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

Date: 8 December 2017
Time: 1.00pm
Meeting Room: Council Chamber
Venue: Waikato Regional Council, 401 Grey Street, Hamilton East

VJR 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)
(Regional Transport Committee Members)  Cr Grahame Webber – Waipa District Council
                                      Cr Toby Adams – Hauraki District Council
                                      Cr Dynes Fulton – Waikato District Council
NZ Transport Agency  James Bevan

Quorum  Three (3)

Jennie Cox
Democracy Advisor
1 December 2017

Jennie.cox@waikatoregion.govt.nz
Telephone: 0800 800 401
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 RECOMMEND:

To recommend the draft 2018-2028 Regional Public Transport Plan to Council via the Strategy and Policy Committee for public consultation.
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Report to provide the Regional Public Transport Plan Development Subcommittee with detail on the review of the Waikato Regional Public Transport Plan 2018-28 for information, discussion and decision.
Regional Public Transport Plan Development Subcommittee
OPEN MINUTES

Minutes of a meeting of the Regional Public Transport Plan Development Subcommittee held in Waikato Regional Council Chambers on 1 September 2017 at 1:00pm.

Present:

**Waikato Regional Council**
- Cr Russ Rimmington (Chair)
- Cr Hugh Vercoe (Deputy Chair)

**Hamilton City Council**
- Cr Dave Macpherson
- Cr Leo Tooman

**Regional Transport Committee members**
- Cr Grahame Webber (Waipa District Council)

**NZ Transport Agency**
- Andrew McKillop
- James Bevan

In Attendance:

**Staff**
- Mike Garrett (Chief Financial Officer)
- Andrew Wilson (Manager Public Transport)
- Vincent Kuo (Senior Policy Advisor Transport and Infrastructure)
- Lisette Balsom (Policy Advisor Transport and Infrastructure)
Apologies

Cr Dave Macpherson (for lateness)

Accepted

Confirmation of Agenda

(Agenda Item 2)

Cr G Webber moved/Cr L Tooman seconded.

RPTPDS17/05

THAT the agenda of the meeting of the Regional Public Transport Plan Development Subcommittee of date, as circulated, be confirmed as the business for the meeting.

The motion was put and carried (RPTPDS17/05)

Disclosures of Interest

(Agenda Item 3)

There were no disclosures of interest.

SECTION B: (FOR RECOMMENDATION TO COUNCIL)

Regional Transport Fare review project 2017

File: 21 20 83A (Agenda Item #4) Doc #10623261

Presented by Manager for Public Transport (Andrew Wilson) the report updated the Committee on the fare review project and sought recommendations in relation to proposed changes in the public transport fare system within the Waikato Region.

1:05pm Cr D Macpherson arrived

During questions, answers and related discussion the following points were noted:

- There was a demand for better public transport facilities driven by population growth. An easy to use system was a priority.
- There was confusion about the farebox recovery figures. Staff advised that while it was 38% in 2015, this has steadily declined and was now sitting at just over 35% (average/rounded figure).
- Concern was raised about the fare price to travel within the city, as opposed to outside the city. Staff advised that the city zone fare was more than the boundary of the city and included slightly outside of the city also. There was potential also for a short distance fare. Details of this would be provided to the Committee.
- The Committee discussed the ‘universal free transfer’ concept whereby a patron could get on to any regional bus services, and then hop off and onto another bus within City without an additional fare. Staff advised that transfers could be done within an hour of purchasing a ticket. This would only be capable with the new integrated ticketing system. The Committee raised concern that this might not be achievable in peak traffic hours. The Committee was advised that this would come back to them to consider the practical implications.
- Staff reported that busit smart card usage was up to 95% across the region (highest in the country) signalling that over time a movement to a cashless system would be reasonably well received. It was likely that smart cards would have a life of stored value. Once credit was on the card it would not expire, however the credit would be allocated to a general PT improvement fund if it’s not used within 3 years.
- All concessions would be on a smart card meaning drivers would not be held up as no bus driver interaction would be required.
The Committee agreed that further information was required before disability concessions, fare capping and short distance fares could be considered. The Committee agreed to remove recommendation 5 as outlined in the report until further information was provided.

Cr H Vercoe moved/Cr G Webber seconded.

**RECOMMENDED**

THAT the Regional Public Transport Plan Development Committee:

1. Receive the report ‘Public Transport Fare review Project 2018’ (Doc # 10623261 dated 18 August 2017) for information,
2. That the RPTP sub-committee endorses the proposals to:
   I. implement a zonal fare structure encompassing the entire region,
   II. extend free passengers transfers across all public services within the Waikato region in association with the use of smartcards only,
   III. exclude free passenger transfers in association with cash tickets,
   IV. rationalise ticketing products and minimise use of cash,
   V. set cash fares at a standardised premium of 40% relative to smartcard fares (rounded to the nearest 10 cents) across all routes and services within the region,
   VI. utilise standard (adult) smartcard fare as the common reference point for all other fares,
   VII. standardise the concession discount at 30% off the standard adult smartcard fare for all concession groups and products, and;
   VIII. recommends that the proposals be adopted by the Waikato Regional Council and implemented as part of installation of the new ticketing system in 2018,
3. endorses the proposal to phase out of the 60 plus concession over time being included in the updated RPTP and be subject to public consultation,
4. recommends that further feasibility work be undertaken to determine the viability and business rules that would enable:
   I. Fare capping for passengers,
   II. Short distance fare discounts, and;
   Notes, that if proven viable, fare capping and short distance fares products are likely to be implemented after the new ticketing system goes live in 2018.

