

**MEETING OF THE REGIONAL LAND TRANSPORT AND PUBLIC
PASSENGER TRANSPORT PORTFOLIO COMMITTEE**

**TO THE CHAIRPERSON AND MEMBERS OF THE
COMMITTEE**

Cr N J Wagner (Chairperson – PPT)
Cr J M Waters (Chairperson – RLT)

Cr T K Burke
Cr A S Carroll
Cr R I R Little (RLT only)
Cr M E Oldfield
Cr W E Woods

A meeting of the Committee will be held on
Monday 19 June 2006 at 1.30 p.m.

VENUE: Council Chamber
First Floor
Pegasus Building
Environment Canterbury
58 Kilmore Street
CHRISTCHURCH

BUSINESS: As per Order Paper attached

Dr Bryan Jenkins
CHIEF EXECUTIVE

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE TAKEN
AS COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**

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COMPLIANCE WITH LOCAL GOVERNMENT ACT 2002 DECISION-MAKING REQUIREMENTS

Except as below, a statement of compliance and a completed decision checklist is required for any agenda item on a council committee or the council recommending that a decision be made. This will be the responsibility of the person signing off the agenda item.

The compliance statement and checklist will not be used for:

- Recommendations that information be received or that the Council make a decision.
- Decisions taken under the Resource Management Act 1991 or the Biosecurity Act 1993 in relation to resource consents, decisions required when following the procedures set out in Schedule 1 of the Resource Management Act 1991, other permissions, submissions on plans, or references to the Environment Court.
- Decisions taken to proceed with enforcement procedures under various primary or secondary legislation or regulations, including procedures under the Resource Management Act 1991, the Biosecurity Act 1993, the Local Government Act 2002, and Environment Canterbury Bylaws.
- Administrative and personnel decisions that are entirely internal to Environment Canterbury.
- Other decisions where the procedures to be followed are set out in Legislation.

COMPLIANCE STATEMENT

The council committee (or the council) must formally certify that:

- (a) It is satisfied that it has sufficient information about the options and their benefits and costs, in terms of the region's social, economic, environmental and cultural well-being and the effects on community outcomes, bearing in mind the significance of the decisions.
- (b) It is satisfied that it knows enough about and has given adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decision.

INFORMATION CHECKLIST

(a)	A Statement of the Proposed Decision
(b)	A Statement of the Objective of the Proposed Decision and the Issue or Problem being addressed
(c)	A list of all reasonably practicable options, (including doing nothing).
(d)	For each option in (c): An evaluation of the Benefits and Costs, in terms of the region's social, economic, environmental and cultural well-being.
(e)	For each option in (c): A statement of the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner.
(f)	For each option in (c): A statement of the Impact, if any, on Environment Canterbury's capacity to undertake its statutory responsibilities
(g)	If the Proposed Decision is a significant decision in relation to land or a body of water, a statement of how Maori values have been taken into account
(h)	A Statement of significant inconsistencies, if any, with any Existing Policy, Plan or Legislation arising from the Proposed Decision.
(i)	A statement how the views and preferences of affected or interested persons have been given adequate consideration during the definition of the problem or issue, the objective, the assessment of options and the development of the proposed decision, including the particular contribution of Maori to the decision-making process.

Notes:

The significance of proposals and decisions determines how much time, money and effort is put into exploring and evaluating options and obtaining the views of affected and interested parties. The significance of proposals and decisions is determined through reference to criteria contained in the policy on significance.

The policy on significance together with Section 76 of the Local Government Act 2002 set out the Council's requirements in relation to decisions. Some decisions can only be made through the Long-Term Council Community Plan, or after the Special Consultative Procedures set out in the Act have been used, (refer to the policy on significance and the Act).

All decisions of Environment Canterbury are subject to the decision-making requirements of section 76 of the Act unless inconsistent with specific requirements of other legislation.

