in RPTPs.

RPTPs can incorporate the new provisions with guidance from the Planning and Investment Knowledge Base, which outlines Transport Agency policy in assessing investment proposals, including the concepts of efficiency and effectiveness.

The term 'public interest' is not defined in the LTMA, and although it is used often it is not usually defined in legislation. In looking at section 3 in its entirety, we can obtain some assistance to determining what the public interest test involves – 'to contribute to an effective, efficient, and safe land transport system in the public interest'. The matter of an effective, efficient and safe land transport system is such that it is capable of affecting the people at large – they will be legitimately be interested in, or concerned about what is going on, or what actions are occurring that may affect them.

#### Guidelines issued by the Transport Agency

These guidelines have been prepared by the Transport Agency pursuant to its function under s95(1)(ia) of the LTMA of issuing guidelines for, and monitoring the development of, regional public transport plans. Regional councils are required, before adopting an RPTP, to be satisfied it has been prepared in accordance with these guidelines. These guidelines set out the mandatory requirements for RPTPs under the legislation, the Transport Agency's operational policy and expectations, and some suggestions of good

practice when developing plans.

### **The principles specified in Section 115(1)**

Section 115 requires that all persons exercising powers or performing functions in relation to public transport services must be guided by each of a set of principles. This means for example, in preparing, adopting or varying RPTPs, regional councils must be guided by the principles. 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.

Councils' actions and decisions can demonstrate having been guided by the principles by:

- employing close collaboration with operators in service design and unit development
- collaborating with territorial authorities over infrastructure development aligned to service provision
- ensuring services are coordinated with a focus on achieving patronage growth
- having unit and procurement policies that enable a competitive market
- addressing incentives to reduce reliance on subsidies
- demonstrating transparency.

## **7.7.2 Matters to take into account**

### **National Energy Efficiency and Conservation Strategy (NEECS)**

The obligation to take account of the NEECS mirrors the legislative requirement for RLTPs. The NEECS is prepared as a requirement of the Energy Efficiency and Conservation Act 2000. The New Zealand Energy Efficiency and Conservation Strategy 2011-2016 sets an energy intensity improvement target of 1.3% per annum, shared between transport, homes, business and products. It expects significant energy savings from each sector.

The RPTP should identify any policies and actions proposed to address energy efficiency issues and show the contribution they are expected to make to improved energy efficiency.

### **Resource Management Act 1991 (RMA) policy statements and plans**

The RPTP must take into account any national or regional policy statement (RPS), regional plan or district plan prepared under the RMA. This requires the regional council to undertake an assessment of the relevant plans and determine which provisions are relevant to the RPTP. This assessment could be more efficiently undertaken in conjunction with the similar assessment required in preparing the RLTP.

### **Available funding**

The requirement to take into account the public transport funding likely to be available within the region (s124(c)(iii)) relates to the principle of efficiency in the purpose of the LTMA, and also s115(1)(d). To meet this requirement, a funding plan should underpin the RPTP. Some aspects of the funding plan may have been established through the LTP, but matters to be considered include:

- any assumptions about costs or funding underlying public transport (e.g. is there an assumption that costs will only increase in line with inflation, or that revenue from forecast increases in patronage and/or fares will cover proposed improvements)
- is there opportunity for services to operate without subsidy (therefore exempt)?
- all sources of revenue for public transport including:
  - rates (if using targeted rates are these targeted appropriately?)
  - fare revenue
  - Transport Agency investment
  - other sources (eg development contributions, parking charges, financing or debt funding)
- what is the estimated cost of the services and proposed improvements in the RPTP?
- is there a funding gap or can the services be funded out of existing funding sources?
- if there is a funding gap, will improvements be staggered over time, or can an additional source provide funding?
- can any efficiency be made?

The RPTP should contain a summary of the above information, as appropriate, but as a minimum should include likely sources and amounts of funding, and how this relates to the costs of providing services set out in the RPTP. The RPTP might also test the community's willingness to pay for public transport services and the relationship between fares and public subsidy.

Farebox recovery policies and farebox recovery ratio targets are an important part of the funding plan. These should be developed considering the Transport Agency's expectations outlined in its national farebox recovery policy, and should be linked to policies and methods that ensure that the public transport system is managed towards achievement of the targets.

The RPTP should also demonstrate the relationship between the funding available, the description of services to be provided in the region, and the public transport policies. The purpose of this is to demonstrate the extent to which those services and policies are affordable within expected funding levels. This should enable a better alignment between policy and affordability, including a better understanding of what the proposed services in the RPTP will cost, how they will be paid for and a more explicit connection to the LTP.

### **Value for money**

In preparing the RPTP, the regional council must (s124(c)(iv)) take account of the need to obtain the best value for money having regard to the desirability of encouraging a competitive and efficient market for public transport services.

