Notice of Meeting:
I hereby give notice that an ordinary Meeting of the Regional Public Transport Plan Development Subcommittee will be held on:

Date: 28 April 2017
Time: 1:00pm
Meeting Room: Council Chamber
Venue: Waikato Regional Council, 401 Grey Street, Hamilton East

VRJ Payne
Chief Executive Officer

Regional Public Transport Plan Development Subcommittee
Agenda

Chairman  Cr Russ Rimmington
Deputy Chair  Cr Hugh Vercoe

Members
Waikato Regional Council  Cr Russ Rimmington
  Cr Hugh Vercoe
Hamilton City Council  Cr Dave Macpherson
  Cr Leo Tooman
  Cr Geoff Taylor (alt)
Waikato District Council  Cr Dynes Fulton
(Regional Transport Committee Members)  Cr Grahame Webber – Waipa District Council
NZ Transport Agency  Andrew McKillop

Quorum  Three (3)

Alex Williams  Telephone: 0800 800 401
Democracy Advisor  Tracey.Deane@waikatoregion.govt.nz
Date: 28 April 2017  Website: www.waikatoregion.govt.nz
OBJECTIVE:

Prepare and recommend to the Waikato Regional Council for public consultation a draft 2018-2028 Regional Public Transport Plan that has been prepared in accordance with and complies with the requirements of the LTMA 2003 and any other relevant national guidelines.

SCOPE OF ACTIVITY:

1. Develop the draft 2018-2028 Regional Public Transport Plan and recommend it to Council (via the Strategy and Policy Committee) for public consultation.

2. Ensure all policy developed in the Regional Public Transport Plan is consistent with the Regional Land Transport Plan.

POWER TO ACT:

To prepare the draft 2018-2028 Regional Public Transport Plan.

POWER TO RECOMMENDED:

To recommend the draft 2018-2028 Regional Public Transport Plan to Council via the Strategy and Policy Committee for public consultation.
<table>
<thead>
<tr>
<th>Item</th>
<th>Table of Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apologies</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Confirmation of Agenda</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Disclosures of Interest</td>
<td></td>
</tr>
</tbody>
</table>

**Regional Public Transport Plan Review 2018**
File:21 20 83A Docs# 10251232

This report will inform the Regional Public Transport Plan (RPTP) Development Subcommittee on the review of the Waikato Regional Public Transport Plan 2018-28.

Doc #10286198
Report to Regional Public Transport Plan Development Subcommittee April 2017 – To be received

File No: 21 20 83A
Date: 07 April 2017
To: Chief Executive Officer
From: Director Science and Strategy
Subject: Regional Public Transport Plan Review 2018
Section: A (Committee has delegated authority to make decision)

Purpose

Recommendation:
That the Regional Public Transport Plan Development Committee:
1. Receives the report Regional Public Transport Plan Review 2018 (Doc # 10251232 dated 07 April 2017) for information
2. Endorses the proposed project timeframe and key milestones as outlined in this report.

Background
Public transport is a key component of the regional land transport system and Waikato Regional Council (WRC) has a statutory responsibility for the planning and management of the public transport network in the region. The Waikato Regional Public Transport Plan (RPTP), prepared by Waikato Regional Council, is a strategic document that sets policies for public transport in the region, and contains details of the public transport network and development plans over the next ten years.

Waikato Regional Council is required to review the RPTP to ensure it remains current and can continue to contribute to the core principles (section 115) of the Land Transport Management Act 2003 (LTMA). Since the adoption of the current RPTP in 2015, there have been many significant changes in the planning and operating environment for transport, including:

- Introduction of the Public Transport Operating Model (PTOM) by the NZ Transport Agency which is now being implemented through the RPTP and WRC Procurement Strategy
- Introduction of the NZTA Business Case Approach (BCA) which is now required for transport planning and activity development
- A review of the SuperGold Card funding and a proposed new funding model
- Review of Ministry of Education school bus services in Waikato
- Auckland influence and the increased growth pressure and transport demand in North Waikato
- Future Proof Growth Management Strategy is being reviewed to give effect to the National Policy Statement on Urban Land Capacity (NPS) and to bring in the agreed settlement pattern for the northern part of Waikato
• The draft Waikato Plan includes specific actions to promote regional and inter-regional PT services to improve transport access to health and education services.
• A new Strategic Direction adopted by Waikato Regional Council for the 2016 – 2019 period which seeks to ensure people have access to essential service such as by improving regional transport connections.

These changes are likely to require the RPTP to be updated to ensure the plan aligns with the latest regional and national policy directives.

In addition, the Regional Council is required under the LTMA to review its RPTP after the public transport components of the Regional Land Transport Plan (RLTP) are varied (s126 (1)). The operative 2015-45 RLTP is currently being reviewed, following the NZTA Business Case Approach (BCA). The BCA and the investment logic mapping (ILM) produced will form the basis for the Regional Transport Committee to test and re-shape the current regional transport objectives and policy framework, which will have an influence on the policies and services identified in the RPTP.

This report provides an overview of the public transport system in Waikato, including current projects/activities. It also outlines guest speakers and open sessions, and a high-level approach for the interim review of the RPTP 2018-21. The report is structured into six key sections as outlined below:

1  Terms of reference and governance ............................................................................................................. 3
2  Setting the scene for the review of RPTP ........................................................................................................ 4
3  Guest speakers ............................................................................................................................................. 6
4  Open discussion........................................................................................................................................... 6
5  Current activities ....................................................................................................................................... 8
6  RPTP Review Approach ............................................................................................................................... 12
1 Terms of reference and governance

1.1 The RPTP Development Subcommittee’s Terms of Reference and mandate

Waikato Regional Council has established the RPTP Development Subcommittee to oversee the review of the RPTP. The terms of reference for the RPTP Development Subcommittee as approved by the Council in March 2017 are attached at Attachment One. These Terms of Reference give primary responsibility to the Subcommittee to develop the draft RPTP 2018-21 and recommend it to the Council via the Strategy and Policy Committee for adoption in 2018.

1.2 Governance Structure

The governance structure for the RPTP review is outlined in the diagram below. The RPTP Development Subcommittee will be responsible for the development of the RPTP, and will report to Waikato Regional Council via its Strategy and Policy Committee. The RPTP Project Team will keep both the Regional Transport Committee and Hamilton PT Joint Committee informed on the progress of the RPTP review through regular reporting. A project Steering Group and a technical group will also be set up, comprising staff from territorial authorities and NZTA to provide technical advice/input relating to both policy and network components of the RPTP.
2 Setting the scene for the review of RPTP

2.1 Strategic and transport context

Like much of New Zealand, Waikato is experiencing changes to its demographics – ageing populations, rural depopulation, urbanisation, and increasing ethnic diversity. As our population ages, corresponding rates of disability and mobility needs increase, and we recognise that our most vulnerable people need to be taken into account.

Acknowledging the influence of Auckland’s growth, Waikato’s population is growing quickly in the Future Proof area; while rural depopulation continues in smaller centres, which will require different transport responses to improve access and fulfil mobility needs.

With the proportion of young people applying for their drivers licence continuing to decline, changing perceptions about ‘sharing’ transport, and changes to information and transport technologies, this could lead to changes in travel behaviour, and there is opportunity for growth in public transport use.