_The motion was put and carried (RPTPD17/05)_

**Regional Public Transport Plan Review 2018**

Presented by Policy Advisor Transport and Infrastructure (Lisette Balsom) the report updated the Committee on the review of the Waikato Regional Public Transport Plan 2018-28.

During questions, answers and related discussion the following points were noted:
- The Committee discussed the congestion caused by school traffic and the potential for schools to operate differently. The Committee was advised that a representative for the Ministry of Education was going to be in attendance at the Regional Transport Committee Meeting this month.
- The Committee discussed what mandate/control bus drivers had over unruly or disruptive passengers. Staff advised that every bus had a code of conduct that passengers were expected to abide by or they could be asked to leave. Over time
there was an expectation that buses would have a better balance of patronage implementing solutions such as dedicated school runs. There was also the potential for buses to operate CCTV cameras which would not only vindicate driver behaviour if it was ever queried but would also curb bad behaviour on buses.

A McKillop moved/Cr H Vercoe seconded.

**RPTPDS17/06**

**RECOMMENDED**

That the Regional Public Transport Plan Development Committee:

1. Receive the report Regional Public Transport Plan Review 2018 (Doc # 10985136 dated 23 August 2017) for information
2. Endorse the draft Investment Logic Map (ILM) prepared for the RPTP review.

The motion was put and carried (RPTPDS17/06)

**Summary and Next Steps**

The Committee was advised that the next meeting was scheduled for 18 September 2017, this would predominately be a workshop.
Report to Regional Public Transport Plan Development Subcommittee

Date: 24 November 2017

Author: Lisette Balsom, Senior Policy Advisor

Authoriser: Mike Garrett, Chief Financial Officer

Subject: Regional Public Transport Plan Review 2018

Section: B (For recommendation to Council)

Purpose

1. This report provides the Regional Public Transport Plan (RPTP) Development Subcommittee with detail on the review of the Waikato Regional Public Transport Plan 2018-28 for information, discussion and decision.

Executive Summary

2. The 2017-18 review of the RPTP has been following a business case process, with the purpose of refining the current plan and bringing it up to date with the review of the Regional Land Transport Plan, and progress with other key strategic work such as the Access Hamilton Strategy review.

3. The RPTP Development Subcommittee has now had its two workshops to determine the problems, benefits and strategic responses for the review of the RPTP. The outcomes of these workshops have given staff the direction to put together a draft strategic case.

4. Based on the strategic case, the Regional Land Transport Plan, and Access Hamilton as a key transport planning document for Hamilton, as well as district network reviews, staff have reviewed the current public transport networks in Hamilton city and the Waikato region, and have developed future concepts for discussion in the workshop that are intended to better align with the problem statements and responses outlined within the strategic case. Any change to the public transport network would be subject to detailed feasibility and affordability assessments.

5. Due to a number of key reasons, it is proposed that the RPTP review timeframe be extended so the plan can better align with the latest policy direction from national, regional and local transport policy documents.

6. This report provides detail on the following areas of work:
   - The timeline and next steps for the RPTP review
   - A proposal to introduce fare capping
   - Draft Fare and Ticketing policies, for discussion and endorsement
   - Updates on public transport network reviews that are being carried out in the region
Staff Recommendation:
That the Regional Public Transport Plan Development Subcommittee:

2. Endorses the revised timeframes for the review of the Regional Public Transport Plan.
3. Agrees to invite key stakeholders to return to participate in the 8 February 2018 meeting of the Subcommittee.
4. Endorses a proposal to implement a value based fare capping scheme for public transport within the Waikato region as part of implementing a new ticketing system in 2018.
5. Endorses the proposed fare policy wording as outlined within (Doc # 11254972) attachment 1 of this report.
6. Recommends that the Waikato Regional Council adopts the policies and amends the current Regional Public Transport Plan 2015-2018 to incorporate the fare policy changes in advance of implementing the new ticketing system in 2018.

Background

7. Since the adoption of the current RPTP in 2015, many significant changes in the planning and operating environment for transport are likely to require the RPTP to be updated to ensure the plan aligns with the latest regional and national policy directives.

8. 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 produced 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.

PT Plan review update and approach

9. The RPTP Development Subcommittee has now had its two workshops to determine the problems, benefits and strategic responses for the review of the RPTP. The outcomes of these workshops gave staff the direction to put together a draft strategic case.

10. Following the two meetings and two workshops of the RPTP Development Subcommittee over 2017, staff commenced the review of RPTP policies.

11. Due to a number of strategic reasons, it is proposed that the timeframe for the RPTP review is extended from the current timing. The reasoning for this proposed timeframe change is:

   I. It is anticipated that the change in government will likely lead to a change in the Government Policy Statement for Land Transport, with an increased focus on public transport, walking and cycling. The release of the new GPS is likely to be delayed until early 2018 following review by the new Minister and Government.

II. The NZ Transport Agency has informed all stakeholders that the timeframe has been pushed out for two months, for Regional Land Transport Plans to be submitted for the National Land Transport Programme.
III. The RPTP strategic case work is leading to a more substantial re-work of the RPTP. It is recognised that some of the RPTP sections may require significant redrafting in order to align with the Strategic Case and the Access Hamilton Programme Business Case. This particularly relates to the policy section and network details.