The wording of this requirement is similar to the provisions of section 25 of the LTMA, which requires the application of approved procurement procedures for land transport. Those procedures are designed to obtain the best value for money spent by the Transport Agency and approved organisations, having regard to the desirability of enabling fair competition for the right to supply outputs, and encouraging competitive and efficient markets for the supply of outputs. Regional councils should consider this when arranging services into units, and in their procurement policies.



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### **Views of operators**

As operators are a partner in the provision of public transport services and often hold detailed information about operational matters and customer needs, the regional council should involve operators as early in the process as possible, and may want to investigate whether a formal mechanism to determine their views is appropriate. This is discussed further in chapter 9, the consultation requirements for the RPTP. In addition to existing operators in the region, regional councils may also wish to seek the views of providers who are not currently active in the region, but who may wish to provide services in future.

### **Transport Agency requirements for urban buses**

Transport Agency procurement rules require as a condition of NLTF funding the use of the Requirements for Urban Buses (RUB) – a common, nationwide standard for the quality of urban buses. For consistency the RPTP should include a policy regarding consistency with the RUB.

## 8.0 Other matters to consider

This section outlines other matters that may be included in RPTPs. It also sets out guidelines on some matters that may be expected in RPTPs, and the approach that may be taken towards policy development.

### 8.1 Flexibility to include other matters

#### Statutory requirement

LTMA section 120 (1)(d)

An RPTP may state or describe any other matters that the regional council thinks fit.

This provision provides regional councils with a degree of flexibility to include other matters, not specifically listed, in their RPTPs.

Note: Any such matters should be relevant to the overall purpose of the RPTP, and if they relate to matters outside the scope of the RLTPan, they must be otherwise consistent with the RLTPan.

### 8.2 Delegation of actions

#### Statutory requirement

LTMA section 120(5)

An RPTP may provide that an action described in the plan must or may be done by a regional council or a committee or other subordinate decision-making body or a member or officer of the regional council, and may specify conditions applying to that action.

This provision allows regional councils to use their RPTP to delegate responsibility for undertaking actions in the RPTP and to attach any conditions to those delegations that it sees fit. Note: This provision does not limit or affect the delegation powers in the LGA.

### 8.2 Provision of information

In the interests of transparency, the RPTP should set out what kind of information will be requested/required of operators. Section 127 of the LTMA provides regional councils with certain powers to require information from operators of public transport services. This information can assist the council with public transport planning, contracting, and monitoring, benchmarking services against one another, and can help provide a national overview of public transport. Note, while the provision does not enable regions to require information from operators of exempt services, they can request it.

Section 127 also requires regional councils to publish patronage data and data showing the extent to which the unit is subsidised, and allows them to disclose fare revenue data to registered tenderers. The commerciality ratio fulfils the function of showing the extent to which a unit is subsidised. Regions are able to specify how the information is provided, taking into account how the operator keeps the information, and what is reasonable in the circumstances.

## 9.0 Consultation

The LTMA consultation requirements for RPTPs have changed, with a shift away from a prescriptive set of provisions to an arrangement that is more principle-based, enabling flexibility and alignment with other planning documents. Regional councils should still note the requirement to follow the LGA consultation principles, and note that PTOM is a move toward a more collaborative approach to planning and delivering public transport services. The model anticipates early and ongoing engagement with the public and operators so public transport networks provide maximum incentives and opportunity for patronage growth and reduced public subsidy. Consultation is particularly important during the transition from existing services (that may not be PTOM-compliant) to PTOM-compliant services.

This section contains guidelines on consultation for the RPTP, including formal statutory requirements, and the need to involve key stakeholders in the preparation of the RPTP to ensure the plan reflects user needs and provider opportunities.

### 9.1 Consultation procedures

#### Statutory requirements

##### LTMA section 125(2)

Before adopting a regional public transport plan, a regional council or Auckland Transport (as the case may be) must consult using the special consultative principles specified in section 82 of the LGA, and may use the special consultative procedure specified in sections 83, 87 and 89 of the LGA.

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 public transport operating environment is based on robust network. The LTMA does provide some streamlining of consultation requirements - consultation on RPTPs and regional land transport plans can occur in conjunction with each other, and it is no longer mandatory to use the special consultative procedure under the LGA. 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. The principles are to be observed as the council sees appropriate in the circumstances (s125(3)).

#### 9.1.1 Consultative principles

The consultative principles in section 82 of the Local Government Act are set out below:

- a. That persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons.
- b. That persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority.
- c. That persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented.
- d. That persons who wish to have their views on the decision or matter considered by the local authority

should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons.