From an environmental point of view, NZ is transitioning to a low-emissions economy to attempt to mitigate climate change effects, which for transport means reducing reliance on imported fossil fuels, encouraging active transport modes (walking, cycling and public transport), and encouraging the update of electric vehicles.

With better capacity, increased usage of public transport also reduces congestion and improved transport network capacity. Public transport usage also brings safety benefits as one of the safest modes to travel.

Recognising the benefits of public transport, the recently released draft 2018-21 Government Policy Statement on Land Transport contains the following relevant priorities:

- Putting the right infrastructure in place to support high urban growth areas
  - This links to Future Proof work as well as the Hamilton City Council proposal to the Government’s Housing Infrastructure Fund (HIF) for infrastructure investment in Peacocke and Rotokauri.
- One-transport system approach, seeking the best solutions across transport modes with seamless connections between them
- Network resilience through transport choice.

On a regional scale, the three key focus areas for the RLTP which is currently under review are economic growth, road safety, and access and mobility. Public transport contributes to all of these areas as a means to reduce congestion, a safe mode of travel, and providing transport choices.

Given the above context, the review of the RPTP provides an opportunity to shape future transport in the region, with the challenge of creating a user-friendly and accessible document for public transport in the Waikato.
2.2 Service delivery

The Waikato region has the fourth largest contracted bus service in New Zealand behind Auckland, Christchurch and Wellington. Waikato Regional Council contracts out the provision of public transport in the region. In Hamilton city, Waikato Regional Council rates residents to provide PT services. In the rest of the region, funding is provided from Territorial Authorities for PT services in their districts.

Bus patronage in the region rose from 1.7 million trips in 2002/03 to over 4 million trips in 2016/17. The past two years have seen a decline in patronage, which is consistent with other regions across New Zealand.

The existing public transport bus network in the Waikato region can be broadly classified into three categories – Hamilton urban, satellite commuter and rural services.

Services within Hamilton account for over 90 per cent of the region’s public transport services, comprises 27 routes with most operating Monday to Saturday. There are 14 key routes that operate on Sundays and public holidays. All public buses within the Region are wheelchair accessible.

Bus services are provided between Hamilton and a number of towns within the Waikato, including: Huntly, Ngaruawahia, Raglan, Te Awamutu, Cambridge, Morrinsville, Te Aroha and Paeroa.

Outside of Hamilton and surrounding towns, services also provide connections for Taupo, Tokoroa, Mangakino, Meremere, Te Kauwhata, Mercer and Tuakau. Limited bus services are also provided between Tuakau/Port Waikato and Pukekohe, managed by Auckland Transport.

Waikato Regional Council also manages the Total Mobility Scheme within the Waikato region. The scheme currently operates in Hamilton, Taupo and Tokoroa. The scheme provides subsidised taxi travel for people with disabilities.

The Waikato region is similar to most cities around the world where passenger fares do not cover the full cost of providing public transport services. Subsidies are required to ensure the ongoing operation of public transport. The total gross cost of public transport contracts in the region is approximately $20 million per annum and is funded through:

- Bus fares from users
- Government financial assistance from the National Land Transport Fund as administered by NZTA
- Local share collected through rates.
3 Guest speakers

3.1 The value of public transport to community wellbeing

By Bridget Burdett, Principal Researcher, Traffic Design Group (TDG); and Professor Stuart Locke, University of Waikato

This presentation will outline an approach to valuing public transport for economy, environment and community objectives within the region. This approach draws on the Wellbeing studies of the OECD, which incorporate a balance of economic, environment and community measures into analysing policy options. The presentation will:

- summarise literature and contemporary policy internationally, in New Zealand and Waikato Regional Council applicable to Public Transport investment, focussing on outcomes for people and communities;
- describe likely social and community implications of public transport investment for Councillors to inform their review of the RPTP;
- focus outside of large cities, to explore opportunities and benefits likely to accrue through investment in transport for smaller cities (such as Hamilton), towns and rural areas; and
- summarise a recommended appraisal framework, including methods to populate it with Waikato-specific evidence based data.

3.2 PT: potentials for the transport system and the community, and ideas for development

By Tamara Bozovic, Principal Transport Planner, New Zealand Transport Agency

This presentation will examine how PT can benefit the community and the transport system, providing efficiency, limiting the use of space and resources, contributing to lively activity centres/CBDs, and improving participation in the local economy, social life or education. The potential benefits are important, but the outcomes depend on some key elements that can drive a successful operation into a marginal one and vice versa. The presentation will outline some best practice examples that share a few similarities with Hamilton and the wider region.

4 Open discussion

This part of the agenda is an opportunity for the committee each to provide their perspectives on the RPTP to the Subcommittee and the review project team with particular reference to the goal and strategic priorities in the current RPTP. These are included below for members’ reference:

The goal in the current RPTP for public transport in the region is:

“A growing and affordable public transport system that contributes to the economic, social and environmental vitality of the region.”

The four strategic priorities that underpin this goal are:

Region wide
- Grow patronage in a way that is affordable to users and funders
- Ensure integration between services, infrastructure and land use planning
- Provide an attractive alternative to the private motor vehicle to promote travel behaviour change

**Hamilton urban area**
- Provide safe, efficient and reliable services to employment centres and growth areas
- Provide access to essential services that support the community’s social wellbeing

**Satellite towns**
- Provide safe, efficient and reliable services between satellite towns and Hamilton to meet the peak time demand
- Ensure satellite commuter services are integrated with Hamilton urban services to optimise service delivery

**Rural areas**
- Provide efficient and reliable access to essential services, employment and district centres where there is sufficient demand and benefits, and where local share funding is available
- Provide support for seasonal bus services to key regional holiday destinations and special events where there is sufficient demand and benefits, and where local share funding is available.
5 Current activities

A number of PT projects and activities are being undertaken by Waikato Regional Council and partners as part of the ongoing implementation of the current RPTP. The outcomes of these projects and activities will help to inform the review of RPTP 2018-21, and are discussed in detail below.

5.1 Mass transit plan and Access Hamilton

The Mass transit plan is a proposed joint Hamilton City Council and WRC project to identify future public transport service and infrastructure requirements. An improved public transport system is an integral part of future travel solutions for Hamilton and its immediate surrounds. The key objectives of this work are to identify the infrastructure and services required to more efficiently enable the mobility of large volumes of people in a manner that reduces our reliance on low occupancy vehicles. The city’s size and density means mass transit and other shared-use mobility options must become a much larger part of the travel mix to assure continued economic growth and ease of mobility.

The Access Hamilton strategy was adopted in 2010 and is currently being refreshed to ensure it is relevant in terms of guiding the city’s development and transport infrastructure planning. This strategy will have an important link to the Mass transit plan as it sets out the key issues for Hamilton’s access and how these will be addressed. Key stakeholders include NZ Police, NZTA, Waikato Regional Council and staff, Waikato DHB, Waipa DC, Waikato DC, Property Council, and various departments within HCC.

5.2 Passenger rail

The role of passenger rail will be reviewed as part of the 2018-21 RLTP development and cross boundary planning work such as the North Waikato Programme Business Case (North Waikato PBC) and the Shared Upper North Island Transport Statement. This work will help to inform an agreed inter-regional position on passenger rail, and to guide the review of the RPTP.

