

27 April 2023

Committee Secretariat  
Transport and Infrastructure Committee  
Parliament Buildings  
Wellington

[ti@parliament.govt.nz](mailto:ti@parliament.govt.nz)

Tēnā koutou

### **Submission on the Land Transport Management (Regulation of Public Transport) Amendment Bill**

1. The Dunedin City Council (DCC) welcomes the opportunity to submit to the Transport and Infrastructure Committee on the Land Transport Management (Regulation of Public Transport) Amendment Bill to Sustainable Public Transport Framework.
2. DCC is supportive of the changes to the Land Transport Management Act that implement the new sustainable public transport framework. The changes enable local authorities to operate public transport services directly, promote greater collaboration between councils, improve transparency and make changes to exempt services and unit definitions.
3. DCC works collaboratively with the University of Otago and Te Whatu Ora Southern on workplace travel planning and reducing carbon emissions through the Zero Carbon alliance. Together with these organisations DCC is supportive of a better more responsive public transport system.

### **Background**

4. DCC is responsible for planning the land transport network within Dunedin and providing public transport infrastructure to support the services planned and contracted by the Otago Regional Council (ORC). DCC, ORC and Waka Kotahi (NZ Transport Agency) are working together through the Connecting Dunedin partnership to create an integrated transport system that enables transport choice in Dunedin City.
5. Public transport is part of the City's transport system which enables people, including many of the most vulnerable in society, to participate in work and education, and access services. Public transport is also a critical enabler to reducing vehicle kilometres travelled and carbon emissions. DCC has a target for city wide emissions to be net carbon zero by 2030. To achieve this and wider city goals a step change in public transport is required. This step change can't be delivered under the current commercial model.

## **Key submission points**

### ***Support for new principles with a broader mandate for public transport***

6. DCC support the new objectives of the Bill giving a broader mandate to councils for the delivery of public transport. The focus on commercial outcomes and reducing the reliance on subsidies has inhibited the ability to use lead investment in public transport to meet community needs, enabling transport choice and supporting mode shift.
7. Reducing the environmental and health impacts of transport is a challenge for Dunedin and New Zealand. Preliminary modelling for Dunedin's emissions reductions plan shows that to meet local emissions reduction targets, public transport will need to increase its mode share for all trips to around 20% by 2030 (a significant increase from the current mode share which is around 4.3% for journeys to work or education). Achieving this requires a change in provision and lead investment to provide services that have the frequency, reliability and span of services to meet people's travel needs.
8. The recently released HAPINZ 3.0 ([EHINZ](#)) research on air quality demonstrated transport impacts on premature deaths from poor air quality and has shown that there is a need to address the negative health impacts from transport emissions. Dunedin had a rate of premature deaths caused by nitrous oxide and particulate emissions of 126 per 100,000 of the population in 2016. Mode shift to public transport and a fully electric fleet will help reduce emissions from transport.
9. DCC is in support of ensuring equitable employment for bus drivers, and acknowledges the work done by ORC in increasing driver wages in Dunedin to \$30 an hour to make public transport an attractive career and subsequently ensure a sustainable workforce.
10. DCC suggests the following minor drafting changes to Section 115 (Principles) (1)(e)(i) *providing public transport services assists ~~public~~ **land** transport investment to be efficient*. Underinvestment in public transport services contributes to greater costs across the rest of the land transport network. Providing good public transport options reduces reliance on private motor vehicle use which has a subsequent impact on maintenance and renewals costs and the costs associated with the demand for new road infrastructure.

### ***Ability for councils to directly operate public transport services and own assets***

11. DCC supports the ability for councils to directly own operational assets and for regional councils to operate public transport services in house, or contract to a territorial authority where this is the most efficient delivery model. Providing greater flexibility in how services can be provided will enable councils to better meet community needs.
12. For much of the 20th Century, DCC planned, owned and operated public transport services within Dunedin. When the reforms took place in the 1980s, the bus company was divested to a Council Controlled Organisation, Dunedin City Holdings Ltd, and continued to provide services under contract to the ORC until the eventual sale in 2011. Councils are well placed to balance competing community needs and identify the best delivery model to meet the diverse needs of their communities.