- e. That the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration.
- f. That persons who present views to the local authority should be provided by the local authority with information concerning both the relevant decisions and the reasons for those decisions.

### **9.1.2 Special consultative procedure (not mandatory)**

In carrying out its formal consultation on the RPTP, the regional council may use the special consultative procedure specified in sections 83, 87 and 89 of the LGA.

This involves the following steps:

- Preparation of a statement of the proposal (the draft RPTP) and a summary of the information contained in the statement of proposal.
- Inclusion of the statement of proposal (the draft RPTP) on a meeting agenda.
- Making the statement of proposal (the draft RPTP) available for public inspection.
- Distribution of the summary of information as widely as reasonably practicable.
- Public notice of the proposal and the consultation being undertaken, how interested persons can obtain more information and the period during which submissions may be made.
- Allowing time for submissions (at least one month from the first public notice).
- Acknowledgment of submissions, advising submitters of their opportunity to be heard, and explaining how they may exercise this opportunity.
- Allowing reasonable opportunities for submitters to be heard.
- Ensuring that meetings at which submissions are heard or at which the council deliberates on the proposal are open to the public, except as otherwise provided for under the Local Government Official Information and Meetings Act (LGOIMA).
- Making written submissions available to the public (subject to the LGOIMA).

To meet the requirements of the LGA to provide opportunities for persons who will or may be affected by, or have an interest in the proposal to have input, regional councils should take steps to identify other people and organisations that should be consulted. The procedure also requires that the draft RPTP be made available to the public, and that individuals who are interested are able to make submissions and (if they request) be heard by the council.

The special consultative procedure contains a number of steps and is followed for many council plans and strategies (including the RLTPan). Councils will have established processes for compliance with the LGA requirements, and clear documentation of the process. If councils use the special consultative procedure for the RPTP it is recommended a consultation plan is developed at an early stage. This helps ensure these steps are complied with, and sufficient time is allowed for consultation to be effective and for the outcome of the process to be incorporated into the final document prior to adoption.

## 9.2 Consultation with key stakeholders

### Statutory requirements

#### LTMA section 125(1)

When preparing a draft regional public transport plan, a regional council must consult:

- a) the relevant regional transport committee (and, in the case of Auckland Transport, the Auckland Council and each affected local board of the Auckland Council), and
- b) the Agency, and
- c) every operator of a public transport service in the region, and
- d) every person who has notified the regional council of a proposal to operate an exempt service in the region, and
- e) the Minister of Education, and
- f) the territorial authorities in the region, and
- g) the relevant railway line access provider.

#### LTMA section 124(d)

A regional council must, before adopting an RPTP ... consider the needs of persons who are transport disadvantaged.

The approach to consultation should also take account of regional councils' consultation obligations under the LGA. These include a requirement to consider the views and preferences of persons likely to be affected by, or have an interest in the matter, at various stages of the decision-making process, including:

- when problems and objectives are defined
- when options are identified
- when options are assessed and proposals developed
- when proposals are adopted.

Regional councils are able to exercise judgement over how they will comply with this requirement, but should take account of relevant case law and good practice examples. [A useful reference is the good practice guide published by the Controller and Auditor General in 2007<sup>6</sup>.](#)

Regional councils should specifically consider how best to involve key stakeholders whose actions influence success of the RPTP, particularly bearing in mind the principles in s115((1)(a). In most cases, and particularly for operators, territorial authorities, the Transport Agency and the Regional Transport Committee (RTC), a direct stakeholder relationship should be established at an early stage, as follows:

- Operators: The regional council should take steps to engage with existing public transport operators in the region at an early stage in the preparation of the RPTP, especially during the development of units. Operators have knowledge and understanding particularly about commerciality and marketability. They can help identify matters the RPTP should address, policies, service specifications and information requirements. Ways of engaging can include a combination of operator forum and one-on-one dialogue (recognising that some issues operators may wish to discuss will be commercially sensitive). Councils may also like to consider links to annual business planning once partnering contracts are in place.

<sup>6</sup> Controller and Auditor General (2007): [Turning principles into action: A guide for local authorities on decision-making and consultation.](#)