IV. At a network level, the proposed Mass Transit Plan (MTP) will have a significant effect on the Hamilton and surrounds networks, and the terms of reference and scope of this work has yet to be agreed. It is expected that the Mass Transit Plan will help to inform a new network structure for Hamilton and surrounds, and the policies within the RPTP will need to be reviewed in accordance with this new network structure.

V. Network reviews that are currently underway for Waipa and Taupo and are planned for completion in 2018. By extending the RPTP review timeframe, this may allow the network review outcomes to be incorporated in the RPTP.

VI. The Hamilton-Auckland Transport Connections Strategic Case is also drawing on staff time. The outcomes of the Transport Connections Strategic Case could potentially signal some new inter-regional activities for inclusion in the RPTP and RLTP.

12. Based on the above reasoning staff consider it is prudent to extend the timeframe of the RPTP review by two months to accommodate potential changes to national policy and other strategic planning work such as the Mass Transit Plan and funding decisions made by HCC, WRC, Waipa DC and Waikato DC in their draft 2018-2028 Long Term Plans are known. Target timeframes for consultation on an updated RPTP would therefore be moved out by around 2 months, to be during May 2018 instead of March. RPTP Hearings would therefore be in July 2018 with deliberations two weeks later. A scoping discussion on the MTP with HCC will help us to confirm the new proposed RPTP timeframes.

13. Next proposed Subcommittee meetings are: 8 February 2018, and additional meeting in March, and mid-April 2018 (to be confirmed).

Project timeframes

14. The next stages of the project are set out in the table below. It is intended that the final Plan is adopted in September 2018.

<table>
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<th>Review of the RPTP - Project Phase</th>
<th>Timing (indicative)</th>
<th>Subcommittee meeting date</th>
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<td>2. Endorsement of RPTP policies</td>
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<td>4. Draft Plan notified for public consultation and submission period</td>
<td>May-June 2018</td>
<td>20 April</td>
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<td>5. Public hearings and Deliberations</td>
<td>July 2018</td>
<td></td>
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<td>6. Finalising PT Plan and final Plan adoption</td>
<td>Aug 2018</td>
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Stakeholder involvement in the RPTP review

15. It is recommended that key stakeholders are invited to participate in the 8 February 2018 meeting to discuss a proposed new public transport network concept, and supporting policies. Given stakeholders’ involvement in the RPTP strategic case and the desire to work more collaboratively for public transport outcomes, staff consider Stakeholders’ ongoing input into the RPTP review to be of substantial value.

Update on Fare Review Project


17. The 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

18. The fare review project found that the existing fare system within the Waikato is complex, making it difficult to administer and difficult for users to understand. The complexity is largely driven by each component of the network having a separate pricing structure and differing business rules, which have evolved over time.

19. Informed by the project objectives, detailed technical analysis along with engagement with key stakeholders a suite of recommended changes to the fare system have been proposed to and endorsed by the RPTP Development Subcommittee (1 September 2017) and the Regional Council Finance Committee (19 September 2017).

20. The endorsed changes are designed to achieve a better balance between simplicity, affordability and equity for users and funders. The confirmed changes include:
   - Implementing a zonal fare structure that covers the entire region and extends into Auckland.
   - Expanding provision of free transfers across all services within the region
   - Simplifying and rationalising existing ticketing products and standardising smartcard discount rates across all services within the region
   - Standardising concession discount rates
   - Amending existing concession eligibility criteria.

21. The RPTP Development Subcommittee and the Regional Finance Committee also recommended that further feasibility work be undertaken in relation to:
   - Short distance fare discounts, and;
   - Fare capping as a mechanism for incentivising greater use of PT without needing to increase public subsidies.

22. The remainder of this report:
   - outline further work that has been undertaken in relation short distance fares and fare capping
   - seeks endorsement from the Subcommittee to implement a fare-capping scheme as part implementing a new ticketing system within the Waikato in 2018.
   - proposes policy wording for the previously endorsed fare structure and polices changes
• seeks a recommendation from the Subcommittee that the Waikato Regional Council adopts the
tariff policies and amends the current Regional Public Transport Plan 2015-2018 to incorporate the
policy changes in advance of implementing the new ticketing system in 2018

Feasibility of Short Distance Fares and Fare Capping

23. Implementation of new smart ticketing technology has provided an opportunity to introduce more
innovative fare products, such as short distance fares and fare capping.

24. Further work has been undertaken to assess the viability of both short distance fares and fare capping.

25. By way of summary it is likely that implementation for fare capping is feasible as part of implementing the
new ticketing system next year. However the introduction of short distance fares will not be viable due to
the cost and complexity involved in enabling the functionality within the timeframes available. The
functionality could potentially be introduced at a later date.

26. Of the two options assessed, fare capping has the most potential to deliver against the fare review project
objectives and is outlined in more detail below.

Proposal to Introduce Fare Capping

27. Fare capping is a policy instrument akin to a reward scheme where the total fare paid by each passenger
within a specified time period (such as a day or a week) is “capped” after a certain number or value of
trips as a reward for frequent and/or regular use.

28. The concept of fare capping is consistent with the move towards simplified fare structures as the
complexity of the required calculations are hidden from passengers (e.g. passengers only need to know
that their fare is capped at $7 per day, not how the cap is calculated).

