



Regional Transport Committee Workshop

Date: 6 December 2024
Time: 10.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

Item	Title	Page
1.	Welcome/Karakia/Apologies	
2.	Regional Public Transport Plan review	3
3.	Future potential public transport delivery options	5

Subject: Regional Public Transport Plan review

Reason for report

1. The item presents the proposed material changes to the 2022 Regional Public Transport Plan (RPTP) for discussion by the Regional Transport Committee (RTC).

Executive summary

2. The new draft plan will reflect any updates in the guidance on the production of these plans as required by the NZ Transport Agency Waka Kotahi brought about by the introduction of the Sustainable Public Transport Framework (SPTF), the new operating and contracting framework for public transport services nationally.
3. Parts of the plan will have only minor wording changes, and these are shown via a track changes version of the draft RPTP attached to the relevant RTC Agenda item.
4. The plan will cement the intention to move to an efficient bi-directional network, outlining the circumstances required to be in place for the roll-out of the new bus network indicated in the 2022 plan. It will indicate steps in making the route changes, and the improvements in frequency, as funding allows, likely later than initially planned in August 2025.
5. The plan will also update how the region will deliver Total Mobility services that are equitable, sustainable, consistent, and affordable to both the user and funders.
6. The committee is being asked to consider the progress to date on the review of the plan with a view to changing or accepting the draft amendments to be carried forward for consultation. A final draft plan will be present to the Committee at the 21 February 2025 meeting.

Legislative requirement

7. The Regional Council via the Regional Transport Committee, is required by the Land Transport Management Act 2023 to review the Regional Public Transport Plan every three years.

Background

8. Staff have collated the draft changes to the 2022 RPTP that will have a material impact on public transport service delivery. These are contained in the RPTP 2025-2035 RTC Agenda item, forming the basis for this workshop discussion.
9. This review has a 2025-2035 horizon but will be primarily reconfirm significant change set out in the 2022 RPTP, which was comprehensively updated at that time, including the proposal for a new bus network in Napier and Hastings.
10. The draft 2025-2035 RPTP is a review of the plan adopted in 2022.
11. The 2022 plan proposed the implementation of a step change in public transport services across the main urban areas, moving to an efficient bi-directional patronage model. It was projected that this new network would be implemented in 2025 to line up the completion of the current contract term.
12. Constrained national and regional funding has curtailed our targets to significantly increase frequency, hours and days of operation. Significant improvements in supporting roadside infrastructure, such as new bus stops and shelters required alongside the new bus network, are

also limited by national budget constraints.

13. Some draft changes have been made to a number of the policies in the RPTP, with notable focus on the Total Mobility section. The key changes are presented in the Committee RPTP Agenda item for discussion and consideration. Staff encourage discussion on the draft changes in the workshop. A full copy of the draft RPTP is appended to the RPTP Agenda Item for ease of reference and contextual purposes.
14. There are also two policies for the Committee to specifically consider a new Bus Advertising Policy and the Significance Policy. The latter sets out what is and is not considered significant in relation to future changes on to the RPTP out of cycle. If a change meets the significance criteria a new consultation will be triggered.
15. As a result of the discussion in the workshop the Committee will make decisions in the RTC meeting on the draft RPTP and the changes to take forward to the final draft version.

Discussion

16. The key elements for discussion are set out the RPTP Agenda item for the RTC meeting on the afternoon of 6 December 2024. This workshop provides an opportunity for discussion on the draft changes. All draft changes, along with the full draft RPTP (as an attachment) are in the RPTP Agenda item.
17. For clarity, the Committee is being asked to consider and discuss in this workshop:
 - 17.1. The proposed material policy changes set out in the RPTP paper for the upcoming RTC meeting
 - 17.2. An updated Significance Policy
 - 17.3. A new Bus Advertising Policy.
18. The attached draft RPTP document, with mark-ups, is provided as an attachment under separate cover to the RTC Agenda.