ENVIRONMENT CANTERBURY

**REGIONAL LAND TRANSPORT AND PUBLIC PASSENGER TRANSPORT
PORTFOLIO COMMITTEE**

ORDER PAPER

1. APOLOGIES

2. DEPUTATIONS AND PETITIONS

Brian Woolsey and Kevin Murray will be attending to present their 'Fast Light Integrated Economic Rail-service' (FLIER) proposal. Information on this proposal is contained in their submission to the Long Term Council Community Plan (submission no 121)

3. MINUTES OF MEETING – 7 June 2006

4. MATTERS ARISING

MATTERS FOR COMMITTEE DECISION

5. TRANSPORT SERVICES LICENSING ACT REVIEW

6. HALSWELL BUS

Please bring to this meeting the agenda and handout from the 7 June 2006 meeting.

7. NOTICES OF MOTION

8. EXTRAORDINARY AND URGENT BUSINESS

9. QUESTIONS

10. NEXT MEETING – 17 August 2006

ENVIRONMENT CANTERBURY

REGIONAL LAND TRANSPORT AND PUBLIC PASSENGER TRANSPORT PORTFOLIO COMMITTEE

MINUTES OF THE MEETING OF THE REGIONAL LAND TRANSPORT AND PUBLIC
TRANSPORT PORTFOLIO COMMITTEE HELD ON WEDNESDAY 7 JUNE 2006 IN THE
WAITAKI ROOM, FIRST FLOOR, PEGASUS BUILDING, 58 KILMORE STREET,
CHRISTCHURCH FROM 8.30AM.

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7. QUESTIONS
8. NEXT MEETING

PRESENT

Chair N J Wagner (Chairperson Public Passenger Transport Portfolio), Crs T K Burke, A S Carroll, R I R Little, Crs J M Waters and W E Woods.

IN ATTENDANCE

Cr R M Kirk

David Chamberlain (Halswell Residents' Association) Grant Smith (Gabites Porter), Cr Helen Broughton and Halswell Residents.

MANAGEMENT AND STAFF PRESENT

K G Lawn (Director Operations), J Atkinson (Portfolio Manager Transport) W Holton-Jeffreys (Manager Passenger Services), S Ussher (Passenger Services Operations Planner), Nicola Howie (Passenger Services Strategic Operations Planner) and L M McDonald (Administration Officer)

1. APOLOGIES

Cr Oldfield

2. DEPUTATIONS AND PETITIONS

Halswell Bus Route

David Chamberlain of behalf of the Halswell Residents' Association explained that following a request to prove that a Halswell to City bus service is viable via the

hospital, the Association had engaged Gabites Porter Consultants Ltd to prepare a report (A copy of the Gabites Porter report dated 27 March 2006 had been attached to the agenda). Mr Chamberlain expressed appreciation to the Riccarton/Wigram Community Board for funding the report and to the seventh form geography students from Hillmorton High who helped with the survey.

Mr Chamberlain said that the results of the survey, as described in the report, indicated that only 12% of passengers got off the bus along Moorhouse Avenue (with a further 12% at South City) and the Association believes that with the combined destination of the hospital and Hagley College, the route past the hospital would generate more passengers.

It was noted that due to congestion many buses arrived together along Lincoln Road and it was not possible to survey every trip.

Grant Smith of Gabites Porter was in attendance and explained that while it was a very small sample it did show that Hagley College and the hospital are currently not well serviced by the Halswell bus. Many Hagley students wait for buses at the hospital where there is only a small area available.

In response to a question regarding the usefulness of the survey for the period 7am to 1pm. Mr Smith replied that 71% of those surveyed were daily bus users and the same people would be returning on the afternoon trips.

3. HALSWELL BUS

Shannon Ussher presented a powerpoint presentation (the presentation notes were circulated) and made the following points:

- Results of a recent survey undertaken by Environment Canterbury were consistent with the results of the Gabites Porter survey, with 23% of weekday passengers boarding or departing along Moorhouse Avenue and Colombo Street south.
- Currently there is only one other route that runs along part of Moorhouse Avenue.
- The frequency of buses departing the bus exchange that travel past the hospital, that would enable travellers arriving at the bus exchange to have access to a bus service on average every 2.5 minutes.
- The policy objective to maintain consistency with no variations within a service route.
- Operational difficulties with the proposed route that include the current traffic design that would not enable a bus to turn left off Lichfield Street into Colombo Street, and the lack of peak capacity at the bus exchange for another off-street service.