29. The ability to provide fare capping arises from the improved data processing and computational
capabilities of the new smartcard ticketing system to be implemented in 2018. To implement fare capping,
the ticketing system needs to track the time and value of individual transactions in order to compute the
number and value of each passengers’ boardings towards the cap. Once the fare cap threshold is met, the
system stops charging for additional trips.

30. A key benefit of fare capping is that users are not required to estimate their potential travel for a period
of time. Rather they can travel as much as they like with the knowledge that the amount they will be
charged will be based on actual usage up to a capped maximum, beyond which further travel would be
free.

31. Fare capping encourages users to make more trips by inducing a perception of free or highly discounted
travel after a threshold defined by the cap. Fare capping also serves to improve equity and consistency in
allocation of benefits across users with different purchasing powers.

32. A key financial consideration and potential risk for Council is how to price fare caps. In effect fare caps
place a hard limit on the potential revenue from each customer, once a cap is reached there is no revenue
benefit for Council from increased frequency of travel by that passenger. This means that if fare caps are
priced too low there will be a loss in revenue, but, on the other hand, if too high there will no benefit for
passengers.

33. The capping thresholds need to strike a balance between not unreasonably constraining potential revenue
for Council while still delivering tangible and achievable benefits for passengers.

34. Regional Council’s Finance Committee considered the potential risks and benefits associated with fare
capping at the November 14 meeting and agreed in principal to endorse the proposal to introduce fare
capping within the Waikato Region as part of implementing the new ticketing system, subject to final approval of the fare capping thresholds, which is to be informed by detailed analysis.

35. The fare capping proposal will also be presented at the development subcommittee meeting and recommendation sought on whether to implement the scheme as part of the new ticketing system next year.

**Proposed RPTP Fare Policy Amendments**

36. It is important that the existing RPTP is amended to formalise the policy framework for the new fare structure and ticketing system in order to support the implementation of the fare review proposals as part of the new ticketing system roll out in 2018. This will mainly involve amendments to the fares and ticketing policies and actions in sections 6.3.1 and 6.3.2 of the existing RPTP.

37. Under Section 6.3.1 ‘fare structure and ticketing’, the current fare structure is confirmed through Policy 17 that supports the retention of a flat fare structure for the Hamilton urban network and a graduated fare structure for services outside of Hamilton. Section 6.3.2 provides further details in relation to existing fare products and concessions, including 1-hour free transfer within the Hamilton urban network, City Explorer and 60 plus concession fare, which are subject to change based on the fare review proposals.

38. The proposed revision of the RPTP fares and ticketing section is attached as Attachment 1. The revised policy section includes:
   - Amendments to the introductory text to explain the background to the policy and how the new fare system will work
   - Inclusion of the new fare zone map
   - Amendments to the policies and actions to reflect the new fare structure and changes to ticketing products and concession fares.

39. It is anticipated that the revised policy section, once approved by Council, will replace sections 6.3.1 and 6.3.2 of the existing RPTP via a variation process. The revised policy section will also be incorporated into the new RPTP as part of review process which is currently underway.

**RPTP Variation and Significance Policy Assessment**

40. Under the Land Transport Management Act, the RPTP can be varied at any time subject to the ‘significance policy’ set out in the plan. Waikato Regional Council staff have undertaken an assessment of the effects of the fare review proposals to determine the significance of variation to the plan and the likely consultation requirements. The report on the assessment of significance is included in Attachment 2.

41. Overall, the proposed fare review changes are intended to deliver a better balance between simplicity, affordability and equity for users and funders, and are expected to have an overall neutral outcome in relation to fare revenue received and public subsidy required from funders.

42. Whilst the proposed changes would result in a degree of change for some existing users, a significant amount of effort has gone into identifying a universal fare structure and complimentary ticketing products that minimise potential adverse impacts for users and funders.

43. It is expected that the proposed fare structure would be of benefit to the vast majority of existing users. However, a small proportion (1.3%) of existing users would be subject to relatively large fare increases. These increases will be partially offset by other benefits associated with transitioning to the proposed zonal structure, such as free transfers across all services and fare capping.
44. In assessing the impacts of proposed changes against the significance policy of the RPTP, staff considered that the proposed variation is not significant. A detailed assessment of significance is included within Attachment 2.

**Network Reviews Update**

45. Work is currently underway with several district councils around the region to review their public transport services.

46. Thames-Coromandel District Council has progressed the development of a trial service for the Thames township. A preferred tenderer, Thames Taxis, has been chosen and services commenced on Monday 27 November.

47. Taupō District Council held its first stakeholder workshop on 24 October, to evaluate transport problems and identify options for further consideration with regards to public transport provision within the Taupō community. A work brief is now being developed to engage a transport planner to develop options for Taupō.

48. Waipā District Council is planning to undertake a community survey to gauge the transport needs of their communities and inform the development of a stakeholder workshop to investigate the transport needs of their district and inform public transport options.

49. The review of public transport services in the North Waikato area has been progressed in accordance with the principles of NZTA’s businesses case approach. The review is at the point where a list of potential options has been identified and refined through technical assessments and community/stakeholder consultations. The preferred service options as identified through the review are set out below:

- A regular bus service between Pokeno and Pukekohe (via Tuakau) on weekdays and weekends
- A daily off-peak return service between Huntly and Pukekohe via north Waikato towns on weekdays
- A daily peak return service between Te Kauwhata and Hamilton on weekdays
- A weekday commuter express bus service between Hamilton, north Waikato towns and Papakura (note: to be considered as a provisional activity for year two of LTP, subject to detailed feasibility assessments and the outcomes of Auckland to Hamilton Transport Connections Strategic Business Case)
- To investigate and develop a business model to support the provision and coordination of community transport initiatives.

