

Report to Regional Transport Committee – For information only

File No: 03 04 21, 21 20 31

Date: 23 March 2010

To: Chief Executive Officer

From: Deputy Chief Executive

Subject: Ministry of Transport PT Effectiveness Project

Section A (Committee has delegated authority to receive the Report)

Purpose

The purpose of this report is to update the committee on the project the Minister of Transport has initiated to look at and recommend a policy on PT Effectiveness.

Recommendation:

That the report **Ministry of Transport PT Effectiveness Project** (Doc # 1649844 dated 23 March 2010) be received for information

Background

The Minister of Transport has tasked the Ministry of Transport to develop a policy around key processes to ensure that the Government is getting “best value for money” from its investment in passenger transport.

The Minister has formed a view that he would like to see increased commercialisation of public transport, with subsidy support for only those routes that are non profitable. He would like to see an increased role for the private sector in operating and developing bus routes and less input from Councils and the Government.

There are three types of public bus transport operating in New Zealand. Those trips which are fully commercial such as those operating during the peak times, net contracts that are in effect a subsidy to operators to continue to operate trips on a route throughout the day when they are not profitable, and gross contracts where an operator is contracted to operate a route (a number of trips) and all the revenue from ticket sales goes to the Regional Council.

Environment Waikato operates its contracts on a gross basis.

Issue

The ability of the Regional Council to control its network has had a large impact on the growth of the PT services in the region. It has also created very clear delineation between who is responsible for what between the operator and the Council.

Gross contracts also clearly define that it is the responsibility of the Council to set fares.

This project is still in development; Environment Waikato has representation on the project group and represents medium size Councils. Its argument to retain gross contracts is also supported by Environment Canterbury.

Regional costs and benefits

If changed from our current set up the result may lessen the ability of the Council to determine fares and routes that the bus services operate on.

Community Outcomes

Passenger transport is not referred to in the Regional Community Outcomes statement.

Statutory Responsibilities

Not applicable.

Community Views

Not applicable.

Legal Implications

Not applicable.

Policy Implications / Strategic Links

The policy change will be in conflict with the existing Regional Passenger Transport Plan.

Annual Plan / LTCCP Implications

The current LTCCP and Annual Plan has been developed on the assumption of gross contracts.

Financial Implications

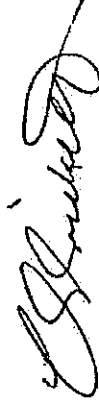
Not known.

Policy Considerations

To the best of the writer's knowledge, this decision is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Conclusion

This policy is still at an early stage of development but due to the next meeting of the committee being in two months time it was important that this committee was made aware of the direction the Minister of Transport was seeing for the future of public transport.



Bevan Dale	Clare Crickett
Signed Author/Project Manager	Co-signed Group Manager