



Report 06.207  
Date 16 May 2006  
File T/12/07/01

Committee Passenger Transport Committee  
Author Wayne Hastie Divisional Manager

## Ministry of Transport Public Transport Procurement Legislation Review

### 1. Purpose

To ask the Committee to delegate approval on the submission to the Ministry of Transport Public Transport Procurement Legislation Review Consultation Document to the Chairperson of the Committee.

### 2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

### 3. Background

The Ministry of Transport has produced a discussion document to gather input from stakeholders on the need for specific changes to legislation concerning the structure and controls over contracted and commercial bus and ferry services.

The Transport Services Licensing Act 1989 (the Act) enables passenger transport service operators to register and operate commercial services which they are prepared to offer without public funding (except concessionary fares reimbursement where applicable). The Act also enables these services to be deregistered. Registrations and deregistrations require only 21 days notice to a regional council. Regional councils have very limited powers to decline the registration of commercial services, and must simply accept deregistrations.

Regional councils, and in particular the Auckland Regional Council (together with the Auckland Regional Transport Authority), have raised a number of concerns about the current legislative regime, which has led to the current review. Concerns include:

1. The 21 days notice period for deregistration of commercial services. This gives regional councils very little time to arrange for alternative services, and potentially exposes the councils to significant financial risk.

2. Tactical commercial registrations of key services along routes may make the other services on this route “unattractive” and therefore result in higher tenders being received, or tenders only being received from the company operating the commercial service.

#### **4. Discussion document**

The discussion document has been prepared by the Ministry of Transport with input from key interest groups and organisations, including Land Transport New Zealand, the Auckland Regional Transport Authority, the Bus and Coach Association, the Auckland Regional Council, Auckland territorial local authorities, and representatives from Local Government New Zealand’s metro and regional council sectors. Officers from Greater Wellington have participated.

The discussion document contains a series of consultation questions. Submissions close on 23 June 2006.

#### **5. Submission**

Delays in the approval of the discussion document mean that it has not been possible to prepare a submission in time for the Committee meeting. However, officers are of the view that the Council should support amendments to the Act that will enable it to have greater ability to manage commercial services. We believe that the Act should be amended to enhance our ability to obtain value for money for the passenger services we seek.

Officers will prepare a submission addressing the consultation questions. The draft submission will be circulated to members for comment and we ask that the Committee delegate approval to the Chairperson of the Committee.

#### **6. Communication**

A copy of the submission will be sent to the Ministry of Transport. No other communication is required.

#### **7. Recommendations**

*That the Committee:*

1. *Delegate to the Chairperson of the Committee the power to approve Greater Wellington’s submission on the Ministry of Transport Public Transport Procurement Legislation Review Consultation Document.*

Report prepared by:

**Wayne Hastie**  
Divisional Manager