50. The preferred service options are being considered by Waikato Regional Council and Waikato District Council as part of their 2018-2028 Long Term Plan planning process.

**South Waikato Study**

51. As an action outlined under the current Regional Land Transport Plan, regional stakeholders began working on a programme business case for access and mobility over the last year. The process got to a point where more locally specific evidence was needed to inform decisions on where to invest to improve access and mobility for Waikato people.

52. To gather more locally specific evidence on access and mobility, Waikato Regional Council (WRC) has recently begun working on a research project with TDG (contracted consultant), the University of Waikato and Community Waikato, to link transport to wellbeing in the Waikato, using South Waikato District as a case study area. The project aims to also inform both the review of the Regional Public Transport Plan (RPTP), and the implementation of the Regional Land Transport Plan (RLTP), specifically the focus area on people’s mobility and access to essential services, employment and recreation.
53. The project’s objective is to make conclusions on the link between wellbeing and transport policy in the Waikato region:
   i. to inform the RPTP, by providing evidence linking investment in public transport to wellbeing outcomes for individuals, communities and the region.
   ii. to provide evidence of where investment in transport and accessibility (more broadly than public transport) can improve wellbeing of people of greatest need.

54. The research project aims to be completed by end of December 2017.

55. 248 responses were received to a survey distributed for South Waikato to gain a broad perspective of the nature and extent of trip making and participation. Two workshops were also held in South Waikato to gain greater understanding of people’s participation and wellbeing as it relates to transport in the district. The focus is now on analysing the survey results and producing a summary of what the evidence shows.

56. The project will be presented as a report to Waikato Regional Councillors and the Regional Transport Committee to inform decisions on the Access and Mobility Programme Business Case, the Regional Land Transport Plan and the Regional Public Transport Plan.

57. Regional stakeholders will be kept updated regularly on progress.

Assessment of Significance

58. Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance.

59. Staff are of the opinion that the content and recommendations in this report are consistent with the decision making requirements contained in Part Six of the Local Government Act 2002 and that the decision making requirements of the Local Government Act 2002 have been met.

Legislative context

60. 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)

Policy Considerations

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

Conclusion

62. The review of the Regional PT Plan is at an important stage for discussion, direction and endorsement by the RPTP Development Subcommittee before the substantive sections of the Plan are drafted. A revised project timeframe will assist to align the project to be informed by developments with changing national policy direction, as well as local projects such as Access Hamilton and the development of a Mass Transit Plan for Hamilton City.

Attachments

Attachment 1: Proposed revised RPTP fares and ticketing section.

Attachment 2: Fare review proposals – RPTP significance policy assessment.
Attachment 1: Proposed replacement RPTP sections 6.3.1 (fares and ticketing system) and 6.3.2 (Fare concessions)

New Policy Section 6.3.1 – Fare and ticketing system

This section includes policies and actions that guide the establishment and management of public transport fare structure and ticketing system.

Introduction
Improving the fares and ticketing system is a significant element in the modernisation of Waikato’s public transport network. It is Council’s intention to deliver an integrated fares and ticketing system across all public transport services with the goal of enhance customer experiences. The objective for fares and ticketing is set out below:

**Objective XX: Implement a fares and ticketing system that:**
- Provides simplicity for customers to understand and is simple to administer;
- Reflects the costs of running the service;
- Represents values for users for users and funders
- Supports increased use of public transport; and
- Supports integration of public transport services across the region.

Fare structure
The future fare structure for the Waikato region is based on a comprehensive fare structure review undertaken in 2016/17 which is a key action identified in the operative RPTP 2015-25. The 2017 review confirmed a proposal to introduce a simpler, zone-based integrated fare structure across all public transport services in the region.

Under a zonal fare system, fares will be based on the number of zones travelled in as part of a journey, irrespective of the bus routes. There are nine fare zones included in the new fare structure, encompassing the entire region. The fare zone boundaries are illustrated in Figure XX (to be inserted within the updated plan).

The new fare structure will enable the fares system to fully support the new electronic ticketing system, and will provide integrated payment and business support systems that will make using public transport more convenient.

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<tr>
<th>Policies: fare structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>PXX</td>
</tr>
<tr>
<td>PXX</td>
</tr>
</tbody>
</table>

Ticketing system and fare products
The Waikato fare system provides a range of fare products aimed at making travel easier and for passengers.

For smartcard users, transfers between services will be free on all services - meaning there will be no additional cost if you transfer from one vehicle to another during your journey, provided the transfer between services is made within the prescribed transfer time limit.
A daily and weekly fare cap will also be available, which will limit the amount that customers will be charged for travel in any given day or week. The fare caps will help incentivise greater use of public transport and reward those that are already frequent users. The cap will be applied automatically, and will not require any specific action by customers.

Fare levels will be set by Waikato Regional Council, and will be subject to regular review and adjustment to ensure that user charges keep pace with changes in operating costs, and to meet the farebox recovery targets as set out in section 6.3.3 of the Plan.

Fare levels will be set to incentivise use of the smartcard in preference to cash fares, i.e. cash fares will be set at a standardised premium to standard (adult) smartcard fares. The ability for smartcard users to transfer between services without financial penalty will further incentivise smartcard uptake. To further encourage smartcard use and less use of cash on bus services, free transfers will no longer be available in association with cash tickets or products.