Furthermore, a report on the assessment of Hamilton to Auckland passenger rail service has been prepared by Waikato Regional Council staff with input from the members of North Waikato PBC project partners. This report has been forwarded to the North Waikato PBC partner organisations (Waikato District Council, Waikato District Council, Hamilton City Council, Auckland Transport, Auckland Council and NZTA) for feedback, and to make recommendation on a preferred option for next steps.

It is expected that the decisions from the partner organisations will be collated and forwarded to the RTC for consideration at their meeting on 3rd July 2017.

5.3 PT network reviews – North Waikato, Taupo, Waipa, Matamata and Thames

The current RPTP identifies a need to investigate public transport provision in the northern part of the region, and to review the current network and service levels in Taupo and Waipa. It also requires that requests for services will be considered subject to funding and a business case approach that demonstrates benefits to the community.
North Waikato Public Transport network review
Waikato Regional Council is leading this technical work in partnership with Waikato District Council and NZ Transport Agency. The aim of this project is to respond to the current transport demands and needs of the community in North Waikato and identify short-term public transport options that can be implemented within the next 2018-21 Long Term Plan. This work is closely linked to the wider North Waikato Programme Business Case project that is currently underway, and will help to inform the review of the RPTP in respect to future PT improvements in North Waikato.

As part of the review, a household travel survey was undertaken last year to gauge the community feedback and to collect relevant information on household travel demands and needs. Following the survey, a stakeholder workshop was held in November with the chairs of local community boards and transport partners to discuss the key findings of the NW household travel survey and to agree on the key public transport issues/challenges for the community. The workshop has identified a number of options relating to public transport, which are being investigated by Waikato Regional Council staff.

Waikato Regional Council are currently working through detailed options with Waikato District Council. This work will be brought to the Subcommittee in June.

Other network reviews
A number of network reviews are planned to be undertaken over 2017 to determine whether levels of service are still appropriate where services already exist (Taupo and Waipa), or whether services are feasible and address the issues for the community, where services do not yet exist (Matamata and Thames).

The review of Taupo services is currently underway and a survey has been carried out to gauge community feedback on the current network and service levels. The next stage of the project is undertake further engagement with the community to better understand the problems and opportunities within the current network, and to scope out potential options for future PT improvement. It is expected that the review will be completed by September/October this year.

A need to review Waipa’s PT services has also been identified. This work will need to link to the construction of the Hamilton section of the Waikato expressway and how PT priority might be incorporated into this work.

Thames Coromandel District Council has recently provided support to develop a business case to investigate public transport in Thames, and provisionally has provided funding to support a trial service in 2017/18, should the business case recommend a trial proceed.

South Waikato transport/community transport
The South Waikato District Council has recently coordinated the implementation of a coordinated, community-wide health shuttle for its communities. A wider demand for community transport solutions beyond health requirements has also been identified. The operative Regional Land Transport Plan has as one of its core components “the need to provide appropriate transport choices across the region to enable people and communities to meet their social, economic and cultural needs.”

Waikato Regional Council staff have agreed in an MoU to work with key stakeholders to facilitate the development of an indicative business case to explore and agree on a strategic model (including funding options) to better coordinate community transport service delivery in South Waikato.
5.4 Fare review project- status and next steps

Action A31 of the current RPTP (pg. 49) requires a comprehensive review of Waikato fare structure review to ensure the fare system is easy to use, efficiently structured and affordable to users. The purpose of the review is to ensure that the fare system contributes to the goal for public transport:

"A growing and affordable public transport system that contributes to the economic, social and environmental vitality of the region."

Waikato Regional Council will be working closely with Hamilton City Council, bus operators and other key stakeholders to advance on the fare review project. The overarching objective of the fare review is to ensure the fare system is:

- Simple for customers and simple to administer
- Reflective of the costs of running the service
- Affordable for funders and users
- Supports increased use of public transport.

A workshop was held in September 2015 with Hamilton City and Waikato Regional Councillors to help scope the review and identify options for further investigation. Since the workshop, staff have engaged a consultant to undertake technical analysis in relation to a number of potential change options. However, the project was put on hold during 2016 as it became apparent many of the options were unable to be implemented due to the limitations of the current ticketing system and greater certainty in relation to the timing and capability of a new and improved ticketing system was required in order to have confidence the options were viable.

Procurement of a new ticketing system is well advanced and there is now sufficient certainty in relation to the timing and capability of a new and improved ticketing system to recommence work on the fare review project. It is intended that this project will be overseen by the RPTP Development Subcommittee, with recommendations back to the relevant councils. Waikato Regional Council will consult with all affected councils prior to any changes being made.

Attachment 6 includes a summary of potential changes to the fare system that have been identified following the initial councillor workshop (2015) and technical work undertaken last year. The potential changes outlined in the attachment are to serve as a basis for facilitating discussion with key stakeholders. Staff plan to bring a more detailed report to the Subcommittee in June updating progress.

5.5 Integrated Ticketing and national ticketing

The Regional Council has jointly procured a new ticketing system with a consortium of eight other Councils in New Zealand. INIT, an international transport technology provider with more than 30 years’ experience in ticketing and transport solutions worldwide, has recently been contracted to implement the new system during the first half of 2018. The solution will:

- Provide a secure and proven platform for fare revenue and patronage data,
- Provide Tag-on Tag-off functionality to enable improved reporting and network planning capability,
- Provide online smart card top-up capability,
- Enable a migration to the National Ticketing Programme (NTP) solution once available.

The new INIT system will allow time for the procurement of a longer term nationwide solution for public transport ticketing and payments. The system will be in place in the nine regions for five years while a longer term solution is developed by all councils with public transport responsibilities, Auckland.
Transport and the NZ Transport Agency. The RPTP review will provide an opportunity to review current policy to support this transition and development.

5.6 Farebox Policy Review

A new farebox recovery policy will need to be developed in conjunction with NZTA, TAs and operators to reflect the latest national and regional priorities (e.g. Government Policy Statement on land transport and RLTP).

5.7 Addressing the needs of transport disadvantaged

The RLTP has identified a need to improve transport access for the transport disadvantaged. WRC is preparing an Access and Mobility PBC to look at a range of measures, including PT and community based transport, to improve accessibility for the transport disadvantaged. The outcomes of this PBC work will be incorporated into the RPTP/RLTP reviews.

5.8 Implementation of new bus contracts

Last year Council called for tenders and awarded new contracts to operate bus services within Hamilton and services between Hamilton and surrounding towns. The services were allocated into five contractual units and each contract has a nine-year term. Further detail on the new contacts is included in Attachment 3.

5.9 Ministry of Education school buses

The Ministry of Education now plans to retain eight of ten routes previously identified for withdrawal in the Waikato, on the basis that the alternative public transport options would be impractical from the perspective of students once factors such as transfers, waiting times and overall journey times are considered.

In parallel to the regional work, the Regional Council has expressed concern about the application of the Ministry’s policy regarding the withdrawal of school bus services and has worked closely with the LGNZ Regional Sector Group and the Transport Special Interest Group to advocate for the Ministry to take a ‘whole of government’ policy approach to this issue. Key principles underpinning this work include an all of government approach, safe and reliable public school transport for school students and supporting a viable and sustainable public transport network. The work to date has confirmed that outdated and differing service models have resulted in duplications and gaps in the services with significant impact on communities, and any future solutions will need to address these problems.

