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Committee Regional Transport Committee
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Land Transport Management Amendment Bill 2012

1. Purpose

To advise the Committee on the changes being proposed to the Land Transport Management Act 2003 and the Transport and Industrial Relations Select Committee process.

2. The decision-making process and significance

No decision is being sought in this report.

3. Background

The Land Transport Management Amendment Bill 2012 (the Bill) was introduced in the House on 13 August 2012 by the Honourable Gerry Brownlee, Minister of Transport.

The key components of the Bill are:

- Changes to the planning and funding framework for land transport
- Changes to streamline the framework for assessing toll road schemes
- Establishing a new policy framework for building a long-term partnership between regional councils and public transport operators known as the public transport operating model (PTOM).

More specifically the main changes to the LTMA include:

- a new purpose for the Act and streamlined decision-making criteria that seek to emphasise effectiveness, efficiency, and safety;
- a single government policy statement on land transport;
- the consolidation of the regional land transport strategy and regional land transport programme into a new planning document, the regional

land transport plan (six year planning cycle with 3 yearly review and a 10 year planning horizon);

- the reduced size of Regional Transport Committees through removal of those members representing the objectives of economic development, safety and personal security, public health, access and mobility, environmental sustainability, and cultural interests;
- an ability for NZTA to borrow to fund future land transport projects (currently they can only borrow to manage cash flow under the LTMA);
- the repeal of the regional fuel tax provisions;
- the simplification of the process for approving road tolling schemes;
- the establishment of a new policy framework for planning and contracting public transport
- the repeal of the Public Transport Management Act 2008 (PTMA), carrying over its provisions as modified by the Bill.

Full details of the proposed amendments are set out in the Bill, available from the Ministry of Transport website:

<http://www.transport.govt.nz/legislation/acts/LandTransportManagementAmendmentBill/>

Submissions on the Bill will be heard by the Transport and Industrial Relations Select Committee, with a report back date to Parliament in the new year.

4. Comment

Submissions on the Bill have been made to the Select Committee by Greater Wellington, other local authorities within the region, Local Government New Zealand and most regional councils from across the country.

A number of meetings have been held between regional council officers to jointly consider the implications of the Bill, and there are some broadly consistent views that have emerged across the local government sector.

Overall the intention of the Bill to streamline planning and funding processes, and to incorporate the Public Transport Management Act 2008 into the LTMA, has been supported. However there some key areas of common concern including that:

- The proposed purpose of the Act has an insufficient focus on an integrated approach that recognises the wider impacts of transport
- There is a lack of integrated long term planning for transport at both a national and regional level

- The relationship to Resource Management Act processes has been weakened and this will affect the important integration between land use and transport decisions
- Enabling provisions for alternative funding mechanisms should be included
- The current drafting of the public transport operating model provisions will not achieve the outcomes sought and may lead to increased administration costs.

The key changes proposed in the Bill and the areas of greatest concern are outlined in further detail below.

4.1 Purpose of the Act

The purpose of the LTMA in the Bill has been amended to delete reference to the four well-beings from the purpose of the Local Government Act. In addition a range of objectives and broad range of social and environmental criteria have been deleted from the LTMA, and replaced with a much narrower focus on economic effectiveness, efficiency and safety. A reference to ‘public interest’ has been added, however this is a new and relatively untested term and it is unclear how this term is intended to be interpreted and given effect to.

The aim is to make the purpose simpler, clearer, easier to understand and interpret as well as simplifying processes through the reduction in decision-making criteria. While acknowledging that these changes will reduce the amount of decision-making criteria to consider in the development of regional land transport policy, thus simplifying planning processes, there is concern that this may result in too narrow a consideration of the transport issues and needs of the region’s community.

4.2 National Planning

While a national land transport strategy has never been adopted, the Bill removes any statutory provision for a long-term national land transport strategy. The concern is that the proposed changes will result in a continued focus on short-to-medium term funding decisions delivering nationally and regionally significant transport infrastructure with impacts over a significantly longer timeframe. This approach may not deliver the necessary transport outcomes for New Zealand over the long term.

The relationship between regional plans and the GPS is also proposed to be altered. Under the existing legislation a regional land transport programme is required ‘to be consistent with’ the GPS, but a RLTS is only required to ‘take into account’ the GPS (section 75 (b)(i)). However, under section 14 of the Bill, the combined regional land transport plan is required to ‘be consistent with’ the GPS.

This requirement is a higher test than currently exists between the GPS and the RLTS, and creates a stronger top down link from national expectations to

regional policy and planning. This could mean that regional planning will be driven by the GPS, which has an emphasis on short-term funding priorities that are based on the views on the government of the day.

4.3 Regional Planning

The major concern is that the Bill lacks sufficient provision for long-term, integrated planning. This relates to the removal of any reference in the Act to longer-term or integrated planning, the shorter planning horizon proposed for regional plans, and the merging of the Regional Land Transport Strategy with the Regional Land Transport Programme.