Increased use of smartcards will be more affordable for passengers, improve boarding speeds and service reliability. It will also reduce cash handling costs and security risks.

<table>
<thead>
<tr>
<th>Policies: ticketing system and fare products</th>
</tr>
</thead>
<tbody>
<tr>
<td>PX  Council will seek to implement a common integrated ticketing system on all contracted public transport services within the Region.</td>
</tr>
<tr>
<td>PX  Council will encourage the use of electronic ticketing and seek to minimise the use of cash on public transport services.</td>
</tr>
<tr>
<td>PX  The value of cash fares will be set 40% higher than equivalent smartcard fares on all services.</td>
</tr>
<tr>
<td>PX  Free transfers will be available on all services for smartcard users only for travel within a prescribed transfer time and/or trip limit as published by Waikato Regional Council.</td>
</tr>
<tr>
<td>PX  Daily and weekly fare caps will be available for smartcard users on all Hamilton public transport services. Fare caps may be provided on other services within the region subject to agreement from respective District Councils.</td>
</tr>
<tr>
<td>PX  Council may implement temporary promotional fare and ticketing products to encourage uptake of public transport from time to time.</td>
</tr>
</tbody>
</table>

Fare concessions

Fare concessions offer discounted fares for specific users groups and are distinct from ticketing products, which are available to all users. The concession discount rate will be standardised at 30% off the standard (adult) smartcard fare for all concession groups and products (except children under-5 and SuperGold gold card holders, which are free).

The Council recognises fare concessions are a way to support improved access for the transport disadvantaged, and will continue to provide concessions to targeted user groups such as children under 5 and super gold card holders.

The child and school student concession recognises the significant impact of school travel on congestion and the ability for school students and caregivers to pay for public transport services. This concession applies to all children between the age of 5 and 15, in student uniform, or with valid ID confirming proof of age or attendance at an education facility up to a secondary education level or equivalent.

Waikato Regional Council will propose to phase out the senior 60 plus concession over time as this concession scheme is superseded by the SuperGold card scheme. Under the approach persons who currently utilise the 60 plus concession would continue to be able to do so, but new concessions would no longer be issued. Any
decision to phase out the 60 plus concession will be subject to public consultation as part of a future plan review. In the meantime the concession will remain.

Waikato Regional Council also recognises the opportunity and benefit to work with tertiary providers and other major business sectors to introduce ‘third party concessions’. This concession scheme will enable any organisation or entity to introduce a concession provided the concession is funded directly by the third party entity.

<table>
<thead>
<tr>
<th>Policies: fare concessions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P XX</strong> Children under the age of 5 are able to travel for free on all services.</td>
</tr>
<tr>
<td><strong>P XX</strong> Supergold card holders will be able to travel for free during off-peak periods (9am to 3pm and after 6.30pm weekdays and all day weekdays and public holidays) on services included within the super gold card scheme.</td>
</tr>
<tr>
<td><strong>P XX</strong> Supergold card concession scheme eligibility criteria and benefits may be amended from time to time in accordance with or in response to changes to central government policy.</td>
</tr>
<tr>
<td><strong>P XX</strong> A Standard Concession Fare Discount will be set 30% lower than the equivalent standard adult smartcard fare on all services.</td>
</tr>
<tr>
<td><strong>P XX</strong> A Standard Concession Fare Discount will be available to the following user groups:</td>
</tr>
<tr>
<td>- Children between the age of 5 and 15, in student uniform, or with valid ID confirming proof of age or attendance at an education facility up to a secondary education level or equivalent.</td>
</tr>
<tr>
<td>- Persons aged 60 years or over on services within Hamilton only during off-peak periods (9am to 3pm and after 6.30pm weekdays and all day weekdays and public holidays).</td>
</tr>
<tr>
<td><strong>P XX</strong> Council may work with any entity to introduce additional fare concessions for specific user groups provided the concession is funded directly by a third party to off-set any public subsidy costs.</td>
</tr>
</tbody>
</table>
Attachment 2: Fare Review Proposals – RPTP Significance Policy assessment

Background

The Regional Public Transport Plan 2015 – 2025 (RPTP) was adopted by Waikato Regional Council on 26 March 2015. The RPTP is a strategic document that sets the objectives and policies for public transport in the region. Policies and actions contained in the plan provide for a comprehensive fare structure review and implementation of a new electronic ticketing system.

Chapter 6 “Policies and Actions” of the operative RPTP, specifically section 6.3, focuses on Fares and Ticketing. This section contains the policies and actions that guide the establishment and review of fare ticket products as well as reference to the farebox recovery policy. Undertaking a comprehensive review of fare structures is an action for the plan which looks to integrate this with a new electronic ticketing system.

Under section 6.3.1 “Fare structure and ticketing system” the current fare structure is described and confirms the retention of a flat fare structure for the Hamilton urban network and a graduated fare structure for services outside of Hamilton. Specific fare products described include the existing 1-hour transfer, City Explorer and Return Plus fare products all of which may be subject to change based on proposals under the fare structure review.

Policy 17 in the plan “Retain a flat fare structure for Hamilton and a graduated fare structure for services outside the Hamilton urban area, and council may implement a new fare structure, subject to the outcome of the fare structure review in 2014/15 (See A31)” confirms the intention to retain a single fare area for the Hamilton urban network with unprescribed flexibility for satellite services and the intention to implement changes to fare structures arising from the review.