- In addition to existing operators, councils should also take steps to engage with potential operators. This may require a collaborative approach between different regional councils to identify potential operators, and engage with them in an efficient manner. The council may like to enquire whether urban operators in adjacent regions, and significant urban operators in other regions, particularly any that may have spare capacity in their fleets, would like to receive a copy of early drafts and/or the consultation draft plan. Another possible approach is to advise operators through the Bus and Coach Association magazine *Circular*, that the preparation of the RPTP is underway, and invite those that wish to receive copies of the draft to contact the council.
- Territorial authorities: Consultation with territorial authorities should commence at an early stage to identify any infrastructure requirements, land use planning or traffic management issues that need to be taken into account in the RPTP. Territorial authorities will also be able to advise local changes in residential, employment, educational and other activity patterns likely to influence demand for services.
- Transport Agency: Early consultation with the Transport Agency is helpful in determining the likely level of future funding available for public transport, in getting an indication of whether the Transport Agency might be prepared to contribute funding should RPTP provisions impact on the funding assistance requirements and any policy matters that need to be taken into account in the RPTP, particularly in relation to procurement issues. Early engagement with the Transport Agency is also appropriate where public transport services are expected to operate on the state highway network, especially where specific infrastructure or operational requirements are likely. As a co-investor particularly in the public transport space, the Transport Agency will provide planning and investment signals clearly indicating the outcomes it is seeking from its investment.
- Ministry of Education: in respect of school transport services, the Ministry of Education is a provider of 'last resort' – where a suitable public transport service exists, the Ministry of Education is legally unable to provide a duplicate service. In rural areas there is opportunity for joint services to be made available where there is capacity for fare paying passengers.
- RTC: The RTC is responsible for developing the RLTPan (except in Auckland) which plays a role in determining the funding available, and in determining the strategic role of public transport in the overall transport system. The inclusion of the RTC in the list of parties consulted at an early stage ensures a good linkage between the RPTP and RLTPan.
- Rail line access provider (eg Kiwirail – particularly important where the public transport network may include elements of rail services.

Beyond the specific stakeholders identified in the LTMA, the regional council should also consider consultation that may be required to meet the requirement to consider the needs of the transport-disadvantaged. Early engagement with groups who represent the interests of the transport-disadvantaged would help in this regard.

As part of this early consultation with key stakeholders, regional councils should provide sufficient information to enable stakeholders to make an informed response. This may include information setting out the public transport issues in the region and the proposed objectives and policy options considered for the RPTP. This is particularly important where the regional council is contemplating a significant change in policy or level of service. In these cases, the regional council should also set out the reasons for the proposed approach, together with an evaluation of alternatives. It may be helpful to set this information out in an early discussion document or issues and options document to help gauge the views of stakeholders and the public, before any documentation involving the RPTP itself is circulated.

## 9.3 Joint consultation/preparation

The LTMA (ss121(2) and 125(4)) provides opportunities for regional councils to combine their RPTP and RLTPan, and/or to undertake formal consultation on their RPTP in conjunction with the consultative processes for the RLTPan. For smaller regions in particular, a joint preparation/consultation process may result in considerable savings and better feedback from the public. If this course is chosen, regional councils should take care to ensure that the timetables for both processes can still be met.

## 9.4 Commercially sensitive information

With some exceptions, the LTMA prohibits the disclosure of fare revenue data that may be provided by operators of commercial services to the regional council during the consultation process. The exceptions are as follows (LTMA s129(1)):

- a. to registered tenderers under s127(1)(c)
- b. the regional council's professional advisers, or
- c. to those persons and organisations engaged by the regional council to carry out public transport planning, contracting, or monitoring, or
- d. to the Agency, in accordance with s128(2), or
- e. in the case of Auckland, to the Auckland Council, in accordance with s128(4), or
- f. subject to subsection (2)<sup>7</sup>, in response to a request made under the Local Government Official Information and Meetings Act 1987, or
- g. where the fare revenue data was provided to the regional council 5 years or more before the date of the disclosure, or
- h. where:
  - iii. the operator of the unit (the former operator) no longer exists, and
  - iv. the former operator's public transport business has not been disposed of as a going concern to any other person.

Regional councils should establish formal procedures to ensure fare revenue data provided in the consultation process is not disclosed beyond these exceptions. This may involve confidentiality protocols (including operators clearly labelling data that is commercially sensitive) to ensure relevant council employees are aware of their statutory obligations, and all parties are aware of the procedures to be followed. This may also involve a memorandum of understanding between council and operators.

<sup>7</sup> Subsection 4 reads as follows:

- 4) If a regional council receives a request under the Local Government Official Information and Meetings Act 1987 to release any information described in subsection (1):
  - a) the regional council must make all reasonable efforts to notify immediately the person who provided the information to the regional council that a request to release the information has been received; and
  - b) the person must, within 10 working days after receiving the notice, advise the regional council whether that person believes that the information should be withheld under section 7(2)(b) of the LGOIMA and give reasons for that belief; and
  - c) the regional council may release the information after the expiry of the period specified in paragraph (b) if, having complied with its obligations under this subsection and having regard to the person's response (if any), the regional council cannot identify any reason that would permit it to refuse the request under the LGOIMA.