Notwithstanding the progress being made at a regional level, the Regional Transport Committee is opposed in principle to the withdrawal of any school bus services by the Ministry of Education until the national work is complete.
5.10 Total Mobility review

Total Mobility is a nationwide scheme designed to give people with disabilities mobility options, and increase their community participation. In the Waikato region, the scheme is currently available within Hamilton, Taupo and Tokoroa. The scheme can be implemented within other areas of the region subject to the provision of local share funding.

The Regional Council is reviewing Total Mobility services provided within the region, particularly in light of proposed legislative changes to small passenger services requirements which have safety implications for vulnerable users. The legislative changes essentially remove the distinctions between different types of small passenger service. In doing so, they eliminate some specific requirements for particular service types, particularly taxis. These include changes to vehicle identification, hours of service, vehicle requirements, disability provision, Transport Service Licence requirements and operator requirements, and special rules for services that carry ‘registered passengers’. The changes will require councils to consider contracting for specific scheme requirements and eligibility criteria that will no longer be regulated for.

At a high level, the review also seeks to improve the efficiency and capability of the scheme by focusing on a new administration system and electronic ticketing and technology enablers.

6 RPTP Review Approach

Waikato Regional Council has commenced the development of the new RPTP, with an aim to adopt a new plan before 30 October 2018. The new plan will guide the planning and development of the regional public transport system over the next 10 years (2018-2028).

6.1 Project Overview

The RPTP is a statutory required document under the LTMA 2003. The plan sets out the objectives and policies for public transport in the region, and it includes details of the public transport network and development plans for a period of 10 years.

The LTMA includes a list of matters that must be taken into account in preparing an RPTP as well as prescribed detail around the form and content of the Plan. These are included in Attachment 2.

Whilst the legislative requirements set the broad framework around the process and areas that must be covered in the RPTP review, it is expected that a fundamental review will not be required given that the policy framework within the current plan has been developed under the LTMA and still remains robust in meeting national and regional objectives.

It is recognised that the current RPTP provides a good foundation for the new RPTP. Rather than rewrite every part of the Plan, the Project Team proposes to undertake a gap analysis of the existing RPTP policy framework to determine which policy elements remain the same, what policies might benefit from having options reconsidered, what new components are needed and what gets removed completely.

The gap analysis will also follow the principles of the NZTA Business Case Approach (included in Attachment 4) to determine:

- What are the core PT problems that will need to be addressed in this RPTP
- The consequence of not addressing these
- What are expected benefits/outcomes that can be realised from addressing these
Whether the existing policy framework is still fit for purpose and/or any different policy intervention is required.

The development of the RPTP will also reflect the core principles of PTOM by building a collaborative partnership with public transport operators and key transport stakeholders. The RPTP will provide a means for regional council, public transport operators and other key stakeholders to work together in developing public transport services and infrastructure. The RPTP must be consistent with the RLTP. The RPTP will also take into account local transport strategies and projects (e.g. Access Hamilton and the Network Operating Framework) to ensure integrated planning for public transport services and infrastructure across the region. It will also take into account other strategic policy drivers related to public transport planning, implementation and investment at national and regional levels (e.g. NZTA Farebox Recovery Policy, and NZTA Procurement Manual).

6.2 Project timeframes

As stated above, it proposed that the review of the RPTP will follow the principles of the NZTA Business Case Approach (BCA) and the broad approach can be illustrated in the diagram below. More detail on the approach breakdown is included in Attachment 5.

The proposed project timeframe and key phases are set out in the table and timeline below. Broadly, the development of the RPTP is scheduled to run in parallel with the review of the RPTP with expected adoption of the draft plan by Waikato Regional Council by April 2018, and final Plan in September 2018.

<table>
<thead>
<tr>
<th>Review of the RPTP - Project Phase</th>
<th>Timing (indicative)</th>
<th>Subcommittee meeting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project establishment</td>
<td>Leading up to Apr 2017</td>
<td>28 April</td>
</tr>
<tr>
<td>2. Problem definition and strategic case development – Phase 1</td>
<td>May-June 2017</td>
<td>12 June</td>
</tr>
<tr>
<td>3. Gap analysis to identify network/service gaps – Phase 2a</td>
<td>June-July 2017</td>
<td>20 July</td>
</tr>
<tr>
<td>4. Programme business case development (develop high level options and targeted stakeholder workshops ) – Phase 2b</td>
<td>Aug-Oct 2017</td>
<td>12 Sept</td>
</tr>
</tbody>
</table>
5. Indicative business case development (detailed technical assessment of options) – Phase 3

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-Dec 2017</td>
</tr>
<tr>
<td>6 Nov</td>
</tr>
</tbody>
</table>

6. Develop and confirm Draft PT Plan – Phase 4

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-Mar 2017</td>
</tr>
<tr>
<td>12 Feb</td>
</tr>
</tbody>
</table>

7. Draft Plan notified for public consultation and submission period

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2018</td>
</tr>
<tr>
<td>April TBC</td>
</tr>
</tbody>
</table>

8. Public hearings and Deliberations

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-June 2018</td>
</tr>
</tbody>
</table>

9. Finalising PT Plan and final Plan adoption

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>July-Aug 2018</td>
</tr>
</tbody>
</table>

### 6.3 Consultation Plan

The consultation requirements for the development of the RPTP are prescribed in the LTMA 2003 (s124 (d) and s125). The RPTP must follow the principles of the special consultative procedure in section 83 of the Local Government Act 2002 for public consultation. The Act is also very explicit around who should be engaged when preparing the draft plan (s125). The RPTP project team is currently preparing a consultation and engagement plan.

### 6.4 Next steps

The next meeting of the RPTP Development Subcommittee is on Monday 12 June. At this meeting, as well as receiving a project update, it is proposed that the Subcommittee will workshop problems and benefits for the RPTP with the help of a facilitator familiar with the business case approach. The outcomes of this workshop will set the key focus areas for the review so that staff can identify policy and service gaps and how these can be addressed. An outline of what will be discussed at subsequent meetings is provided below.

#### PT Development Committee Meetings plan 2017-2018

<table>
<thead>
<tr>
<th>28 April</th>
<th>12 June</th>
<th>20 July</th>
<th>12 Sep</th>
<th>6 Nov</th>
<th>12 Feb 2018</th>
<th>TBC April 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting</td>
<td>Confirm ToR and endorse programme</td>
<td>Short meeting + Workshop</td>
<td>Meeting</td>
<td>Short meeting + Workshop</td>
<td>Meeting</td>
<td>Meeting</td>
</tr>
<tr>
<td>Members open discussion</td>
<td>Problems/benefits definition workshop- agree on key focus areas for review</td>
<td>Summarise problems and benefits and confirm Staff to recommend how areas will be reviewed</td>
<td>Present gap analysis Workshop on options</td>
<td>Report back on workshop and stakeholder engagement Committee to agree options</td>
<td>Review progress, agree plan elements</td>
<td>Review and recommend draft plan to Strategy and Policy Committee and WRC</td>
</tr>
</tbody>
</table>
7 Conclusion

Since the adoption of the current RPTP in 2015, there have been many significant changes in the planning and operating environment for transport. These changes require the RPTP to be updated to ensure the plan aligns with the latest regional and national policy directives. It is planned to review the RPTP over 2017-2018, with a view to taking the draft plan for public consultation in May-June 2018, and adoption of the final plan by the Waikato Regional Council by October 2018.

Assessment of Significance
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.