13. DCC seeks that the Land Transport Management Act (2003) is amended to enable Territorial Authorities to deliver public transport.
14. DCC suggests amending the proposed change to Section 24(4)(b) (ii) to clarify that payments could also be made to a territorial authority operating public transport services without the need for an approved procurement procedure: *(a) for a public transport service operated by a regional council or a territorial authority*. Changing this provision would support the proposed New Section 116A(1) that enables regional councils to contract territorial authorities for the provision of public transport.
15. The current commercial model makes it difficult to put in place lower patronage services to either meet the needs of specific groups, or to increase the span of operating hours. Increased operating hours can enable public transport to be a more attractive option for people. Travel planning for Te Whatu Ora Southern has identified that current bus timetables do not enable some staff (like nurses rostered on shifts that start early in the morning or finish late in the evening) to use public transport. In low demand situations like Dunedin's outlying townships it can also be hard to provide public transport efficiently - but for some people (particularly the elderly, young or disabled people) public transport can be their only option for independent mobility.
16. Enabling councils to own operational public transport assets can help to deliver the best mix of assets to meet community needs. This will enable the decarbonisation of our public transport fleet. Public transport assets, like new electric buses and associated charging infrastructure, have a long asset life and high upfront capital costs. Councils have proven asset management and borrowing mechanisms. This may enable them to invest more efficiently than private operators who have significant risk premiums and need long contractual terms to recoup investment.
17. DCC support the use of benchmarking and improved transparency to enable the effectiveness of different models of provision to be assessed, so the true costs of contracting out can be compared to an in-house operation. However, DCC cautions that benchmarking must be done carefully to understand how different operational environments may impact on benchmark data.

***Encouraging greater collaboration between regional councils and territorial authorities***

18. DCC supports improving clauses in the Bill that acknowledge the important role territorial authorities play in providing public transport infrastructure, and the need to take this and transport plans and strategies into account in the regional public transport plan.
19. DCC currently works with ORC to provide public transport infrastructure in Dunedin, and supports improvements for public transport such as the new super stops and improvements to the operation of the cities key bus corridors.
20. DCC supports making it clearer that through the regional public transport plan territorial authorities are a partner in the delivery of the public transport system, and the need for regional councils to collaborate with territorial authorities during plan development.

21. DCC welcomes the requirement for the regional public transport plan to take into account any publicly consulted on plans or strategies relevant to transport. This will help to ensure better integration between plans and strategies, including local emissions reduction plans, and will help the public to understand how different parts of the transport system work together.

***Changes to what is public transport, how units are defined and exempt services***

22. DCC supports providing more flexibility in the definition of units, for example by defining a unit in relation to a destination, so that overlapping catchments could be served by different units where there are different destinations.
23. The current unit definitions make it harder to innovate or introduce new services to target particular needs. The unit definitions in the current Public Transport Operating Model (PTOM) were identified as a barrier to Dunedin trialling commuter rail to Mosgiel. In order to make it clear that bus and rail based public transport service can be run serving a similar catchment DCC suggests an amendment to section 114B meaning of unit to enable a unit to be defined in relation to a railway: *(a) suburbs, roads, or motorways, or railways;*
24. DCC supports the changes to definitions for public transport and excluded services to include demand responsive services within the definition of public transport services that the regional council can plan and provide for. This will enable the use of demand responsive services. DCC has noted the successful use of on demand services in Timaru replacing conventional public transport to better meet customers' needs.
25. DCC supports amending the provisions relating to exempt services to make it clearer what types of services fall within the definition of an exempt services that must be registered (noting that this specifically excludes taxis and Ubers). DCC supports extending the notice period for deregistering services to 60 days where the service is integral to the public transport network.
26. The deregistration of several exempt services providing school buses in Dunedin last year had an impact on many Dunedin families and the wider public transport network. Longer notice periods will provide regional councils more time to respond to deregistration's, providing alternative services (if required) and determining how to communicate those changes to the community

**Concluding remarks**

27. The DCC thanks you for the opportunity to submit on the Land Transport Management (Regulation of Public Transport) Amendment Bill.

28. The DCC would like to speak to our submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jules Radich', with a stylized, flowing script.

Jules Radich  
**MAYOR OF DUNEDIN**