Wayne Holton-Jeffreys commented that the Halswell bus is part of a network and cannot provide everything within this individual service. Planning developments to the Halswell service and increased capacity at the bus exchange will enable improvements to the service in the future.

Councillors asked if the service review (scheduled for June 2009) could be brought forward.

Cr Wagner then invited the residents to comment on the staff presentation.

Mr Chamberlain said that the Gabites Porter report proves that the majority of travellers are going to areas north of Moorhouse Avenue. Many people who get off

the bus at South City are heading towards the Polytechnic and these people could be accommodated by the bus travelling to the layoff point at the Polytechnic. He suggested that consideration be given to an alternative service (7A) that travels past the hospital, and noted that the review in 2009 was too long away.

Cr Wagner thanked everyone for their participation and advised that the committee would meet at another time to consider the residents' request.

MATTER FOR RECOMMENDATION TO COUNCIL

4. SECURITY CAMERAS ON BUSES

Attached to the agenda was a report that was to be presented to the Council meeting, that followed this meeting, proposing funding from Passenger Transport Reserves for security cameras for buses.

Cr Burke left at 9.30am.

Jill Atkinson explained that following recent attacks on bus drivers a meeting of stakeholders was held and one of the issues identified was that some buses do not have security cameras. There has also been a request for a camera on the ferry to Diamond Harbour. The proposal is that Council funds the equipment and the bus operators arrange the installation.

Recommendation

That the Council approves the purchase of 41 security cameras for installation on buses and the ferry where they have not yet been installed and the replacement of 95 inverters and that the funding of \$172,692 be provided from Passenger Transport Reserves.

Cr Waters/Cr Wagner

5 NOTICES OF MOTION

Nil

6 EXTRAORDINARY AND URGENT BUSINESS

Nil

7. QUESTIONS

Nil

8. NEXT MEETING

19 June 2006

The meeting closed at 9.35a.m.

CONFIRMED

DATE _____

_____ CHAIRPERSON

AGENDA ITEM NO: 5	SUBJECT MATTER: TRANSPORT SERVICES LICENSING ACT REVIEW
REPORT: Regional Land Transport/ Public Passenger Transport Portfolio Committee	DATE OF MEETING: 19 June 2006
FILE REFERENCES:	PORTFOLIO: Public Passenger Transport PROJECT: OUTPUT:
REPORT BY: Ken Lawn Director Operations	ENDORSED BY:

PURPOSE

A draft of the proposed submission by Environment Canterbury to the Public Transport Procurement Legislation Review is attached. The submission may yet be modified further as draft submissions are received from other organisations, such as Land Transport New Zealand, Auckland Regional Transport Authority, and Local Government New Zealand. These will be looked at to see whether there can be further improvements or additions to our submission.

BACKGROUND

At the Council meeting held 25 May 2006 it was resolved that the Public Passenger Portfolio Committee be delegated the power to approve the Council's submissions to the discussion paper on the review of the Transport Services Licensing Act. (Submissions close 23 June 2006)

ATTACHMENTS

- Draft submission by Environment Canterbury to Public Transport Legislation Review
- Public Transport Procurement Legislation Review – Consultation Review Document – May 2006 (Committee members only). (Document is available at <http://www.transport.govt.nz/assets/Downloads/PTPL-review.pdf>)

RECOMMENDATION

That the draft submission, as modified following consideration of submissions from other relevant organisations, be approved and forwarded to the Ministry of Transport.

Draft Submission by Environment Canterbury to Public Transport Legislation Review

Introduction

Environment Canterbury welcomes the opportunity to make a submission on the Public Transport Procurement Legislation Review. This is an important and timely review that goes to the heart of the ability of Regional Councils, and their partners, to plan and provide for successful public passenger transport networks.

The Christchurch public passenger transport network (called Metro) has been described as the “jewel in the crown” of public transport in New Zealand. While this is due to a range of factors including good strategy, committed Councils, and innovative initiatives, it is also due in no small part to the lack of commercial registrations in Christchurch, and that those few commercial registrations that exist are for whole routes or services.

Christchurch therefore provides a unique opportunity to compare what can happen when a public passenger network is not compromised by the type of commercial registrations (often referred to as “cherry picking”, that has happened in other parts of the country under the current provisions of the Transport Services Licensing Act. Christchurch provides a picture of what could happen if the kind of amendments (particularly option 4) suggested in the Review were implemented.

This submission will firstly talk about the Canterbury context and results in terms of the evaluation criteria set out by the review process. It then goes on to discuss the options, selecting the one preferred for the region.

Canterbury Regional Passenger Transport Plan

Environment Canterbury, in its Regional Passenger Transport Plan 2002, has a policy that states that;

“Contracted Services will be offered to operators as a complete package of morning and afternoon peaks as well as off peak periods and weekends”

The explanation to that policy says;

“This policy will make the commercial registration of a partial service for only part or parts of a day (e.g. morning and/or afternoon peak periods) unlikely to be acceptable. Accepting commercial registrations for only part of a day would make the remaining residual parts less attractive to other prospective contractors and jeopardise overall cost recovery goals. Commercial registrations of whole service contracts will still be acceptable”

Whether that policy and explanation would be sufficient to decline a commercial registration under the narrow grounds found in the Transport Services Licensing Act has not been tested. In 2004 there was an application to vary a commercial registration that was declined, and was heading to the District Court under appeal, but that case was settled before it was heard.

Commercial Registrations in Christchurch

There are four services currently commercially registered in Christchurch. All are full services (i.e. include peak and off peak). They are;

- the Airport Flyer (Airport to Central City)
- the Cashmere to Harewood service, which also services the Airport
- the Rangiora service
- the after midnight express (actually 4 commercially registered routes)

All other urban services in Christchurch are contracted services

Evaluation Factors

This submission makes use of the five factors used by the Ministry of Transport in its evaluation of the existing public transport system in the Public Transport Procurement Legislation Review. These five factors were derived from the New Zealand Transport Strategy 2002. The five factors are value for money, integration, service quality, responsiveness, and sustainability.

Value for Money

Christchurch has the most competitive bus service contracting market. The LEK sourced information in Appendix 2 of the review (page 53) shows that the average number of bids in Christchurch tenders was 2.39, compared to 1.33 in Auckland, and 1.12 in Wellington. In Christchurch 61% of the contracts were retained by the incumbent, compared to 83% in Auckland, and 88% in Wellington.

Looking at the information produced in Appendix 1 of the review, Christchurch has the lowest total income per service kilometre (figure 19). Total bus income is public funding (LTNZ funding and rating income) plus fare box revenue. That means that Christchurch has the lowest cost operation per kilometre. Also, public bus funding per boarding has been lower in Christchurch than the other cities since about 2002 (figure 17).

Those results are notwithstanding Christchurch having the greatest relative increase in public bus funding (Fig 15).

Christchurch also has the lowest average fares when compared to Auckland and Wellington (figure 11), yet still achieves around 50% cost recovery.

On a Metrocard, you can travel anywhere within the Christchurch City urban area, making as many transfers between buses as you require within two hours, for \$1.90 and pay no more than \$3.80 per day, or \$19 per week.

Integration

Christchurch has managed to achieve integrated planning, integrated branding, integrated ticketing, and citywide real time information.

Integrated planning has enabled Environment Canterbury to consult, plan and implement significant service reviews and changes to existing routes, and introduce new services such as the Orbiter, and the Metrostar. Not having many commercially registered routes, or parts of routes, has made that much easier, and more comprehensive.

Integrated ticketing has enabled the development of the very successful Metrocard. Now over 70% of journeys are made using the Metrocard. This encourages transfers, rewards patronage, and reduces boarding times. It also enables any bus operator or mix of bus operators, to run services as part of the Christchurch network.

Real time information provides customer information about how far away the bus is, and provides useful planning and monitoring information to Environment Canterbury.

Responsiveness

One of the positive benefits put forward for commercial registrations are that they enable bus operators to respond quickly to introduce new initiatives, or to stop unsuccessful initiatives. While that is true, it is our belief that this will generally be from the point of view of successful commercial operations, not from the passengers perspective.

The Christchurch bus network has also been very responsive to new initiatives to grow patronage. While they might take a little longer, they will generally include extensive market research, community consultation, and involve community and public funding as they are developed.

Good examples in Christchurch are the Orbiter and the Metrostar, but also include the extensive increases in frequencies on many routes, and the service reviews that have seen quite significant route changes, and through routing of services.

New and more frequent services have generally been put in ahead of demand, on the basis that demand and patronage will grow over time. Figure 7 shows that bus service vehicle kilometres per population are higher in Christchurch than any other city, reflecting that 'ahead of demand' provision. That approach has been rewarded by the steepest growth in bus boardings per head of population (figure 3), and relative change in bus boardings (figure 1)

Issues arising from a shortage of bus drivers, and hence bus operators not being able to run all scheduled services, led to an Environment Canterbury initiative to agree to variations to existing contracts to fund increases in driver wages. This issue was resolved within a matter of months.

Sustainability

The continued and significant climb in bus patronage in Christchurch, from 9 million in 1997/98 to over 15 million in 2004/05 (and on target for 16.25 million in 2006/07), reflects the sustainable development of the Christchurch bus network. Many of the statistics and trends identified under the other headings also reflect the sustainable nature of the network.

Full use of the 6 or 8 month lead times for new contracts has helped in the ability for existing and new bus operators to bid in the Christchurch market. Not having the likely threat of commercial registrations has also helped. This has meant that Environment Canterbury can continue to plan and improve services with confidence, and make decisions that put in capacity and routes ahead of demand, and so grow the market.

Service Quality

Christchurch has the lowest average bus fleet age (figure 21), and the most accessible (super low floor) bus fleet (figure 22). These have been achieved because Environment Canterbury has been able to specify these requirements through its contract services.

Environment Canterbury is currently formalised quality partnering relationships with its bus operators. Part of this is the development includes the establishment of agreed KPI's with its bus operators. A trial of a reward and penalty KPI system is about to get underway. These partnerships can be developed notwithstanding that all the services are contracted services.

An experience of partial commercial registrations

Christchurch has experienced one example of a proposed partial commercial registration. In 2004, following service reviews including significant public consultation, it was decided that two routes would continue to Christchurch International Airport (the Cashmere to Harewood, and the Sumner to Avonhead), in addition to the existing commercially registered Airport Flyer. These two routes would link areas that had significant tourist accommodation areas, and airport worker catchments, to the Airport.

There was a six month differential between the tendering of the Cashmere to Harewood service and the Sumner to Avonhead service. During the tendering period, the operator of the commercially registered Airport Flyer, decided to commercially register, in its entirety, the Cashmere to Harewood service, which they already operated as a contracted service. Then when the Sumner to Avonhead was tendered around six months later, the same operator also commercially registered this service in its entirety.

The commercial registrations were accepted by Environment Canterbury, as it fell within its policy of commercially registering full services. The Cashmere to Harewood service commenced 8 June 2004 and the Sumner to Avonhead service was timed to commence on 1 November 2004.

On 5 August 2004 the company applied to register a variation to all three services (Airport Flyer, Cashmere to Harewood and Sumner to Avonhead), which significantly reduced the frequency outside the peak. 15 and 20 minute frequency was to be reduced to a 60 minute frequency (outside the peak), and only every second bus on the alternate Airport routes (Avonhead and Harewood) would proceed to the Airport.

This variation was declined by Environment Canterbury, under the grounds of “being contrary to sound traffic management”, and/or “other environmental factors”. The company appealed that decision to the District Court.

In the end that matter was not ruled on by the Court, because the parties reached an agreed settlement.

