

Submission to the TRANSPORT AND INFRASTRUCTURE COMMITTEE on the:

## Land Transport Management (Regulation of Public Transport) Amendment Bill

Submitted by the New Zealand Council of Trade Unions Te Kauae Kaimahi  
28.04.2023



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This submission is made on behalf of the 31 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With over 340,000 union members, the CTU is one of the largest democratic organisations in New Zealand.

The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga), the Māori arm of Te Kauae Kaimahi (CTU), which represents approximately 60,000 Māori workers.

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## 1. Introduction

- 1.1. The CTU welcomes the opportunity to submit on the Land Transport Management (Regulation of Public Transport) Amendment Bill (henceforth, the Bill).
- 1.2. This submission provides a general endorsement of the Bill and highlights areas where we would like to see the legislation pushed further.
- 1.3. Together with Fair Pay Agreements in this sector, the proposed legislation should improve New Zealand's public transport system, which is currently in a parlous state.
- 1.4. The existing Public Transport Operating Model, based on ideals of market competition and commercialisation, has failed to deliver quality public transport services in both bus and train formats. Under the PTOM, local government has accepted lowest-cost tenders from private operators. But privatising public transport services does not lead to quality or efficiency gains. Instead, it provides profit-oriented companies with a local monopoly. In these conditions – and in order to win lowest-cost tenders in the first place – private operators are incentivised not to improve services but to drive down wages and underinvest in capital goods. The long-term results of this are poor working conditions, chronic workforce shortages, ongoing problems with the quality and reliability of services, and a lack of movement towards decarbonisation.
- 1.5. The Sustainable Public Transport Framework that this legislation would create recognises that public transport is a critical public good. The proposed legislation also recognises the role that public transport has to play in providing fair and equitable employment, meeting our emissions-reduction obligations, and improving the connectivity and wellbeing of New Zealand communities.
- 1.6. The CTU endorses the submissions on this Bill made by our affiliated unions, who represent thousands of workers in the sector: the New Zealand Tramways and Public Passenger Transport Employees Union, FIRST Union, and the New Zealand Public Services Association.

## 2. Comments and recommendations

- 2.1. We support the move this legislation makes to enable local government to directly own and deliver public transport services. The CTU believes in the public ownership of public infrastructure and services and the replaced section 27 enables this. We note, however, that in practice significant obstacles will remain to returning public transport services to public ownership. There are strong political incentives for local government to keep rates low, which could mean some councils will struggle to raise the revenue needed to operate public transport services. This will incentivise councils to continue with the status quo of contracting services out to private providers, who in turn provide poor services and employment outcomes. Further, the benefits of this legislation will not reach many parts of the country until existing non-performing PTOM contracts expire. We therefore recommend that the legislation strengthens the options to end non-performing contracts. We further recommend that the legislation requires public transport to be returned to public ownership once existing contracts have expired. We note that these recommendations could be addressed in amended sections 115 and 116A.
- 2.2. We support the four objectives of the Sustainable Public Transport Framework, as outlined in amended section 115(1). We recommend, however, that principle (c) is framed within the ILO's Decent Work Agenda, which New Zealand is Party to. The Decent Work Agenda goes beyond 'fair and equitable' to also include working conditions, worker voice, fair remuneration, and economic security. Our view is that delivering decent work must be at the core of this legislation. Delivering decent work is not only a moral imperative, it will also provide significant benefits in terms of the quality and efficiency of public transport services by encouraging people to work in the sector long-term. We note that Fair Pay Agreements should also contribute to improving wages and working conditions in this sector.
- 2.3. A significant problem with the PTOM is the lack of transparency and openness in the planning, procuring, and operating of public transport services. The CTU therefore strongly supports the measures that the Bill

takes to improve openness and transparency with the replaced section 116. We recommend this section is further strengthened by including a clause on the timeframes within which planning, procuring, and operating information must be shared with stakeholders. Openness and transparency is only meaningful if all relevant information is shared in a timeframe that enables stakeholders to engage and, where necessary, take action.

- 2.4. Public transport workers, and their representative unions, have on-the-ground expertise and experience of what does and doesn't work in service design and delivery, among other things. We therefore recommend that the legislation explicitly recognises the importance and benefits of ensuring worker voice in the procurement, planning, and delivery of services. Mandatory consultation with workers and their union representatives should be included in amended section 125(1)(b).
- 2.5. Finally, while the proposed legislation marks a positive step forward, it will need to be accompanied by significant and enduring investment from central and local government in New Zealand's public transport infrastructure and workforce. Only with significant and enduring public investment will government be able to meaningfully deliver on the objectives of (1) reducing the environmental and health impacts of land transport, (2) supporting a transition from the use of private vehicles to public transport, (3) supporting decent work and fair and equitable employment, and (4) value for money and efficiency.

### **3. Conclusion**

- 3.1. The CTU supports the proposed Bill. We strongly support the emphasis placed upon fair and equitable employment in the public transport system and enabling public ownership and operation of public transport. Our view is that these objectives should be pushed further in this Bill and have provided recommendations to that effect above.
- 3.2. New Zealand's public transport system has an important role to play in reducing emissions, improving the wellbeing of New Zealand communities, and delivering decent work. The proposed legislation marks a step forward in this direction.

- 3.3. We reiterate our support for the submissions made by our affiliated unions: the New Zealand Tramways and Public Passenger Transport Employees Union, FIRST Union, and the New Zealand Public Services Association.
- 3.4. The CTU looks forward to making an oral submission on this Bill to the Transport and Infrastructure Committee.