The Bill provides for regional land transport plans to have a planning horizon ‘not less than 10 years’, rather than the 30 years in the current legislation. Most large transport infrastructure projects have long lead times that require a longer term view. It is important that the regional strategic framework has a long term outlook to ensure that longer term trends and pressures and appropriate responses can be identified.

The merging of the Regional Land Transport Strategy with the Regional Land Transport Programme, whilst reducing the number of planning processes, will potentially create a new tension between the policy and programme elements of the new plan. This tension arises from the different purposes of these aspects of planning. It is important that the overall long-term strategy and policy approach is considered and consulted on prior to any consideration of specific project costing and timings, otherwise the plan and any consultation feedback is very likely to be driven by the details of individual projects rather than what they are intended to achieve as an overall package and approach.

The planning horizon and timing of these two parts of the proposed plans are quite different. Whilst it is appropriate to review the programme elements every 3 years (as proposed in the Bill) it would be inappropriate and a waste of resources to review the strategic approach on this same timeframe – a period of 6 years would be more appropriate.

There is also concern with the proposed amendment to section 20(3) of the LTMA, which removes the consideration of regional transport planning documents by the NZ Transport Agency when considering funding for proposed activities. The current legislation requires the NZ Transport Agency to “take into account” the RLTS when considering funding for transport activities. These regional documents provide the policy context to support the funding case for regionally significant activities. Removing the statutory links under section 20 could create a mismatch between the NZTA funding process and the regional planning process proposed under the Bill.

4.4 Consultation

The requirement to use the special consultative procedure under the Local Government Act is removed under the Bill. This provides more flexibility to carry out community consultation and engagement in a manner that best suits the requirements of the particular situation.

A number of submissions from regional councils noted that consultation on the programme part of the new plan may be unnecessary.

4.5 Relationship to RMA

The current Act requires that regional land transport strategies are consistent with any relevant regional policy statement or regional plan under the Resource Management Act (RMA) 1991. Conversely, section 30(1)(gb) of the RMA requires that a regional council ensures ‘the strategic integration of infrastructure with land use through objectives, policies, and methods’. These provisions have resulted in close collaboration during the development of the Wellington Regional Policy Statement and the Wellington Regional Land Transport Strategy to ensure that these two policy documents are well aligned.

Under the Bill, regional land transport plans are only required to “...have taken into account... any relevant regional policy statement or regional plan under the Resource Management Act (RMA) 1991”. This weaker alignment is a concern at a time where there is growing recognition around the need to improve integration between these planning functions.

The integration of land use and transport planning is a key issue that needs to be strengthened, particularly for the Wellington region and other metropolitan areas, where land use decisions impact significantly on transport and vice versa.

4.6 Regional Transport Committees

The Bill removes the current requirement to appoint non-voting members to a regional transport committee (RTC) to represent the various transport objectives under the LTMA (economic development, safety and personal security, access and mobility, public health and environmental sustainability objectives), and cultural interests. The Government's rationale is that smaller committees would provide an improved basis for decision-making. RTC's will still have the flexibility under the Bill to decide who they need to hear from.

A number of regional councils and others raised concerns about the reduction of RTC membership, and the valuable role of particular groups such as NZ Police.

4.7 Regional Fuel Tax

The Bill proposes to remove the provisions enabling a regional fuel tax to be levied. The rationale for this is twofold: that it will avoid the likely costs of such a tax in a single region being spread across all regions within the nation-wide fuel market, and that the cost of collecting the regional tax will largely fall upon the productive sectors of the economy.

It is noted that there are no other provisions in the Bill that enable considering of alternative funding mechanisms for local and regional councils and the NZ Transport Agency.

Significant new investment in transport is unlikely to be affordable in the foreseeable future using existing funding mechanisms, especially given

pressure on rates. This will have potential significant implications for regions in the longer-term.

4.8 Public Transport

The Bill repeals and integrates the Public Transport Management Act 2008 into the LTMA. The purpose of this is to improve accessibility for users of land transport management legislation by having land transport regulations under one Act.

The key change in the LTMA Bill is the introduction and establishment of a new policy framework for planning and contracting public transport, known as the public transport operating model (PTOM). PTOM is the new framework for building a long-term public transport public-private partnership between regional councils and public transport operators. Key parts of the model are incorporated into the Bill including the requirement for all public transport services in a region to be segmented into units and provided under exclusive contract to the regional council. Regional councils must identify these units in their regional public transport plans. Exempt services that do not form part of a region's core urban public transport network are required to be listed in a register held by the relevant regional council.

A number of regional councils, including Greater Wellington, have indicated that whilst they support the intent of the provisions, as they are currently drafted they do not accurately represent the agreed PTOM model in the new legislation in a way that is workable, without unnecessarily increasing administrative costs or causing delay.

5. Communication

No further communication is required.

6. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***

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