## 10.0 Monitoring and review

This section contains guidelines on monitoring and review of the RPTP, including the following issues:

- What steps are required to monitor the RPTP?
- When does the RPTP need to be reviewed?

### 10.1 Monitoring the RPTP

Section 120(2)(f) of the LTMA requires the regional council to include in its RPTP policies on managing, monitoring and evaluating the performance of units. The LTMA also makes reference to the collection of information for monitoring necessary to enable the Transport Agency to perform its functions under the LTMA (s128(1)), and requires the regional councils to review their RPTPs to ensure they are kept current (s126(1)).

Monitoring is useful for two purposes:

1. to make sure the overall approach to public transport service provision in the RPTP is meeting the region's objectives, and
2. to review the performance of specific units and services.

The RPTP should set out policies for monitoring the RPTP and the extent to which its (other) policies and objectives are being implemented/achieved. Wherever possible, monitoring should link to RLTPan monitoring, but focus on specific performance indicators that are relevant to the RPTP.

In developing their monitoring programmes and performance indicators, regional councils should have regard to the statutory provisions relating to the collection of information from operators for the purpose of planning and monitoring. In particular:

- the types of information to be sought from operators for this purpose should be included as a policy in the RPTP, and
- the council must ensure that no commercially sensitive patronage, financial or operational information collected is made available without the operator's consent to any person other than the council and its advisors, or the Transport Agency, unless released under LGOIMA.

### 10.2 Review of the RPTP

#### Statutory requirements

##### LTMA s126(1)

- 1) A regional public transport plan adopted under section 119:
  - a. must, at all times, be kept current for a period of not less than 3 years in advance, but not more than 10 years in advance, and
  - b. may be reviewed by the regional council from time to time, but must be reviewed and, if necessary, renewed or varied at the same time as, or as soon as practicable after, the public transport service components of a regional land transport plan are approved or varied.

Although regional councils retain the right to vary or renew the RPTP at any time, the provisions in s126 imply a three-yearly review cycle, related as much as possible to the timing of the RLTPan.

The LTMA envisages that the RPTP may sometimes remain relevant after three years, and if this is the case, there is no need for it to be renewed. It is necessary, however, for regional councils to formally



consider/review the content and relevance of the RPTP, and whether or not a renewal or variation is required. To meet the currency requirements of section 126(1)(a) the Transport Agency recommends that the RPTP should be reviewed every three years. The review itself does not require consultation or notification, however any variation resulting from that review would. Council should refer to their significance policy, which will give guidance on what consultation is needed (if any).

There is a need to balance these renewal requirements with issues related to scope and detail of the RPTP. This should also take account the ability to make minor amendments to the RPTP without the need for the full renewal process. Regional councils should therefore determine how much detail is appropriate in a document that will be subject to regular review, bearing in mind the potential for circumstances to alter relatively quickly, or at least within the life of the plan.

## 11.0 Glossary

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|                                 |  |
|---------------------------------|--|
| <b>Agency</b>                   | the NZ Transport Agency (Transport Agency)   |
| <b>Commissioner</b>             | the Commissioner of Police   |
| <b>Exempt service</b>           | services that are exempt from the need to operate under contract to the regional council. They include inter-regional services, services that are not integral to the network, and services operating without a subsidy (note – subsidy does not include fare concessions). Some exempt services are also exempt by virtue of an Order in Council.   |
| <b>Operator</b>                 | in relation to a public transport service or proposed public transport service, means the person who carries on (or, in the case of a proposed service, will carry on) the public transport service.   |
| <b>Performance standards</b>    | <p>standards specifying levels of performance required of public transport services, including (but not limited to) standards setting:</p> <ul style="list-style-type: none"><li>• levels of reliability of public transport services required over specified periods, including levels of reliability in:<ul style="list-style-type: none"><li>– departing from and arriving at the commencement and termination points on routes registered for public transport services, and</li><li>– collecting passengers on routes registered for public transport services, and</li></ul></li><li>• levels of compliance over specified periods with:<ul style="list-style-type: none"><li>– routes registered for public transport services, and</li><li>– timetables registered for public transport services (including levels of punctuality required).</li></ul></li></ul>   |
| <b>Policy</b>                   | a general course of action to be pursued to achieve certain transport outcomes.  |
| <b>Public transport service</b> | <p>subject to paragraph (c), the carriage of passengers for hire or reward by means of a large passenger service vehicle; a small passenger service vehicle; a ferry; a hovercraft; a rail vehicle; or any other mode of transport (other than air transport) that runs to a schedule and is available to the public generally. It does not include:</p> <ul style="list-style-type: none"><li>• a taxi service; a dial-a-driver service; a shuttle service; an ambulance service; a private hire service</li><li>• a service:<ul style="list-style-type: none"><li>– that is contracted or funded by the Ministry of Education for the purpose of transporting school children to and from school</li><li>– carrying passengers that is operated to transport all those passengers to a predetermined event</li><li>– that is operated primarily for the purpose of providing a tourism experience, rather than for transporting people from place to place</li><li>– carrying passengers that is not available to the public generally</li></ul></li><li>• any service excluded by the Governor-General by Order in Council from the</li></ul> |