Annika Lane
Manager Integration

Mike Garrett
Chief Financial Officer

Andrew Wilson
Manager Public Transport Operations

Tracey May
Director Science and Strategy

Attachments
- Attachment 1: Terms of Reference of the RPTP Development Subcommittee
- Attachment 2: Statutory requirements for preparing the RPTP
- Attachment 3: New contracts further detail
- Attachment 4: RPTP Guidelines update: Utilising the RPTP to support the business case for continuous programmes
- Attachment 5: Further detail on project approach.
- Attachment 6: Fare Review potential changes for discussion
Attachment 1: Terms of Reference of the RPTP Development Subcommittee

### Regional Public Transport Plan Development Subcommittee

**REPORTING TO:** Strategy and Policy Committee

**CONSTITUTION:**

- One Waikato Regional Council member appointed to the Hamilton Public Transport Joint Committee who shall be the Chair
- One of either the Chair or Deputy Chair of the Regional Transport Committee who shall be the Deputy Chair
- Two members appointed by Hamilton City Council of which at least one is drawn from either the Hamilton RTC representative or the two Hamilton City Council representatives on the Hamilton Public Transport Joint Committee.
- Three elected members from the RTC who shall be from territorial authority funders of public transport services (excluding Hamilton City Council).
- One person representing the New Zealand Transport Agency (NZTA) to be appointed by the NZTA as a non-voting member.

**QUORUM:** Three (3)

**MEETING FREQUENCY:** Monthly or as required

**OBJECTIVE:** Prepare and recommend to the Waikato Regional Council for public consultation a draft 2018-2028 Regional Public Transport Plan that has been prepared in accordance with and complies with the requirements of the LTMA 2003 and any other relevant national guidelines.

**SCOPE OF ACTIVITY:**

1. Develop the draft 2018-2028 Regional Public Transport Plan and recommend it to Council (via the Strategy and Policy Committee) for public consultation.

2. Ensure all policy developed in the Regional Public Transport Plan is consistent with the Regional Land Transport Plan.

**POWER TO ACT:**

1. To prepare the draft 2018-2028 Regional Public Transport Plan.

**POWER TO RECOMMEND:**

1. To recommend the draft 2018-2028 Regional Public Transport Plan to Council via the Strategy and Policy Committee for public consultation.
Attachment 2: Statutory requirements for preparing the RPTP

The requirements for preparing the RPTP are set out in the Land Transport Management Act 2003. The Act includes a list of matters that must be taken into account in preparing an RPTP as well as prescribed detail around the form and content of the Plan. The key requirements relating to the development of RPTP are summarised in the table below:

### Core Requirements:
- The preparation and adoption of a RPTP is mandatory for a regional council, unless it does not intend to enter into a contract to pay for the supply of PT services, or provide financial assistance to the operators or users of a taxi or shuttle service.
- The development of RPTP must meet the core principles that underpinned the Public Transport Operating Model (PTOM). These principles are:
  - Regional councils and public transport operators should work in partnership and collaborate with territorial authorities to deliver the regional public transport services and infrastructure necessary to meet the needs of passengers.
  - The provision of public transport services should be co-ordinated with the aim of achieving the levels of integration, reliability, frequency, and coverage necessary to encourage passenger growth.
  - There should be access to public transport markets for competitors in order to increase confidence that public transport services are priced efficiently.
  - There should be incentives to reduce reliance on public subsidies to cover the costs of providing public transport services.
  - There should be transparency in the planning and procurement of public transport services.
- In preparing a RPTP, the regional council must be satisfied that it:
  - Contributes to the purpose of the LTMAA 2013
  - Has been prepared in accordance with any relevant guidelines issued by the NZ Transport Agency
  - Is consistent with the GPS and the Regional Land Transport Plan
  - Takes into account any national energy efficiency and conservation strategy, relevant regional policy statement, regional plan and district plans, the views of public transport operators, the likely public transport funding available within the region.
  - Takes into account the need to obtain the best value for money, having regard to the desirability of encouraging competitive and efficient market for public transport services.
- The regional council must follow a specific set of consultation requirements before adopting the RPTP, including consulting in accordance with the consultative principles specified in section 82 of the Local Government Act 2002. Council may use the special consultative procedure in sections 83, 87 and 89 of the Local Government Act 2002.

### Form and content of regional public transport plans
The plan must:
- Identity the public transport services that are integral to the public transport network
- Arrange all of the contracted public transport services into units for which the regional council intends to provide financial assistance
- Outline the routes/units, frequency and hours of operation of the public transport network
- Identify any taxi or shuttle services (total mobility) for which regional councils intend to provide financial assistance
- Contain policies for units on:
  - Accessibility, quality and performance;
  - Fares and method or formula for setting/reviewing fares;
  - Process for establishing units;
  - Approach taken to procuring delivery of services in a unit;
  - Approach taken to procure the delivery of services in a unit
  - How procurement of units will be phased in over time;
  - Managing, monitoring and evaluating performance of units
- Include a significance policy for variation to the RPTP
Attachment 3: New contracts: Further detail

Progress over next two years- what new network will look like and key changes

The next 18 months will see significant improvements made to the BUSIT network. Changes include:

- The implementation of new operator contracts within Hamilton, introducing all-new or refurbished buses to the fleet with enhanced passenger benefits such as free WiFi and CCTV.
- Improved timetables, with more buses running more often (including almost all Hamilton routes to run seven days a week).
- A number of routes extended to key hubs such as Chartwell and The Base shopping centres.
- Bus service enhanced in key growth areas such as Rototuna and Flagstaff.
- Note there are some routes that will see a reduction in service in order to spread resources effectively across the network.
- A comprehensive passenger RealTime system will be rolled out this year, including improved information at stops, on buses and a smartphone app for passengers.
- A new ticketing system that will allow passengers to top up cards online, and have the ability for fares to be varied across the network.

The commencement dates for new contracts are outlined in the table below:

<table>
<thead>
<tr>
<th>Unit No.</th>
<th>Unit Name</th>
<th>Description</th>
<th>Unit Start</th>
<th>Bus Operator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hamilton West</td>
<td>Comprising all bus services on the western side of Hamilton.</td>
<td>30 Sep 2017</td>
<td>Pavlovich Coachlines</td>
</tr>
<tr>
<td>2</td>
<td>Hamilton East</td>
<td>Comprising all bus services on the eastern side of Hamilton including the Orbiter Service</td>
<td>27 Jan 2018</td>
<td>Go Bus</td>
</tr>
<tr>
<td>3</td>
<td>North Waikato</td>
<td>Bus services connecting Hamilton, Horotiu, Ngaruawahia, Taupiri and Huntly</td>
<td>18 April 2017</td>
<td>Go Bus</td>
</tr>
<tr>
<td>4</td>
<td>East Waikato</td>
<td>Bus services connecting Hamilton, Morrinsville, Te Aroha and Paeroa</td>
<td>18 April 2017</td>
<td>Go Bus</td>
</tr>
<tr>
<td>5</td>
<td>West Waikato</td>
<td>Bus services connecting Hamilton, Whatawhata and Raglan</td>
<td>18 April 2017</td>
<td>Go Bus</td>
</tr>
</tbody>
</table>

Commencement of the new contracts will coincide with implementation of the network changes identified in the 2015 Strategic Network Review and adopted in the current RPTP.

A summary of the key changes is outlined below.