Authored by:

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Transport Strategy & Policy Analyst

Russell Turnbull
Manager Transport

Approved by:

Katrina Brunton
Group Manager Policy & Regulation

Attachment/s

There are no attachments for this report.

Subject: Future potential public transport delivery options

Reason for report

1. This item provides the Committee with an opportunity to discuss, in a reasonably unconstrained manner, potential future options and opportunities that may exist for public transport delivery across Hawke's Bay.

Background

2. Regional Transport Planning and policy, Passenger Transport operations, Total Mobility and Road Safety planning and operations are currently the responsibility of Hawke's Bay Regional Council.
3. The associated infrastructure passenger transport relies on, principally bus stops and bus shelters, are controlled by territorial authorities, namely, and currently, Napier City Council and Hastings District Council.
4. Bus and Total Mobility vehicles and drivers are provided by private operators, such as Go Bus and taxi companies.
5. Typical passenger transport delivery options may not be appropriate for all parts of the region, especially smaller communities.
6. There are subsequent efficiencies and inefficiencies of the current delivery that may have scope for improvement.

Discussion

7. An attached slide pack outlines initial thoughts to guide discussion covering:
 - 7.1. Issues
 - 7.2. Legislative background
 - 7.3. Pros and Cons of potential alternative planning and operational delivery structures
 - 7.4. Specific options on integration of on-road delivery options
 - 7.5. Ownership options.
8. Discussions might cover, among other things, the most appropriate form, governance, and operational delivery model for public transport along with:
 - 8.1 how and why this entity may or may not also include the planning and delivery of associated services including Total Mobility and Road Safety, and what the regulatory and legislative considerations may be
 - 8.2 confirm or otherwise that any such entity would not include responsibility for Regional Transport Planning and Policy, along with any regulatory and legislative considerations
 - 8.3 Open discussion around any potential changes that can be signalled in the 2025-2035 Draft Regional Public Transport plan.

Next Steps

9. The workshop discussions will consider the options presented and discussed, and refine those

that warrant further investigation by staff, if further investigation is deemed necessary.

10. Following investigations, staff will present viable options to the 21 February 2025 Regional Transport Committee meeting for consideration of how to progress those or examine the issue more closely through the 2025-2035 Regional Public Transport Plan review consultation 31 March – 2 May 2025.

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Attachment/s

- 1 [!\[\]\(d328bb1c8b293dce97ce8ae48fe06a23_img.jpg\)](#) Future public transport delivery models

PUBLIC TRANSPORT POTENTIAL FUTURE DELIVERY MODELS

RTC WORKSHOP

6 DECEMBER 2024





Current situation

- HBRC is the NZTA approved organisation for funding and operating public transport and Total Mobility in Hawke's Bay
- HBRC contracts a bus operator to run the Napier & Hastings public bus services
 - HBRC is responsible for all administration, fares, enquiries, timetable and promotional needs
 - NZTA funds 51% of the net cost of the services
 - HBRC rates Napier & Hastings urban ratepayer for the remaining 49%
- HBRC has contracts with taxi/companion service transport companies for Total Mobility services
 - HBRC also has agreements with assessment agencies for assessing Total Mobility clients
 - NZTA funds 60% of the Total Mobility discount
 - HBRC rates Napier & Hastings urban ratepayer for the remaining 40%

Issues & opportunities

- Funding
 - Current targeted rate approach and rating footprint
 - Ratepayer willingness to fund public transport
 - Political environment's impact, where transport use can become a political statement
 - NIMBYism – support only if it directly benefits one's area, but no bus stop in front of my house!
 - Service quality, variability and affordability – impact on public perception
 - Funding sustainability – fares, local contributions and NZTA support
- Public need and perception
 - Ability to clearly identify, articulate, and demonstrate benefits
 - Public perceptions of public transport
 - Limited understanding of travel types and user motivations
- Limited historical and current service marketing
- Service reliability – perceptions vs. reality
- Balancing the needs of smaller communities with larger service demands
- On-Demand & Total Mobility
 - Role of On-Demand Public Transport (ODPT) vs. fixed routes vs. Total Mobility (TM) – potential for integration?
 - Future role of ODPT and network requirements
 - Role of TM and ODPT as population needs (ageing and growth) evolve



Issues & opportunities (cont.)