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|---|---|
|   | definition of public transport service for the purposes of this Act.  |
| <b>Quality standards</b>                      | <p>requirements of vehicles and other transport modes (including their design, performance, emissions, equipment, systems, components, devices, and fittings) and drivers and other operational staff, to ensure the quality of public transport services, including (but not limited to):</p> <ul style="list-style-type: none"> <li>• accessibility standards</li> <li>• standards applying to the design and performance of vehicles and other modes of transport</li> <li>• standards applying to the age of vehicles or other modes of transport</li> <li>• standards of cleanliness required of vehicles or other modes of transport</li> <li>• standards applying to the comfort of passengers on vehicles and other modes of transport</li> <li>• standards applying to facilities provided for passengers with disabilities on or in vehicles and other modes of transport</li> <li>• standards applying to compartments or seating areas used by drivers and other operational staff on vehicles and other modes of transport</li> <li>• (standards concerning the emissions of vehicles or other modes of transport</li> <li>• standards applying to customer service training for drivers and other operational staff</li> <li>• standards of conduct for drivers and other operational staff.</li> </ul> |
| <b>Regional council</b>                       | <p>has the same meaning as in section 5(1) of the Local Government Act 2002 and, in relation to the LTMA includes:</p> <ul style="list-style-type: none"> <li>• Auckland Transport, in relation to Auckland</li> <li>• any territorial authority to which the regional council has transferred the functions, powers, and duties of a regional council under this Act</li> <li>• a unitary authority.</li> </ul> <p>It does not include the Auckland Council.</p>   |
| <b>Regional public transport plan or plan</b> | a regional public transport plan adopted under section 119, and includes any variations to the plan made under section 126.   |
| <b>Shuttle service</b>                        | a passenger service carried on by means of a shuttle or shuttles.   |
| <b>Special consultative procedure</b>         | the procedure set out in s 83 of the LGA.   |
| <b>Taxi service</b>                           | a passenger service carried on by means of a taxi or taxis. (A taxi is defined as a motor vehicle that is a small passenger service vehicle fitted with a sign on its roof displaying the word 'taxi' and any other signs required by the regulations or the rules; and in use, or available for use for hire or reward, for the carriage of  |

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passengers other than on defined routes).

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**Transport  
disadvantaged**

means people whom the regional council has reasonable grounds to believe are the least able to get to basic community activities and services (for example, work, education, health care, welfare, and food shopping).

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**Unit**

means a group of services operating along the whole of a route, 24/7, under exclusive contract to the regional council.

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## 12.0 Abbreviations

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|                |   |
|----------------|---|
| <b>Act</b>     | Land Transport Management Act 2003                          |
| <b>GPS</b>     | Government Policy Statement on Land Transport Funding       |
| <b>LGA</b>     | Local Government Act 2002                                   |
| <b>LGOIMA</b>  | Local Government Official Information and Meetings Act 1987 |
| <b>LTA</b>     | Land Transport Act 1998                                     |
| <b>LTP</b>     | Long term plan  |
| <b>LTMA</b>    | Land Transport Management Act 2003                          |
| <b>NLTP</b>    | National Land Transport Programme                           |
| <b>NLTS</b>    | National Land Transport Strategy                            |
| <b>NEECS</b>   | National Energy Efficiency and Conservation Strategy        |
| <b>NLTF</b>    | National Land Transport Fund                                |
| <b>NPS</b>     | National Policy Statement                                   |
| <b>PT</b>      | Public transport  |
| <b>RLTPlan</b> | Regional Land Transport Plan                                |
| <b>RMA</b>     | Resource Management Act 1991                                |
| <b>RTC</b>     | Regional transport committee                                |
| <b>RPTP</b>    | Regional public transport plan                              |
| <b>RPS</b>     | Regional policy statement                                   |

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## 13.0 Appendix A: Suggested process for developing RPTPs

1. **Project scoping** Consider the following questions:
  - When will major contracts expire?
  - What reviews of operational plans and network designs need to be conducted?
  - What demand forecasts are needed?
  - What is the desired alignment with preparing other planning documents (eg RLTPlan)?
  - Has a public transport procurement strategy been prepared or recently reviewed?
2. **Project funding** Prepare a Terms of Reference and secure support from funding agencies for developing the RPTP and supporting studies.
3. **Groundwork** Obtain information on existing services. Undertake forecasting work, options analysis, business cases and other supporting studies.
4. **Engage with core stakeholders**

There will already have been some engagement with core stakeholders but they will need to be formally consulted. The aim of this stage is to ensure that when a draft plan is released for public consultation, there is an understanding of the funding likely to be available, the willingness of other parties to provide necessary infrastructure and the impacts on operators.

Core stakeholders will require a reasonable level of detail about the plan in order to provide this input. An issues and options paper may be a good way of focussing the discussion at this point. Note: Obligations under the LGA to consider views of interested parties at various stages of development – this may include parties other than the core stakeholders listed in section 125(1) of the LTMA.
5. **Formal draft of the RPTP** Having received the necessary input from stakeholders, a draft for public consultation can now be prepared.
6. **Public consultation** Release the official draft plan for consultation. The special consultative procedure may be used, depending on the significance of changes.
7. **Final RPTP** Prepare and adopt, taking into account the input from the special consultative procedure.

## 14.0 Appendix B: Possible example of RPTP contents

### a) Strategic context and purpose of RPTP (example included)

The Land Transport Management Act (LTMA) was amended in 2013, repealing the Public Transport Management Act and bringing the relevant provisions into the LTMA. The amendments also legislated a new Public Transport Operating Model (PTOM) - a new framework for the planning, procurement and delivery of public transport services. There is a strong emphasis on early engagement and collaboration between regional councils, territorial authorities, and public transport operators. The government expects the sector to respond to the aim of growing patronage with less reliance on subsidy, and to achieve the following two objectives:

- Grow the commerciality of public transport services and create incentives for services to become fully commercial.
- Grow confidence that services are priced efficiently and there is access to public transport markets for competitors.

The new purpose of the LTMA is to “contribute to an effective, efficient and safe land transport system in the public interest”, and the LTMA requires council to adopt a regional public transport plan (RLTP). The purpose of the RPTP is:

- encouraging councils and operators to work together, and
- engaging with the public on design and operation of the network, and
- setting out a statement of services integral to the network, the policies and procedures that apply to those services, and the information and infrastructure that support those services.

Adoption of the RPTP will enable council to procure services required to deliver an integrated public transport network.

Regional context – outline regional policies, plans and strategies [Auckland’s 2013 RPTP, Appendix 3 provides a good example of policy environment (strategic context)].

The Government Policy Statement on Land Transport Funding sets out the Government’s desired outcomes and priorities for the land transport sector, and broad funding allocations over the next decade. One of the National Infrastructure Plan goals set out in the GPS2012 *[update reference and following text for current GPS]* is ‘a public transport system that is robust and effective and offers a range of user options that will attract a greater percentage of long-term users’.

The Government Policy Statement highlights three focus areas that are the priority for the GPS2012: economic growth and productivity, value for money, and road safety. To address these focus areas, public transport services should:

- demonstrate value for money
- provide access to economic opportunities
- help to relieve congestion
- provide better transport choices.

The Government Policy Statement also sets the policy framework for the National Land Transport Programme, which allocates Transport Agency funds for transport activities. The funding allocations for 2012-22 are discussed in the funding section of this plan.

### b) Objectives and policies

Units - policies on:

- accessibility, quality and performance
- fares and fare setting/reviewing
- process for establishing units

- procurement approach for delivery of the service/s in a unit
- phasing in procurement of unit/s
- managing, monitoring and evaluating unit performance
  - taxi/shuttle services for which council intends to provide financial assistance
  - significance policy
  - aligning services and infrastructure
  - other policies.

**c) Public transport services**

The network

Specifications - routes, frequency, hours of operation

Units, date by which each unit starts operating

Exempt services, date by which those to be replaced by a unit will be deregistered

Units for which council intends to provide financial assistance

Assisting the transport-disadvantaged

Taxi services/shuttles for which council intends to provide financial assistance

**d) Information requirements**

Information required of operators

Information required by the Transport Agency

**e) Investment and Funding**

Funding likely to be available within the region

Value for money, competition and efficiency

**f) Monitoring and review of the RPTP**

**g) Glossary**

**h) Appendices**



## 15.0 Appendix C: Business case approach

Using the principles of the Transport Agency business case approach is a **suggestion** for councils to consider when preparing an RPTP. It can help clarify discussion, particularly in service (unit) design, but is not mandatory, particularly where a network review has been undertaken shortly prior to RPTP preparation.

The Transport Agency business case approach is a logical process to help identify clear, agreed outcomes for planning and investment processes. It involves stakeholders early on, and helps build a robust, evidence-based planning and investment case by:

- identifying the core problem
- identifying the consequences of not addressing it
- identifying the benefits to be gained by potential investment.

Transport Agency investment policy expects all 2015–18 NLTF funding proposals for new activities to follow the business case approach. The principles of the approach are therefore relevant for RPTPs and can help reflect the purpose of RPTPs set out in section 117 of the LTMA.

Note: Existing RPTPs, RLTSs, RLTP programmes and specific studies reflect broadly agreed problem statements, costs and consequences. The business case approach will be introduced in a transitional way as documents and strategies are renewed.

RPTPs are, in essence, similar to a strategic case combined with a programme business case. As such, components of the business case approach that can be helpful for RPTPs include:

### **Strategic case**

- Clear (and agreed) problem and consequences – with evidence.
- Clear statement of options, and their benefits and outcomes.

### **Programme business case**

- An assessment of alternatives and options, and agreement as to the preferred programme.
- An iterative process of testing the evidence against the problem definition throughout any process.
- A statement of the indicative costs and benefits of the preferred programme.

A best practice business case approach is outlined on the Planning and Investment Knowledge Base <http://pikb.co.nz/> and the table overleaf sets out a summary of the business case approach as it might apply to RPTPs.

**The principles of the business case approach as they might apply to RPTPs**

|  |  |  |
|--|--|--|
| <p align="center"><b>Business case approach</b></p>  | <p><b>Large regions</b><br/><br/>(Auckland, Wellington, Canterbury)</p>  | <p><b>Medium regions (Waikato, Bay of Plenty, Otago)</b><br/><br/><b>Small regions (Northland, Hawke's Bay, Gisborne, Taranaki, Manawatu, Nelson, Southland)</b></p> |
| <p><b>Strategic case</b></p>   |  |  |
| <ul style="list-style-type: none"> <li>• Problem and consequences</li> </ul>                             | <p>Document problem and consequences (revisit existing RLTS, studies and network reviews).</p>   |  |
| <ul style="list-style-type: none"> <li>• Benefits and outcomes</li> </ul>                                | <p>State KPIs (eg percentage responses to customer surveys, or farebox recovery ratio) and clear statement of outcome sought, eg improved commerciality with reduced reliance on public subsidy.</p> |  |
| <p><b>Programme business case</b></p>  |  |  |
| <ul style="list-style-type: none"> <li>• Alternatives and options</li> </ul>                             | <p>Clearly state alternatives considered (e.g. current network vs improvements, network configuration options, frequencies, coverage, peak vs off-peak).</p>   |  |
| <ul style="list-style-type: none"> <li>• Evidence/testing of evidence</li> </ul>                         | <p>Consider external peer review of modelling/inputs.</p>  | <p>Consider internal peer review of modelling/inputs (if any).</p>   |
| <ul style="list-style-type: none"> <li>• Indicative costs and benefits of preferred programme</li> </ul> | <p>Costs should align with the Long Term Plan (LTP) figures, and indicative costs and benefits, eg improved safety, could be expressed in both quantitative and qualitative terms.</p>               |  |

**Case study: Wellington Public Transport Spine Study (PT Spine Study)**

The PT Spine Study used the Treasury better business case approach (predated the NZTA business case approach) and took the strategic case for change from work undertaken previously in the Ngauranga to Airport study. This was also the case for the investment objectives and business needs. Along with the problem definition, these formed the starting point for any future business case. Following two workshops with Treasury, Wellington Regional Council decided the study should adopt a programme business case. To this end, Wellington Regional Council undertook a programme strategic assessment including three workshops, resulting in a programme problem definition, benefit definition and solution definition.

**Case study: Otago Regional Council**

In mid-2013 Otago Regional Council, NZ Transport Agency, Dunedin City Council and bus operators began a business case process. The process was intended to define the most pressing problems constraining improved sustainability and value for money from investment in Dunedin's transport network, as well as improved social, health, economic and environmental outcomes for the Dunedin's residents.

It was clear that improved public transport provision was one of several responses critical to achieving these benefits, and a draft strategic case was developed to progress a public transport programme of improvements covering routes and frequencies, fares and ticketing, bus stops and interchange facilities.

Local stakeholders supported the process and can see value in the methodology and joint problem solving opportunities it provides.

The process and analytical inputs required for the programme, indicative and detailed business cases are also useful for the successful delivery of local government's own statutory planning responsibilities such as the development of the Long Term Plan, and the Regional Land Transport Plan for consideration in the next National Land Transport Programme in 2015-18.

A prime advantage of the business case approach is early and continuous involvement of stakeholders throughout development of transport improvements, rather than presenting stakeholders with almost fully developed proposals for feedback and implementation, only to find the proposal is not adequately planned for, or worse, unsupported.

The business case approach is a thinking process, an effective mechanism to get joint planning in place, and an effective way to get better value from the money spent.