Contract implementation timeframes and key service changes

From April 2017, following implementation of Units 3, 4 and 5 comprising bus services between Hamilton and satellite towns:

- Introduction of Saturday and Sunday services between Morrinsville and Hamilton
- Introduction of additional trips on weekdays and the return of Sunday services for Raglan
- Provision of all new buses across the three contracts (12 new buses across the three contracts) and an overall increase in total fleet capacity
- Provision of free passenger Wi-Fi and USB charging ports on all buses
- Provision of comprehensive CCTV systems on every bus
• Provision of bike racks on buses (subject to confirming compliance with relevant vehicle regulations)
• Consistent vehicle branding across all satellite services

From October 2017, following implementation of Unit 1, comprising services on the western side of Hamilton:
• Re-establishing 15 minute all-day frequency of the Orbiter Service on weekdays,
• Provision of new and late model existing buses on the Orbiter service (new buses include USB charging ports)
• Provision of free passenger Wi-Fi on every bus
• Provision of comprehensive CCTV systems on every bus
• Introduction of services on weekends and public holidays for the Fitzroy route
• Consistent vehicle branding across all Hamilton services

From January 2018, following implementation of Unit 2, comprising services on the eastern side of Hamilton:
• Introduction of new all day, 7 day a week services to Hamilton’s northern suburbs (note work is underway to investigate bringing forward these improvements into 2017)
• Disestablishment of the existing Ruakura Route
• Introduction of 30 new buses to the contracted fleet and an overall increase in total fleet capacity
• Introduction of services on weekends and public holidays for four additional routes on the eastern side of the City (post implementation of new contracts the number of routes within Hamilton that operate 7 days per week will increase from 12 to 17).
• Provision of free passenger Wi-Fi on every bus
• Provision of comprehensive CCTV systems on every bus
• Consistent vehicle branding across all Hamilton services

Implementation of Hamilton contracts (October this year for the western side of the city and January 2018 for the eastern side of the city) will see a number of changes to existing routes and service times. A comprehensive communication plan will be developed and implemented prior to any significant changes being implemented. The purpose of the plan will be to ensure existing passengers and local residents are well informed of any pending changes to services.

Prior to implementation of the Hamilton contracts each route will be jointly reviewed by relevant staff from the bus companies, WRC and HCC to ensure the timetables and routes remain fit for purpose and necessary bus stop infrastructure is in place. It is anticipated that a number of routes and timetables will require changes in consideration the changing traffic conditions and potentially in consideration of public feedback as awareness of the pending changes increases.
Attachment 4: RPTP guidelines update: Utilising the RPTP to support the business case for continuous programmes

Revised section 6.5

Transport Agency Policy

The Transport Agency requires the Business Case Approach to be applied to all funding proposals from the National Land Transport Programme, including continuous public transport programmes.

Revised Appendix C

APPENDIX C: UTILISING THE RPTP TO SUPPORT THE BUSINESS CASE FOR CONTINUOUS PROGRAMMES.

The NZ Transport Agency requires the Business Case Approach (BCA) to be applied to all funding proposals from the National Land Transport Programme. This involves applying the BCA principles to analysing and documenting the components that are found in a good business case (for example the strategic, programme and commercial case).

For the development of Public Transport Continuous Programmes, the Transport Agency does not expect Councils to prepare separate business cases, as long as the key components have been captured, and linked, in documents that Councils prepare.

One document that can be used — substantially or partially — to document the business case for continuous programmes is a Council’s RPTP.

This update provides guidance on how Approved Organisations could use the RPTP to help make the case for a continuous public transport programme.

Introduction

The Transport Agency requires a BCA to be applied to all funding proposals from the National Land Transport Fund, including continuous public transport programmes. In doing this, authorised operators (AOs) should apply the BCA principles.

The BCA is being applied to continuous programmes to provide confidence that:

- the AO understands why it is delivering public transport and it is designed to deliver desired outcomes (clarity of intent)
- the level of analysis and evidence applied to developing the business case is proportionate to the scale, cost and complexity of the programme (fit for purpose effort).
- the programme is designed to maximise benefits for funders and users (maximised benefits).

Applying the BCA to continuous programmes allows AOs to tell a compelling investment story and will provide confidence the programme is delivering value for money from national, regional and local investment in public transport.

Regional public transport plan and the business case approach

For continuous programmes an AO does not need to prepare a separate business case as long as the AO can demonstrate through other documents that it has addressed the key components of a BCA and applied the BCA principles.
The RPTP is one such document that can be used to substantially (or partially) document how the BCA has been applied to continuous public transport programmes, for example:

- RPTPs already include relevant information such as strategic context, challenges, benefits and KPIs for public transport. Building on this could avoid unnecessary duplication of effort.
- The development of Regional Public Transport Plans is informed by engagement and statutory consultation with key stakeholders, which is pertinent to the BCA principles of building the case for investment progressively, and through informed discussions with stakeholders.

We suggest the AO work with the Transport Agency to consider to what extent it may be practicable for them to use the RPTPs to demonstrate the application of the BCA for their continuous public transport programmes. For example, many AOs may be able to encapsulate or summarise the strategic case for public transport programme in the RPTP, although it may not be appropriate to include the programme or commercial case.

Where the AO considers it is not practicable to use the RPTP, other regional document/s such as Regional Land Transport Plans, Long Term Plans and Activity Management Plans should be used. Alternatively, the AO may develop a separate document that answers the business case assessment questions (including referencing supporting documents where evidence can be found).

The table below outlines how a RPTP may be used to document the business case for a continuous public transport programme.

<table>
<thead>
<tr>
<th>Focus area</th>
<th>What could be documented in RPTP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Case (strategic context)</strong></td>
<td></td>
</tr>
<tr>
<td>1. Strategic Alignment</td>
<td>Document linkage of benefits to regional priorities and objectives as well as government objectives and results for public transport.</td>
</tr>
<tr>
<td>3. Problem Identification (current state)</td>
<td>Document the problems and challenges that the current programme is addressing, and consequences if not addressed.</td>
</tr>
<tr>
<td>4. Problem identification (future state)</td>
<td>Document any emerging problems in which public transport may be the solution or part of the solution.</td>
</tr>
<tr>
<td>5. Benefits, KPI's</td>
<td>Document benefits of addressing the problem (eg decongestion, accessibility, efficiency gains), and KPIs to measure the benefits.</td>
</tr>
<tr>
<td><strong>Programme case (programme context)</strong></td>
<td></td>
</tr>
<tr>
<td>6. Options</td>
<td>Document what consideration was given to options for the network (eg configuration, frequencies, coverage, peak vs. off peak), for example, through a network review or network optimisation assessment. In particular, identify when any review or assessment was undertaken, its scope, and how it was undertaken (eg consultation). Reference any supporting documents. <strong>Note</strong>: the RLTP should identify high level options and alternatives (eg more PT).</td>
</tr>
<tr>
<td>7. Robust, Fit-for-purpose Forward Programme</td>
<td>Document evidence the proposed future continuous programme addresses problems identified, delivers benefits, and provides a balanced response to demand. Reference any supporting documentation.</td>
</tr>
<tr>
<td>8. Alignment of public transport expenditure</td>
<td>Identify all regional public transport activities in the proposed continuous programme (eg. services, service amenities, and improvements), and their funding requirements. Identify any gaps. <strong>Note</strong>: Provide enough detail on the proposed programme (including documenting all relevant activities and necessary level of funding) to allow what is proposed to be determined, and whether it is aligned.</td>
</tr>
</tbody>
</table>
If any detailed information related to this, such as funding requirements, is documented elsewhere (eg in the RLTP), please provide references / links.