Action 31 referred to in policy 17 states “The council will review the fare structures at least once every 6 years and carry out a comprehensive fare structure review in 2014/15. This will include consideration of the fare structure, concession fares and ticketing products ahead of implementation of a new electronic ticketing system” and requires the completion of the fare review and the scope the review covers.

Policy 18 in the plan is “Require an integrated electronic ticketing system on all contracted services (except small rural services where it is not economically viable) to support integration of public transport services across the region”. With the existing contract for electronic ticketing currently subject to extension and with a completion date in June 2018 there is a need to have a replacement system in place by this date. Waikato Regional Council has coordinated with nine other regional councils and NZTA to procure a provider for a new electronic ticketing system under the Regional Integrated Ticketing Scheme (RITS). This is intended to replace the existing system with enhanced functionality and interoperability between regions.

In developing the new system, there exists the opportunity to integrate with a revised fare structure. This can be included in the development of the ticketing system and presents an opportunity to efficiently implement a revised fare structure, rather than re-programme the system after deployment.

As per the policies above, undertaking a fare structure review and implementing the outcomes of the review have been provided for and publicly consulted on through the development of the Plan. A comprehensive independent fare structure review has been completed.

A range of options were considered and evaluated to determine preferred options for fare structure, concessions and fare products. Using the preferred options identified in the review the impacts of adjusted fare policies have been assessed against regional passenger journeys and potential fare revenue.

In the review, the analysis to determine impacts on journeys and fares has been made using the following assumptions based on preferred options:
Introducing a zonal fare structure, retaining a single zone covering the Hamilton urban area with fare zones radiating outwards from Hamilton

Cash fares priced at a 40% premium on BusIt fares (rounded to the nearest 10 cents)
Child fares price at a 30% discount on Adult fares
A free transfers will apply across all services
All other fare products are deleted, including the Senior 60+, Taupo senior, and return fares.

Assessment of Significance

In considering the impact of a structural change to regional fares this needs to be assessed against the significance policy contained in the Regional Public Transport Plan 2015 - 2025 to determine the level of consultation required with stakeholders and the community.

In assessing the significance of proposals included in the fare structure review comparison has been made using analysis of patronage and fare revenue changes against the significance policy criteria of the Plan. A summary of the fare structure review has been captured in an analysis report (Doc # 10634658). This is a subset of the more comprehensive fare structure review document (Doc # 10350131)

Using the criteria of the RPTP Significance Policy a significant variation is considered to be one that is likely to have an impact that is ‘more than minor’ on:
1. the ability to achieve the goal and strategic priorities set out in this plan
2. the ability to achieve the objectives of the Regional Land Transport Plan
3. the amount and allocation of funding available to public transport across the region.

Ability to achieve the goal and strategic priorities set out in the RLTP

The goal for public transport contained in the plan is: “A growing and affordable public transport system that contributes to the economic, social and environmental vitality of the region”.

The implementation of a revised fare structure is not likely to impede the ability of the plan to work towards achieving this goal, and so would not be considered to have a ‘more than minor’ effect.

Chapter 5, section 5.2 contains the nine strategic priorities that contribute to achieving the goal of the RPTP. These priorities have been categorised into Region wide, Hamilton urban area, Satellite towns, and Rural areas.

Fares and ticketing are specifically provided for in strategic priorities 1 and 3 of the plan.
- Strategic Priority 1 “Grow patronage in a way that is affordable to users and funders” and;
- Strategic Priority 3 “Provide an attractive alternative to the private motor vehicle to promote travel behaviour change”.

The implementation of a revised fare structure is not likely to adversely impact any of the nine strategic priorities of the plan and so would not be considered to have a ‘more than minor’ effect on any of the strategic priorities of the plan.

<table>
<thead>
<tr>
<th>Strategic Priority</th>
<th>Assessment of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region Wide</td>
<td></td>
</tr>
<tr>
<td>Grow patronage in a way that is affordable to users and funders</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Ensure integration between services infrastructure, and land use planning</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Provide an attractive alternative to the private motor vehicle to promote travel behaviour change</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Hamilton urban area</th>
<th>Strategic Priority</th>
<th>Assessment of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide safe, efficient and reliable services to employment centres and growth areas</td>
<td>Not Applicable</td>
<td></td>
</tr>
<tr>
<td>Provide access to essential service that supports the community’s social wellbeing</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Satellite towns</th>
<th>Strategic Priority</th>
<th>Assessment of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide safe, efficient and reliable services between satellite towns and Hamilton to meet the peak time demand</td>
<td>Not Applicable</td>
<td></td>
</tr>
<tr>
<td>Ensure satellite commuter services are integrated with Hamilton urban services to optimise service delivery</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rural areas</th>
<th>Strategic Priority</th>
<th>Assessment of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td>Not Applicable</td>
<td></td>
</tr>
<tr>
<td>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</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Assessment against RPTP strategic priorities

**Ability to achieve the objectives of the Regional Land Transport Plan**

The Regional Land Transport Plan 2015 – 2045 (RLTP) includes objectives for Affordability and Access and Mobility that have policies specifically related to the delivery of public transport. The proposals in the fare structure review are consistent with these policies.

The affordability objective specifically identifies that a key component to achieving the RLTP’s affordability objective is “Implementation of the new Regional Public Transport Plan with its focus on an optimised and efficient network for Hamilton and surrounding satellite towns in particular”. This is supported by a key implementation measure:

M34 - Transport partners to achieve greater efficiencies in the public transport system through the implementation of the Regional Public Transport Plan 2015-2025

The Access and Mobility objective in the RLTP contains the following two policies relevant to public transport:

P27 - Optimise and grow an effective, efficient and affordable public transport system for Hamilton and surrounding satellite towns.

P28 - Maintain the existing rural public transport network and expand where there is identified demand and available funding.

Along with the supporting key implementation measure:

M39 - Waikato Regional Council to ensure the Waikato Regional Public Transport Plan gives effect to the policy direction set for public transport in this plan

The implementation of a revised fare structure is not likely to adversely impact on the ability to achieve the objectives of the Regional Land Transport Plan and so would not be considered to have a ‘more than minor’ effect on any of the strategic priorities of the plan.

**Amount and allocation of funding available to public transport across the region**

Patronage and fare analysis of the introduction of a revised fare structure has shown an overall cost-neutral effect on fares. This should not have a significant effect on the ability of the region to fund public transport services across the region.
For the assessed fare options, passenger journeys have increased by 0.1%, with fare revenue assessed to reduce approximately 0.6%, roughly $41,000.

The implementation of a revised fare structure is not likely to adversely impact on the amount and allocation of public funding in the region and so would not be considered to have a ‘more than minor’ effect on any of the strategic priorities of the plan.

Additional factors Council should consider that determine significance when considering a revised fare structure include:

- whether the proposed variation will have a material effect on the overall level, quality and use of public transport services in the region
- the number of people affected by or interested in the proposal, and whether there is a substantial impact or consequence for affected persons
- the extent to which the variation has already been consulted upon, and the manner in which this has been undertaken
- the extent to which the variation is inconsistent with the Regional Land Transport Plan.

**Whether the proposed variation will have a material effect on the overall level, quality and use of public transport services in the region**

The fare structure does not propose to make changes to the level of public transport services provided nor affect the quality of the services offered. Analysis has shown that proposed changes to the fare structure are almost neutral for patronage and fare revenue.

There is not likely to be a material effect on level, quality or use of public transport in the region.

**The number of people affected by or interested in the proposal, and whether there is a substantial impact or consequence for affected persons**

With a flat fare structure proposed to be retained for the Hamilton urban network there is not going to be a noticeable difference for the majority of fares on the urban network. However, with the introduction of a zone-based system, this will affect all regional services as it represents a departure from the existing staged fare structure.

The impacts for the majority of passengers should result in no change or a reduction in fare levels. As per Table 2 below, the analysis shows no change or reduced fares would apply to approximately 84% of journeys. Table 3 shows that for the 16% of remaining journeys that may experience a fare increase, the majority of these journeys would be affected by increases of 5% or less, with 6.4% of total journeys assessed as being affected by a fare increase of 5% or greater.

<table>
<thead>
<tr>
<th>Journeys</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change Urban</td>
<td>1,330,331</td>
</tr>
<tr>
<td>No Change Non-Urban</td>
<td>430,430</td>
</tr>
<tr>
<td>Fare Increase Urban</td>
<td>397,919</td>
</tr>
<tr>
<td>Fare Increase Non-Urban</td>
<td>122,347</td>
</tr>
<tr>
<td>Fare Reduction Urban</td>
<td>718,134</td>
</tr>
<tr>
<td>Fare Reduction Non-Urban</td>
<td>209,200</td>
</tr>
<tr>
<td><strong>3,208,361</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Table 2: Passenger Journey Fare Changes – All Journeys

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Percentage of all journeys</th>
<th>Greater than 5% Change</th>
<th>Percentage of all journeys</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>397,919</td>
<td>12%</td>
<td>114,266</td>
<td>3.6%</td>
</tr>
<tr>
<td>Non-Urban</td>
<td>122,347</td>
<td>4%</td>
<td>91,855</td>
<td>2.9%</td>
</tr>
<tr>
<td></td>
<td><strong>520,266</strong></td>
<td><strong>16%</strong></td>
<td><strong>206,121</strong></td>
<td><strong>6.4%</strong></td>
</tr>
</tbody>
</table>
Table 3: Passenger Journeys with Increased Fares

Analysis of the proposed options suggests that approximately 84% of public transport journeys will experience no change or a reduction in fare levels as a result of a revised fare structure. Of the remaining 16% of journeys that may experience a fare increase, just less than 10% will experience increases of 5% or less, with just over 6% of journeys experience fare increases of greater than 5%.

The extent to which the variation has already been consulted upon, and the manner in which this has been undertaken

The RPTP was consulted upon according to the special consultative procedure outlined in the Local Government Act 2002. Public consultation was undertaken over November to December 2014 with Hearings and Deliberations conducted in February 2015. Waikato Regional Council adopted the Plan on 26 March 2015 and delegated authority to the Chair of the Regional Public Transport Committee Hearings Committee for release of the final Plan.

The extent to which the variation is inconsistent with the Regional Land Transport Plan

As discussed above, the proposed variation is consistent with the Regional Land Transport Plan and is not considered to be significant.

Conclusion

In assessing the impacts of a fare structure review against the significance policy of the RPTP, the proposed variations would not be considered significant variations with the implementation of a fare review being provided for in Policy 17 of the plan.

Although the overall proposal is not significant, where specific communities may be affected by fare increases, targeted communication is recommended to emphasis other mitigating factors benefits that will be realised from the fare changes.