- Vehicles and depots
 - Transition to Zero Emission Buses (ZEB) and alternative fuels
 - Charging and fueling infrastructure, and grid stability
 - Depot and vehicle ownership
- Partner roles
 - Misaligned investments in services and supporting infrastructure
 - Role of NZTA as a co-investor
- Matching land use to PT delivery
 - Land use changes and limited density, impacting public transport viability
 - Geographic challenges of urban areas 25km apart, affecting connectivity and resilience
- Network design – does it meet real needs, e.g., access to key employment areas?
- Transport options
 - Opportunity cost of transport options, e.g., low-cost parking
 - Modal integration at key hubs (e.g., Clive) to encourage uptake
- Third party roles
 - Potential for corporate and business incentives in public transport
 - Role of other organizations' programs and concessions (e.g., RCA and NZTA staff incentives)



LTMA**7B Transfer of responsibilities between regional councils and territorial authorities**

- (1) A regional council may transfer 1 or more of its responsibilities under this Act to a territorial authority under [section 17](#) of the Local Government Act 2002.
- (2) A territorial authority may transfer 1 or more of its responsibilities under this Act to a regional council under [section 17](#) of the Local Government Act 2002.
- (3) In this section, **responsibility** means any responsibility, duty, or legal obligation under this Act and includes—
 - (a) a responsibility that has previously been transferred under [section 17](#) of the Local Government Act 2002; and
 - (b) any powers associated with the responsibility, duty, or legal obligation.

Section 7B: inserted, on 22 October 2019, by [section 40](#) of the Local Government Act 2002 Amendment Act 2019 (2019 No 54).

Potential structure	Pros	Cons
Joint CCO	<ul style="list-style-type: none"> Provides greater potential (regionalised) rating base to better (more affordably) serve smaller communities Removes some political element Focuses staff resource on delivery and network optimisation Enables greater collaboration and cohesive investment in infrastructure Provides a centralised delivery agency for the transport system May realise some long-term synergy and efficiency Offers economies of scale Focus on executing with excellence 	<ul style="list-style-type: none"> Could rate regionally any way. Significant to establish and would require substantial technical resource Likely by-law/law changes required?? Substantial asset ownership transfer from Councils to CCO – creating significant write down & associated credit risk New governance structures required Potential for CCO to develop 'own' direction Limited ability to recycle / renew assets and pool constrained to local operations only Challenge offloading end of life assets
TA's managing & controlling their respective units (delegate to HDC & NCC respectively)	<ul style="list-style-type: none"> Places service delivery ownership within communities Potential for services to be more responsive to demand / community need Could run smaller, targeted, or streamlined services Offers community centric branding opportunities Integrated delivery of services and infrastructure 	<ul style="list-style-type: none"> Would have substantial local rating impacts Likely higher contract delivery price as a result of 'condensed' unit / limited economies of scale Potential to have dis-jointed delivery approach across urban areas xxx
HBRIC ownership/operation	<ul style="list-style-type: none"> Centralised / owned delivery of services across urban areas Opportunity for partial vertical integration Full ownership of service design and delivery (incl. driver terms & conditions) 	<ul style="list-style-type: none"> Significant capital cost & depreciation Large financial risk in rolling stock R&M / liability Investment required in supporting services e.g. R&M facility / contract Investment required in additional resource and capability Limited ability to recycle / renew assets and pool constrained to local operations only Challenge offloading end of life assets Unlikely to be competitive with national operator - economies of scale