The cost to Environment Canterbury of agreeing to settle was as follows:

- To the community: it agreed that the Sumner to Avonhead service would not go to the Airport for the term of this contract, and the commercial registration of that route was abandoned. This meant that we were unable to provide a service that the community strongly supported.
- To the ratepayer and funding agency: in the ensuing expedited tender for the service for a 6 month period, the tender was won by the only company in a position to tender for the service, at a cost 88% of what the subsequent service cost for an entire 12 months.

If the variation had been successful, Environment Canterbury would have needed to seek tenders for the three missing 15 minute services each hour, the two missing 20 minute services each hour, and for every second service on Avonhead and Harewood for the last few kilometres to the Airport.

Consideration of the Options

Environment Canterbury has had a careful look at the options presented in the Review document. The comments that follow are based partly on the needs of Environment Canterbury, but also looking wider at the needs of other regions elsewhere in the Council.

Option 1: Negotiation and cooperation within the current legislation

Environment Canterbury strongly opposes this option. It is basically a continuation of the status quo, with an emphasis on the various parties working together better. While the ability remains for operators to strategically commercially register parts of services remains, Regional Councils will always be on the back foot, and fettered in their ability to plan and develop services for the public good. While Regional Councils can contract over commercial registrations, this is open to challenge by the incumbent commercial operator the outcome of which can be uncertain.

For Environment Canterbury, Option 1 retains the possibility that partial commercial registrations could be sought within Canterbury, and whether the provisions of the Canterbury Regional Passenger Transport Plan would be sufficient to defend declining those registrations is unknown.

Option 2: Legislative controls over new commercial services

This option essentially gives more power to the Regional Passenger Transport Plan to include policies similar to those that Canterbury has included. It is acknowledged that

this option would legally confirm the Canterbury approach. While this option would possibly be sufficient for Canterbury, it would not solve other Regional Council's issues, because of the proliferation and nature of the commercial registrations. Environment Canterbury has thus chosen not to select this option as it prefers an option that will address issues countrywide with greater certainty.

Option 3: Legislative controls over new commercial services with sunset clause on existing commercial registrations

This option is marginally better than Option 2 for Canterbury. Where commercial services form part of a network of services, for example the Cashmere to Harewood (and Airport) service and the City Flyer, it would be preferable if these did have a sunset clause to enable ECan to review them at the same time as other services in their geographic area are reviewed and re-tendered. It also avoids the risks associated with tendering over the top as specified in Option 1.

Where services are unique and additional to the Metro network and fill a specific niche, such as the after midnight service, a sunset clause may not be necessary. While Option 3 may be more useful than Option 2, it is Environment Canterbury's view that it does not go far enough, and significantly delays any transition to new arrangements.

Option 4: Legislative controls over new and existing commercial services

This is the Option most strongly supported by Environment Canterbury. It enables Regional Councils, through their Regional Passenger Transport Plans, to specify how and when they will provide for commercial registrations. The preparation of a Regional Passenger Transport Plan is a public process and must enlist community support when establishing the levels of service to be provided through the public purse. Similarly, the Regional Passenger Transport Plan must meet certain legislative requirements, thus ensuring community engagement and sound planning principles.

There are situations where commercial registrations are appropriate (e.g. the after midnight service in Christchurch, or where a Regional Council and its community does not wish to provide services). But in metropolitan areas at least, the proactive and planned provision of public passenger networks that meet the needs of the community, and encourages people to get out of their cars and on to public transport, should not be hindered, by commercial registrations that by their very nature have to focus on commercial viability and operator protection.

Option 4 provides a suite of tools that would better place Regional Councils, and their partners, to achieve, and improve upon the kind of passenger transport network that we are striving to achieve in Christchurch

Conclusion

Environment Canterbury welcomes this opportunity to make a submission to this Review. It is essential that legislative change takes place quickly. The current legislation is outdated, and conflicts with the outcomes sought to be achieved by the New Zealand Transport Strategy 2002. Of the Options presented, Option 4 provides

the best suite of tools to enable Regional Councils and their partners to achieve those outcomes.

Environment Canterbury would like the opportunity to present their submission at the hearings.