The RPTP may include aspirational activities (eg future activities and activities that are subject to funding availability) that may not be in the RLTP and funding application. These should be clearly identified.

9. Programme type identification continuous (core) programme

Distinguish between investment for core programme and any service level (delta) improvements that require a separate business case.

Note: If any information related to this, including funding requirements, is documented elsewhere (eg in the RLTP), please provide references / links.

10. Cost & VfM considerations (core programme)

Document what consideration has been given to whether the costs of the programme demonstrate value for money (e.g. optimisation within existing funding envelope, and affordability of programme).

### Commercial Case (procurement context)

11. Smart, fit for purpose procurement of services

The primary evidence for this is expected to be an endorsed procurement strategy updated for PTOM.

### Management Case (Delivery and Performance)

12. Integration/Partnering

*Integration* – State how the core programme is integrated and aligned with any relevant RLTP / AMP.

*Partnering* – The primary evidence for this is expected to be own assessment/knowledge of the AO, and supporting documentation, such as initiatives with operators.

13. Evidence/Testing of evidence

Document the approach to modelling (large regions) or forecasting (small and medium regions).

14. Performance Management

Document how previously identified network KPIs (eg patronage, reliability) are being achieved. Reference any supporting documentation (eg annual reports).

15. Confidence In Delivery/ Risk Management

The primary evidence for this is expected to be own assessment/knowledge of the AO, and any supporting documentation.

### Notes

Specific references / links should be provided to any relevant supporting documentation referred to in the RPTP (such as the RLTP, LTP, AMP or other documents).
Attachment 5: Further detail on project approach

The project will be broken down into four key phases as follows:

Phase 1: Strategic Case development (May – June 2017)
- A facilitated workshop with the RPTP Development Subcommittee to confirm the ‘problems’ for public transport in Waikato, and to identify key objectives or outcomes sought for the next RPTP.
- The key transport challenges/issues identified in the current RPTP will form the starting point and these will be workshopped/modified into 3 or 4 key problem statements, taking into account of the ILM produced for the RLTP, new GPS, and/or other key drivers/issues that may have occurred since 2015.
- Expected outputs: A set of agreed problems and objectives for PT that align with the latest national and regional policy direction. Evidence will also be collated to support the problems identified, and a ‘strategic case’ (2-3 page summary of problems and evidence) will be produced and endorsed by the Subcommittee. Critical success factors will also need to be confirmed at this stage, including a clear vision (or goals) to guide the development of the new RPTP/Phase 2a: Gap analysis (June-July 2017)
- A staff technical assessment (gap analysis) will be undertaken to test if the current RPTP is still valid/robust in addressing the problems and meeting the objectives identified by the Subcommittee.
- The gap analysis will also include consideration of the PT activities that being implemented or planned (e.g. MoE, Fares review, NW/Taupo PT review), as well as any other projects/initiatives that have been identified through other planning processes (i.e. RLTP and/or other business case projects) that will contribute to the PT objectives.
- Expected outputs: A gap analysis report will be prepared that includes
  - a high level assessment of current RPTP on how effective is the plan in meeting the objectives or addressing the problems;
  - What are the policy/service gaps; and
  - How these gaps or areas will be addressed in the RPTP review
- Stakeholder engagement on the gap analysis findings and to agree on scope of the review and key focus areas. The gap analysis report along with the key focus areas for the review will be presented to the subcommittee for endorsement.

Phase 2b: Programme business case (Aug-Oct 2017)
- For each of the focus areas, workshops will be held with relevant stakeholders to flash out the problems and to develop potential options/solutions.
- Expected outputs: options for the focus areas will be developed and presented to the Subcommittee for consideration. The subcommittee to agree on the options that will be taken forward for more detailed investigation.

Phase 3: Indicative business case (Oct-Dec 2017)
- Staff to undertake detailed technical work and to identify a ‘preferred PT programme’ for the RPTP. Further engagement with NZTA will be undertaken to check if the preferred programme is aligned with NZTA investment assessment framework.
- Expected outputs: A staff recommendation report on the preferred programme will be presented to the Subcommittee for endorsement and inclusion in the draft RPTP. Skeleton of draft RPTP document will also be prepared for Subcommittee sign-off.
Phase 4a: Draft Plan development (Dec-April 2018)

- Develop a draft RPTP
- Set up the public consultation process
- **Expected outputs:** The RPTP Development Subcommittee to recommend the draft RPTP for WRC adoption for public consultation. Public consultation will run from March – April, and hearings will be held in May 2018.

Phase 4b: Final Plan development/adoption (May-August 2018)

- Hearing and staff recommendation reports prepared
- Hearing Committee to deliberation on the submissions and to recommend changes to the final RPTP.
- Final RPTP to be adopted by Council in June/July 2018.
Attachment 6: Fare Review potential changes for discussion

The risks and benefits associated with all options will be investigated in detail and subject to feedback from key stakeholders prior to any final recommendations being sought from the subcommittee.

<table>
<thead>
<tr>
<th>Potential changes</th>
<th>Context</th>
</tr>
</thead>
</table>
| Implement a zonal fare structure while retaining a flat fare within urban areas. | • Currently there are flat fare structures in Hamilton and Taupo (fares are the same regardless of distance travelled), while satellite services between Hamilton and surrounding towns have staged fare structures that are unique to each route (fares increase based on distance travelled). The current system creates a wide range fares that can be confusing for passengers and drivers and can be complex to administer and communicate.  
  • A zonal fare structure is proposed and provides a balance between simplicity, affordability and equity for users and funders.  
    o Under a zonal fare system, fares are based on the number of zones travelled through, irrespective of the bus route.  
    o Fares are generally lower for shorter distance travel and higher for longer distance travel, which incentivises sustainable travel choices and reflects the higher cost of longer distance services.  
  • Fare zone boundaries are based on the following principles:  
    o Fare zones should, where possible, include whole communities within a single fare zone (e.g. Hamilton, Taupo, Tokoroa, etc). This implements the flat fare within urban areas and helps avoid short distance trips that cross fare boundaries.  
    o Fare zones should ensure that similar fares are charged for similar distances travelled, with the distance between fare zones being larger for longer distances travelled (to avoid too many fare zones).  
    o Fare boundaries should generally be located between stops rather than at stops to avoid confusion about which zone a bus stop is located within.  
  • The potential fare zones are shown in Error! Reference source not found. on page 29. |
| Enable free transfers when using a smartcard card only. | • Free transfers are currently available within Hamilton only on both cash and smartcard fares.  
  • With the implementation of a new ticketing system it is proposed that free transfers be extended to all services but be available on smartcard fares only.  
    o Over 95% of existing users use smartcards  
    o Providing free transfers on smartcards only will encourage passengers to correctly tag-on and tag-off with the new ticketing system, as free transfers will only be available if the passenger has tagged off the previous service.  
    o Free transfers on cash tickets require drivers to inspect and verify ticket validity, which is labour intensive and provides opportunities for misuse.  
    o Free transfers are currently available for 1-hour from boarding a bus and purchasing a ticket. With the new ticketing system, it is proposed that the free transfer be amended to apply for a 30-minute period between tagging-off a bus and tagging-on the next bus. This should enable more people to transfer for free between buses to complete their journey.  
    o Currently free transfers do not apply to transfers between bus services within Hamilton and services that connect Hamilton with surrounding towns. With the implementation of zonal structure and the new tag on/off ticketing system it will be possible to enable free transfers irrespective of what service a person is connecting with. |
| Enable free transfers between all routes and services. | • Maintaining a discount for smartcard users is an important incentive to encourage use of smartcards.  
  • Currently the price difference between smartcard and cash fares varies throughout the region. For urban services in Hamilton the cash premium is 37.5% for Adult and 29.4% for Child. For satellite services the cash fare |
premium varies from 18.6% for adult travel between Hamilton and Cambridge to 43.2% for the adult travel between Hamilton and Huntly.

- It is proposed that cash fares be set at a premium of 40% relative to smartcard fares (rounded to the nearest 10 cents). A lower premium is not proposed as this would reduce the current price incentive for smartcard usage (which is amongst the highest in NZ). The benefits of smartcard usage include better data on passenger journeys, reduced revenue/fraud risks, reduced security risks for drivers and reduced cash handling costs.
- It is proposed that the standard adult smartcard fare be used as the common reference point for all other fares (cash fares and concession discounts). This is because a significant majority of passengers use smartcard fares (over 95%) and changes to smartcard fares will therefore have the single greatest impact on the affordability of fares and fare revenue.

### Standardise concession discount rates and consistently apply to all concession products.

A concession fare would be available to the following groups:
- Children
- Tertiary students, subject to third-party funding
- Other groups where supported by third-party funding
- Total Mobility card holders (potential new policy).

Free travel will be available to the following groups:
- Supergold card holders (existing policy)
- Under-5 year olds (existing policy).

Consider discontinuing the existing "60 plus" concession.

- Currently, the discount rate for concession fares varies by route and service area and, in some cases, the discount rate differs within the same route. This can be confusing for passengers, drivers and is complex to administer. It also creates potential equity issues.
- It is proposed the concession discount rate be standardised at 30% off the standard adult smartcard fare for all concession groups (except under-5 and Supergold, which are free).
- Concession fares are proposed for the following groups:
  - **Children** – concession applies to all children between the age of 5 and 15 (under 5 travel for free), in student uniform, or with valid student ID.
  - **Supergold card** – enables free travel for card holders during off-peak periods (9am to 3pm and after 6.30pm weekdays and all day weekends and public holidays). This concession is currently funded by central government and going forward the concession will only be available when using registered smartcards. This may require Supergold card holders to purchase a separate smartcard.
  - **Tertiary and other user groups** - The University of Waikato currently funds a 30% discount of the standard smartcard adult fare for students and staff. The approach provides a means of delivering benefits for students & staff (reduced travel costs) and the University itself (reduced demand for parking and infrastructure + enhanced offerings for their students and staff) without increasing public subsidy requirements from rates payers and the NZ Transport Agency. The approach provides a model that can be adopted by any organisation that may benefit from increased public transport patronage.
  - **Total Mobility** – Currently total mobility users have a physical or mental disability that makes independent travel difficult. Persons eligible to participate in the total mobility scheme benefit from subsidised taxi travel as a means to encourage greater mobility and reduce potential isolation. The scheme is managed by WRC and jointly funded by WRC, respective local councils and the NZ Transport Agency. However, bus travel is a significantly cheaper option than taxi for both passengers and Council.
    - The potential total mobility concession could be used in conjunction with taxi travel and would encourage increased mobility via the bus network for a vulnerable user group. The Total Mobility scheme also provides a means of confirming eligibility with the existing ID card, which is also administered by WRC. Having the concession registered to smartcards held by total mobility users will potentially create a rich source of travel information specific to the total mobility user group, which in turn would assist with the network planning.
  - The following concession fare could be discontinued:
    - **Senior 60 plus** – the benefits of the current 60+ concession (available off-peak in Hamilton & Taupo only) is reduced with the provision of free off-peak travel under the SuperGold card scheme. Boardings on services using the 60+ concession is low with about 25,000 boardings per year.
(0.6% of total boardings). The complexities associated with providing the existing concession is likely to outweigh the benefits.

### Review farebox recovery policy.

- The fare recovery ratio is the proportion to total service costs that are funded via fare revenue from passengers.
- The current Regional Public Transport Plan (PT Plan) target is to achieve an average farebox recovery ratio of 40-43% for the region by 2018. The average recognises that services on an individual basis may have farebox recovery ratios that are above or below the regional target.
- The PT Plan seeks to achieve the farebox recovery target through service optimisation and patronage growth, with fare increases to be limited to the rate of general inflation. Consistent with this, fare levels in the Waikato have not been increased during the last three years.
- It is proposed that the existing farebox recovery policy and targets be reviewed and potentially amended to better reflect the nature and purpose of providing public transport on a service by service basis. It may then be possible to aggregate farebox recovery targets on a service by service basis to identify a regional recovery target that is more closely aligned with the composition of services within the region and is more reflective of the purpose and nature of the services being provided.

### Simplify fare products and pricing structure.

**Offer products that incentivise greater use of public services.**

- Current fare products/ticket types:
  - **Cash**
    - Single trip with free transfers – pricing variants: Adult / Child
    - Day Explorer – pricing variants: Adult / Child
  - **Smartcard**
    - Single trip with transfers – pricing variants: Adult / Child / Senior60+
    - Day Explorer – pricing variants: Adult / Child
    - Return Plus – pricing variants: Adult/Child (limited services only)
  - **Supergold Card** – free off-peak
- Potential fare products/ticket types:
  - **Cash**
    - Single no free transfers – pricing variants: Standard/Child
  - **Smartcard**
    - Single trip with free transfers – pricing variants: Standard/Concession
    - Day pass/cap (smartcard only) – pricing variants: Single zone / multi zone
  - **Supergold Card** – free off-peak
- With the potential changes outlined above, concession fares would only be available in association with use of a smartcard registered to an eligible individual (with the only exception being the child cash fare). This will incentivise smartcard usage and simplify pricing options for passengers.
- A child cash fare should be retained so as not to discourage occasional use by families (where purchase of a smartcard for a child is not warranted).
- Day/week passes or fare caps are product types that can enable unlimited travel for a fixed price or a maximum price. Passes and caps both serve to encourage increased use of public transport but generate different benefits and risks for users and funders:
  - Day/week passes are purchased upfront and enable unlimited travel on services for a fixed price, with trips beyond a certain threshold being free (depending on where the pricing threshold is set). However, if a passenger purchases a pass and only uses it to a limited extent then they may have been better of paying a fare on a trip by trip basis. Period passes that cover shorter time periods can help passengers estimate their likely usage during that period (i.e. day/week passes rather than monthly or yearly passes).
  - Fare Capping by comparison enables passengers to pay for services on trip by trip basis up to a maximum amount, beyond which further trips
are free. The maximum amount can be trigged by the number of trips undertaken over a given time period or by a maximum financial amount that may deducted from a smartcard over a given time period. Using a financial trigger is less vulnerable to misuse and is important for revenue protection. Setting an appropriate threshold for capping requires careful consideration. Setting the threshold too low would likely result in reduced fare revenue and increased subsidy requirements. While setting the threshold too high is unlikely to encourage increased use of public transport services.
Figure 3.1 Potential fare zones for the Waikato bus network