Potential structure C	Pros	Cons
Internal CCO (HBRC)	<ul style="list-style-type: none"> Enables long term centralised delivery Enables asset ownership Could extend rating base Unlock greater opportunities for services in outlying communities Potential for more affordable service delivery (removal of operator margin) 	<ul style="list-style-type: none"> NB – largely same as previous model
Public Private Partnership	<ul style="list-style-type: none"> Unlocks potential for private capital Could provide new revenue streams / partnership opportunities / third party revenues May provide opportunity for enhanced investment into service improvements Could provide sustainable investment levels for service delivery Potential to enable new / innovate service delivery models 	<ul style="list-style-type: none"> Certain level of commercial return likely required Long term funding uncertainty if some form of return is not realised / clear May result in more reporting / management (e.g. increased fixed overhead) Possible exposure to different / new liability (e.g. NZX / shareholder reporting requirements – depending on investor) Risk of funding being pulled at short notice exposing rate payers Limited ability to recycle / renew assets and pool constrained to local operations only Challenge offloading end of life assets
Mixed ownership (Council & Operator)	<ul style="list-style-type: none"> NB – could roll this in to other ownership options?? 	
Community Trust ownership / management	<ul style="list-style-type: none"> Run as a social enterprise based on social good Enable community centric delivery Opens a range of funding / financing streams via trust funding model Potential to enable wider / different approaches to procurement Opportunity to encompass wider service uses / types (e.g. school services) Provide community responsiveness / opportunity May enable greater long term funding sustainability via multiple (ideally enduring) funding streams May reduce contract cost if run as social enterprise via reduced or non-existent operator margin 	<ul style="list-style-type: none"> Not an AO so can't apply for NLTF funding Not a PTA and may not be able to be appointed PTA – won't meet regulatory requirements Potential to create double layered governance and reporting (trust & RTC) Would require significant upfront CAPEX to establish (kit, people, place, systems, technology) Significant resource and capability build required Challenging commercial model May be challenging to offload & recycle assets (e.g. re-allocate older buses to smaller runs or school runs) Open to commercial risk / liability Risks potential of inconsistent funding, even for BAU operations

Potential structure	Pros	Cons
Shared services	<ul style="list-style-type: none"> Places service delivery ownership within a tighter community Potential for services to be more responsive to demand / community need Could run smaller, targeted, or streamlined services Integrated better chance of delivery of integrated services and infrastructure 	<ul style="list-style-type: none"> Would have local rating impacts Still potential to have dis-jointed delivery approach across urban areas Potential for direct council mismatching of priorities
Iwi management	<ul style="list-style-type: none"> Enable greater understanding of community need, and thus delivery based on need Creates greater access Enables different deliver approach / perspective to delivery Creates enhanced career pathways for Iwi May create lower contract cost depending on commercial model (e.g. where the margin – if any – sits) 	<ul style="list-style-type: none"> Not an AO or PTA so would not meet regulatory or funding requirements – cannot apply for NLTF funding Significant resource and capability build required Significant technical expertise required Large capital based needed Challenge to turn a profit (even small) Difficult commercial model Risks potential of inconsistent funding, even for BAU operations May be challenging to offload & recycle assets (e.g. re-allocate older buses to smaller runs or school runs)
Joint management unit with all TA's – led by HBRC	<ul style="list-style-type: none"> Greater operational oversight (eg by RTC/TAG) Greater co-ordination & collaboration (like a CCO without asset ownership challenges) Provides flexibility in delivery and network changes Enables greater infrastructure integration and delivery Provides clear line of sight for key delivery partners (e.g. Council's) via governance level reporting Enables greater ownership / oversight of community needs and delivery Increases service delivery capacity & capability Could enable a greater rating base – predicated on increased regional delivery 	<ul style="list-style-type: none"> Will ultimately require uplift in overhead & contract cost Would require new / revised MOU or other structure – could result in short term implementation challenges. These would iron out over the long term Would require resource / capability build in the short – medium term

TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI