

Public Transport Services Report

1 July to 31 March 2019



June 2019

1. Horowhenua Public Transport Services

1.1 Summary

Services provided in the Horowhenua district:

- Levin to Palmerston North commuter service, operating one return trip per weekday.
- Horowhenua Day Out In Town, operating one return trip every Friday.
- Levin to Waikanae service, operating one return trip every Tuesday and Thursday.
- Foxton Beach Community Centre Van, running on demand.

1.2 Levin to Palmerston North Commuter Service

The table below summarises the performance of the Levin Commuter service. The service operates Monday - Friday between Levin and Palmerston North.

| | Period: 1 July to 31 March | | | | |
|--------------------------------------|----------------------------|---------|---------|---------|---------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 8,305 | 6,617 | 6,144 | 5,340 | 5,739 |
| Gross cost (\$) | 58,588 | 58,407 | 56,713 | 57,358 | 59,816 |
| Revenue (\$) | 39,858 | 31,173 | 30,538 | 27,555 | 29,771 |
| Net cost (\$) | 18,730 | 27,234 | 26,175 | 29,803 | 30,045 |
| Transport Agency share (\$)** | 9,365 | 14,434 | 13,611 | 15,200 | 15,323 |
| HRC share (\$) | 9,365 | 12,800 | 12,564 | 14,603 | 14,722 |
| HRC cost per passenger (\$) | 1.13 | 1.93 | 2.04 | 2.73 | 2.57 |
| Farebox recovery | 68% | 53% | 54% | 48% | 50% |

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

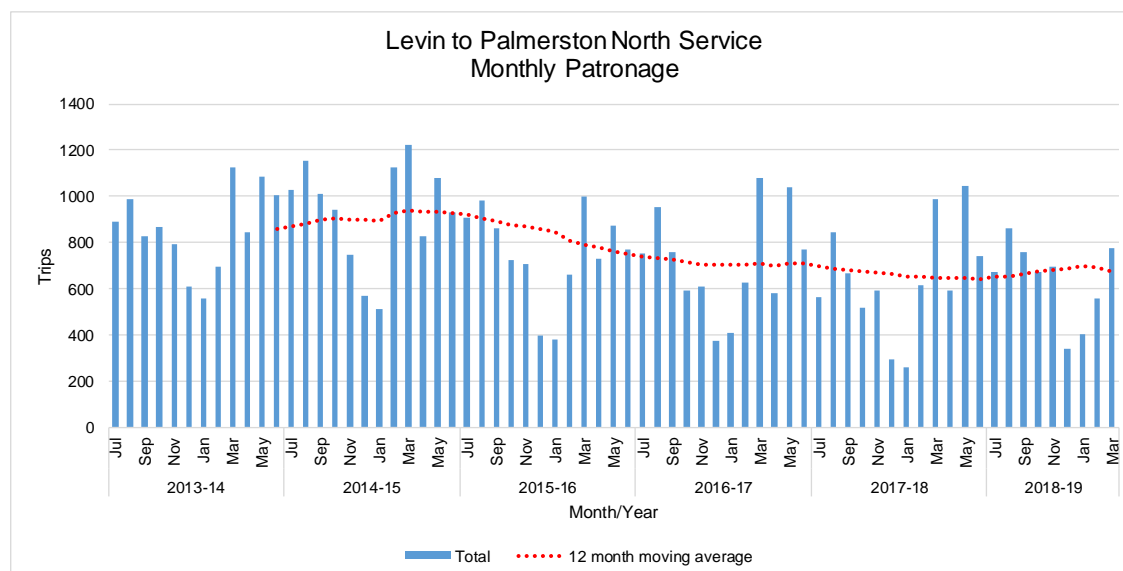


Figure 1: Levin to Palmerston North Service Monthly Patronage

Overall uptake of the service continues to increase, after a period of decline, with trips taken increasing by 7.5% for the year to date compared to the same period last financial year. Farebox recovery remains strong on this service and remains well above the 45% target, sitting at 50% for the year to date.

In November 2018, the Passenger Transport Committee recommended retendering the service, with inclusion of a twice weekly offpeak service from Levin to Palmerston North. A Request for Tender was released late in 2018. As the contract price of the preferred tenderer was higher than budgeted, officers made a staff submission to the 2019-20 Annual Plan process. This will be signed off by Council on 28 May 2019 and the contract awarded immediately after.

The new off-peak service from Levin to Palmerston North will operate on Monday and Wednesday, with the route alternating between Foxton (Monday service) and Shannon/Tokomaru (Wednesday service). This is expected to commence operation in early August 2019.

1.3 Horowhenua Day Out In Town Service

The table below summarises the performance of the Horowhenua Day Out In Town service. This service operates one return trip every Friday, commencing in Levin and travelling via Shannon, Foxton, Foxton Beach and Waitarere Beach before returning to Levin. The service commenced operation in July 2016 for a two year trial period and has since been retendered for a further three year period.

| | Period: 1 July to 31 March | | |
|--------------------------------------|----------------------------|---------|---------|
| | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 1,617 | 1,804 | 1,736 |
| Gross cost (\$) | 27,830 | 27,430 | 29,730 |
| Revenue (\$) | 2,440 | 2,310 | 2,205 |
| Net cost (\$) | 25,390 | 25,120 | 27,525 |
| Transport Agency share (\$)** | 13,203 | 12,811 | 14,038 |
| HRC share (\$) | 12,187 | 12,309 | 13,487 |
| HRC cost per passenger (\$) | 7.54 | 6.82 | 7.77 |
| Farebox recovery | 9% | 8% | 7% |

**Transport Agency share: 52% (2016-17) and 51% (2017-18 to current).

Usage of the service remains steady. Free off peak trips for SuperGold card holders were introduced in November 2017 and account for 78% of trips taken for the year to date.

| | Period: 1 July to 31 March | | |
|----------------------|----------------------------|---------|---------|
| | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 1,617 | 1,804 | 1,736 |
| SuperGold Patronage | 628 | 1,417 | 1,339 |
| % of Total Patronage | 38.8% | 78.5% | 77.1% |

1.4 Levin to Waikanae Bus Service

The table below summarises the performance of the Levin to Waikanae service. This service operates an off-peak return trip every Tuesday and Thursday and commenced operation on March 2017.

| | Period: 1 July to 31 March | | |
|--------------------------------------|----------------------------|---------|---------|
| | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 379 | 2,834 | 2,844 |
| Gross cost (\$) | 4,199 | 38,023 | 40,289 |
| Revenue (\$) | 1,347 | 9,314 | 10,049 |
| Net cost (\$) | 2,852 | 28,709 | 30,240 |
| Transport Agency share (\$)** | 1,483 | 14,642 | 15,422 |
| GWRC share (\$) | 684 | 7,034 | 7,409 |
| HRC share (\$) | 684 | 7,034 | 7,409 |
| HRC cost per passenger (\$) | 1.81 | 2.48 | 2.61 |
| Farebox recovery | 32% | 24% | 25% |

**Transport Agency share: 51% (2017-18 to current).

It should be noted that the net cost of the service is split 50:50 with Greater Wellington Regional Council. Horizons and Greater Wellington then individually claim a subsidy from the New Zealand Transport Agency for the cost of providing the service.

Uptake of the service has been strong and SuperGold Card customers continue to make up the majority of trips.

| | Period: 1 July to 31 March | | |
|----------------------|----------------------------|---------|---------|
| | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 379 | 2,834 | 2,844 |
| SuperGold Patronage | 345 | 2,538 | 2,714 |
| % of Total Patronage | 91.0% | 89.6% | 95.4% |

In August 2018, the Passenger Transport Committee considered the results of a district-wide survey on public transport services in the Horowhenua where it was agreed to re-tender the service with some minor operational changes:

- Change the Levin to Waikanae timetabled compulsory stop in Manakau to a 'request only' stop, where passengers can pre-arrange (safe) pickups with the bus operator.
- Amend the bus departure times to connect with the 10.00 am train from Waikanae to Wellington, and the 1.53 pm return train from Wellington back to Waikanae. This will provide customers the opportunity to maximise their time in Wellington, while still fitting within the timeframes for SuperGold Card free travel.

Greater Wellington Regional Council agreed to these changes and a Memorandum of Understanding for provision of the service has been signed by both councils for a three year period.

A tender process was completed in late 2018 and a three year contract awarded to Uzabus (the current operator). The new contract commenced in March 2019.

1.5 Foxton Beach Community Van Service

The Foxton Beach Community Van provides transport to the Palmerston North hospital and clinics in Foxton and Levin and is supported by a concessionary fare agreement with Horizons. The service is operated by volunteer drivers and the subsidy received per passenger is based on distance travelled.

A total of 524 trips at a cost of \$1,189 were taken during the first six months of the financial year, compared to 481 trips at a cost of \$976 for the previous financial year.

1.6 Horowhenua services – general

Horowhenua District Council are undertaking a Horowhenua Integrated Transport Strategy (HITS) which aims “...to develop an integrated, multi-modal transport strategy for the district. It will provide an overarching strategic vision and principles that will be used to guide and inform infrastructure planning, investment and delivery over the next 30 years¹”

Officers have been working closely with Horowhenua District Council to provide information on the existing contracted public transport services, work underway on inter-regional rail services as well as the wider aspects relating to regional land transport planning (national roading projects such as Otaki to north of Levin and planning/ funding work).

¹ <https://www.horowhenua.govt.nz/Council/Have-Your-Say/Horowhenua-Integrated-Transport-Strategy>

2. Manawatū Public Transport Services

Public transport services provided in the Manawatū district are the Feilding around town and Feilding to Palmerston North bus services. The service operates Monday to Saturday. Three commuter services (Levin, Marton and Whanganui commuter) also pass through the Manawatū district at Himatangi and Sanson.

2.1 Feilding around town / Feilding to Palmerston North Service

The table below summarises the performance of the Feilding service. The service operates Monday-Saturday travelling around Feilding and then to Palmerston North via Palmerston North Airport and Hospital.

| | Period: 1 July to 31 March | | | | |
|--------------------------------------|----------------------------|---------|---------|---------|---------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 67,470 | 62,500 | 63,314 | 65,128 | 65,042 |
| Gross cost (\$) | 267,342 | 267,704 | 298,850 | 298,783 | 311,900 |
| Revenue (\$) | 166,971 | 159,265 | 154,209 | 160,463 | 141,966 |
| Net cost (\$) | 100,371 | 108,438 | 144,641 | 138,320 | 169,934 |
| Transport Agency share (\$)** | 50,186 | 57,472 | 75,213 | 70,543 | 86,666 |
| HRC share (\$) | 50,186 | 50,966 | 69,428 | 67,777 | 83,268 |
| HRC cost per passenger (\$) | 0.74 | 0.82 | 1.10 | 1.04 | 1.28 |
| Farebox recovery | 62% | 59% | 52% | 54% | 46% |

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

Overall, patronage remains steady. The increase in gross cost and corresponding decrease in farebox recovery relates to the timing of inflationary payments made for the contract. At year to date, three of four quarterly payments have been made to operators, however during the 2017-18 reporting period, only two payments had been made.

SuperGold Card usage has increased by approximately 500 trips, now accounting for 11.5% of total trips taken.

| | Period: 1 July to 31 March | | | | | |
|----------------------|----------------------------|---------|---------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 66,246 | 67,740 | 62,500 | 63,314 | 65,128 | 65,042 |
| SuperGold Patronage | 5,772 | 4,885 | 4,496 | 6,555 | 6,929 | 7,489 |
| % of Total Patronage | 8.7% | 7.4% | 6.6% | 10.5% | 10.9% | 11.5% |

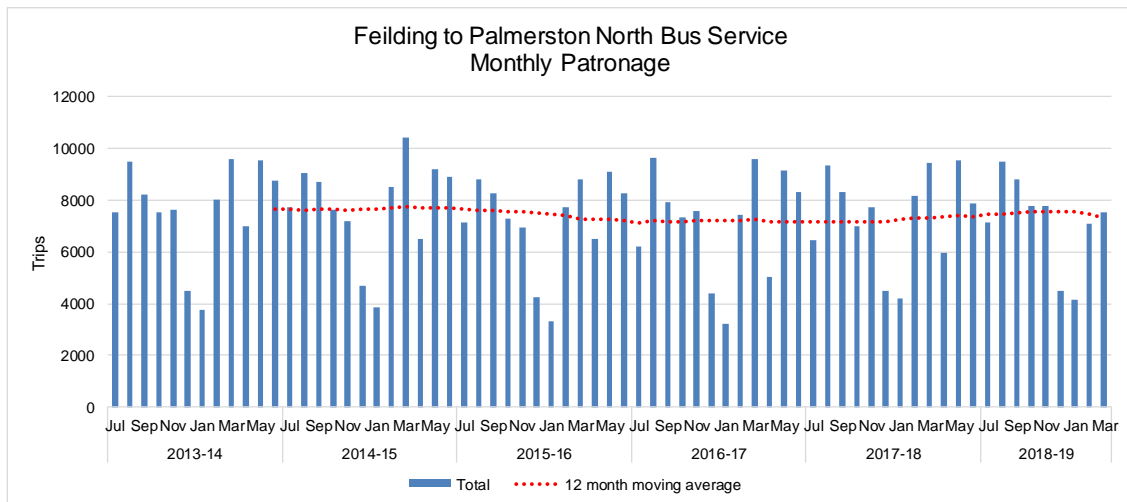


Figure 2: Feilding to Palmerston North Bus Service Monthly Patronage

2.1.1 Mid-Term Review

The Feilding Around Town / Feilding to Palmerston North bus service contract is a nine year contract which expires in January 2025. The contract which commenced in 2016. Given we are in the middle of the contract term, it is considered good practice to undertake a mid-term review of the service to ensure it is fit for purpose and meets the community’s needs. In addition to this, the review will look to determine whether there are any operational efficiencies or improvements to be made.

A mid-term review of the Feilding bus service is therefore scheduled to commence in July 2019. An Advisory Group² has been established and met for the first time on 22 May. At this meeting the Terms of Reference for the group were confirmed and the scope of the mid-term review discussed. The group also covered the timeline for the review and any possible future changes resulting from the review. A key aspect of the review will be determining the appropriate service structure for Feilding including both the around town section of the service as well as the commuter service to Palmerston North. Service structure includes the bus route, areas covered, frequency of service and the connection between the around town and commuter functions provided by this service. The review will look at the urban area of Feilding including growth areas indicated in the Feilding Urban Growth Framework Plan. In addition to the Feilding township, the review will also consider the route to Palmerston North via the Airport and hospital.

The review will not cover long distance bus services, public transport infrastructure requirements, fare levels or structures or technology improvements (e.g. real time and GPS systems).

Targeted consultation is proposed with meetings to be scheduled with key interest groups and stakeholders. The consultation and investigation phase of the review is scheduled to start in June/July 2019 with consultation to be concluded by September 2019 and the investigation phase to be concluded by December 2019. The review is expected to be complete, with recommendations provided to the Passenger Transport Committee for a decision by May 2020. Any approved changes will be implemented

² The Advisory Group is made up of political and officer representation from Horizons Regional Council, Manawatu District Council and Palmerston North City Council, officers from the New Zealand Transport Agency and a community representative.

following this but timing will be dependent on the scale of the change and whether it is provided for in the Annual Plan or LTP budgets.

2.1.2 Bike Racks

Bike racks were introduced as part of the new service contract in January 2016. Usage is shown in the table below.

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------------------------|-----------|------------|-----------|-----------|
| July | 0 | 20 | 4 | 5 |
| August | 0 | 23 | 7 | 4 |
| September | 0 | 10 | 9 | 3 |
| October | 0 | 5 | 7 | 9 |
| November | 0 | 28 | 9 | 2 |
| December | 0 | 20 | 2 | 3 |
| January | 1 | 9 | 5 | 5 |
| February | 4 | 11 | 7 | 7 |
| March | 8 | 5 | 8 | 9 |
| April | 5 | 5 | 19 | |
| May | 11 | 25 | 13 | |
| June | 11 | 8 | 4 | |
| Total | 40 | 169 | 94 | 47 |
| Year to date total | 13 | 131 | 58 | 47 |

2.1.3 Airport Service

The Feilding to Palmerston North bus route has been servicing Palmerston North Airport since July 2015, operating 15 return services per weekday and one return trip per Saturday. Uptake has been slow but continues to increase, total trips taken are outlined in the table below.

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------------------------|--------------|--------------|--------------|--------------|
| July | 84 | 159 | 110 | 118 |
| August | 80 | 225 | 164 | 462 |
| September | 48 | 174 | 114 | 593 |
| October | 57 | 139 | 157 | 128 |
| November | 89 | 139 | 59 | 136 |
| December | 49 | 100 | 68 | 42 |
| January | 24 | 60 | 32 | 40 |
| February | 124 | 91 | 26 | 51 |
| March | 135 | 161 | 24 | 40 |
| April | 98 | 125 | 123 | |
| May | 159 | 168 | 123 | |
| June | 153 | 166 | 132 | |
| Annual total | 1,100 | 1,707 | 1,132 | 1,610 |
| Year to date total | 690 | 1,248 | 754 | 1,610 |

3. Palmerston North Public Transport Services

Public Transport Services provided/supported in Palmerston North:

- Urban and Massey bus services operating Monday to Sunday;
- Ashhurst to Palmerston North bus service, operating Monday to Saturday
- Prisoners Aid and Rehabilitation Society (PARS), operating as required.

A number of other bus services operate from regional centres to Palmerston North, including from Feilding, Whanganui, Levin, Marton and Taihape.

3.1 Palmerston North Urban and Massey Bus Services Summary

The public transport network in Palmerston North can be broken down into two sub-networks:

- A series of six routes travelling from the Central Business District to the Massey University Turitea Campus, either directly, via areas of student accommodation, or via the Hokowhitu Campus and the Summerhill area. Frequency varies throughout the day and the timetable is set around lecture times, as well as staff start/finish times.
- Six urban loop routes which commence and terminate in the city centre. The loop routes alternate in direction, running clockwise and then anticlockwise. Services operate to a 20 minute peak frequency and a 40 minute off peak frequency.
- A loop route servicing the Summerhill area, operating to a 40 minute all day frequency.

Since 2016, a number of trial improvements have been introduced across the network:

- A stand-alone urban route covering the Summerhill area (two year trial, commenced July 2016);
- A year trial of increased peak frequency (10 minute services) on Routes 5 and 6 (February 2017 to September 2018);
- Increased peak frequency (20 minute services) on Routes 31 and 32 (commenced February 2017);
- Extended weekday hours of operation (last service departing at 8pm) across urban routes (commenced July 2017);
- Improved weekend services on urban routes (commenced July 2017).

The table below summarises the high level performance of all the Palmerston North urban and Massey bus services, including the improvements outlined above. Greater detail on the improvements is provided later in this report.

| | Period: 1 July to 31 March | | | | |
|-------------------------------|----------------------------|-----------|-----------|-----------|-----------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 831,782 | 778,461 | 778,218 | 780,887 | 802,859 |
| Gross cost (\$) | 2,199,895 | 2,131,927 | 2,327,555 | 2,751,220 | 2,932,721 |
| Revenue (\$) | 589,795 | 563,182 | 555,441 | 565,750 | 588,427 |
| Net cost (\$) | 1,610,100 | 1,568,745 | 1,772,114 | 2,185,470 | 2,344,294 |
| Transport Agency share (\$)** | 805,050 | 831,435 | 921,499 | 1,114,590 | 1,195,590 |
| Third party revenue (\$) | 353,410 | 381,205 | 377,609 | 390,977 | 387,661 |
| HRC share (\$) | 451,640 | 356,105 | 473,006 | 679,903 | 761,043 |
| HRC cost per passenger (\$) | 0.54 | 0.46 | 0.61 | 0.87 | 0.95 |
| Farebox recovery * | 43% | 44% | 40% | 35% | 33% |

*For the purposes of calculating the Farebox Recovery, both the Revenue and Third Party Revenue figures are used.

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

Total patronage has increased by 2.8% (or 21,972 trips) across the entire network for the period 1 July to 31 March this financial year, compared to the same period in 2017-18. Fare revenue has increased by 4.0%. The increase in gross cost and corresponding decrease in farebox recovery relates largely to the timing of inflationary payments made for the contract. At year to date, three of four quarterly payments have been made to operators, however during the 2017-18 reporting period, only two payments had been made.

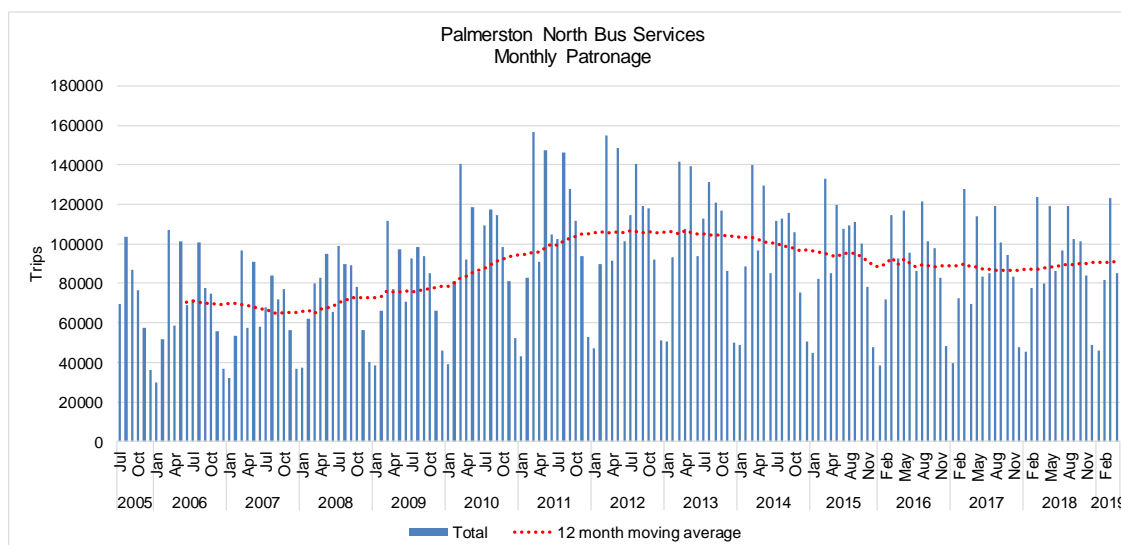


Figure 3: Palmerston North Bus Services Total Monthly Patronage

Figure four below breakdowns the usage by passenger type across the network (note that the 2018-19 figures are for the period 1 July to 31 March only). While overall patronage has fluctuated, the ratios of each passenger type has remained fairly consistent. Note that over 60% of users of the service travel under a third-party funded travel scheme (SuperGold Card or the tertiary unlimited access schemes). Adult and child users make up 12% and 16% of all trips taken respectively, indicating an area Council could focus on engaging with to drive further growth.

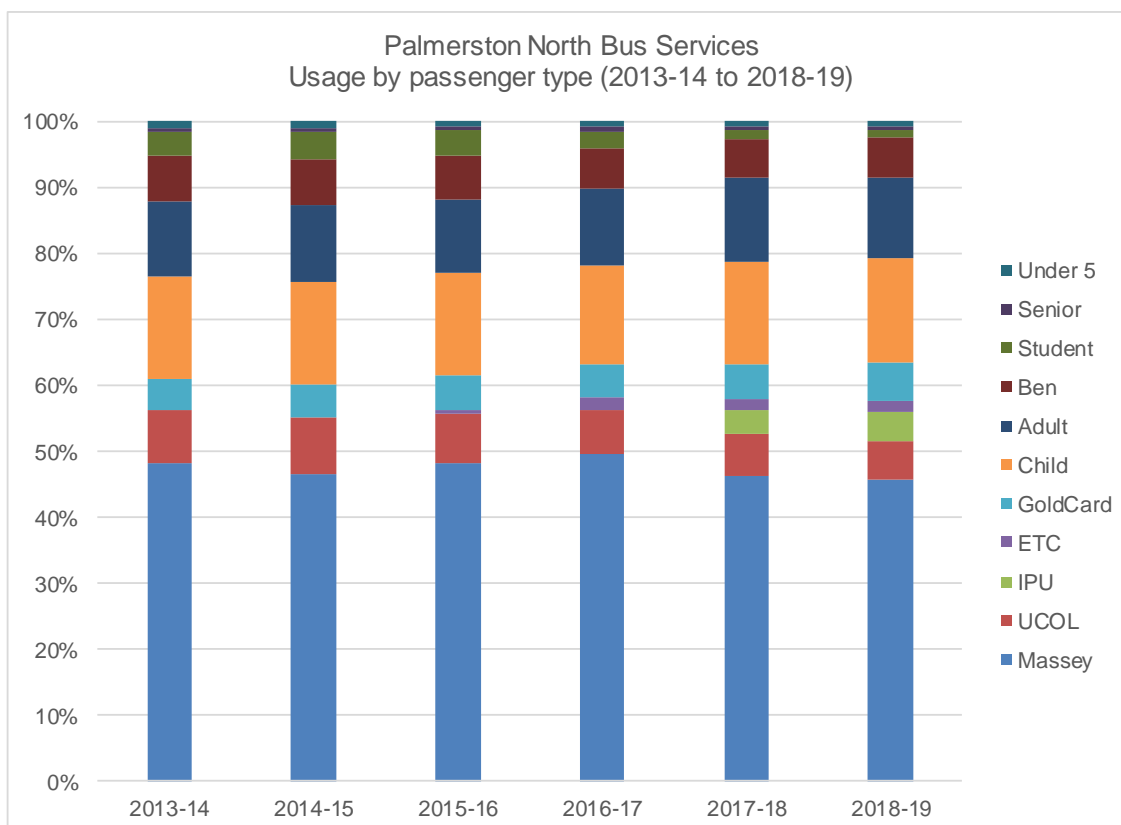


Figure 4: Palmerston North Bus Services Usage by Passenger Type

SuperGold Card usage has increased slightly, totalling 6% of trips taken across the network. SuperGold usage is outlined in the table below.

| | Period: 1 July to 31 March | | | | | |
|----------------------|----------------------------|---------|---------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 895,343 | 831,782 | 778,461 | 778,218 | 780,887 | 802,859 |
| SuperGold Patronage | 43,122 | 40,743 | 41,502 | 39,487 | 40,559 | 47,808 |
| % of Total Patronage | 4.8% | 4.9% | 5.3% | 5.1% | 5.2% | 6.0% |

3.2 Palmerston North Bus Service Improvements

A programme of improvements has been underway for approximately 24 months. Some of the improvements have been clear successes, such as the stand-alone route for the Summerhill area and the increased peak frequency for Routes 31 and 32 (Fernlea and Heights), while others have been less successful. The table below summarises the improvements implemented and their status. The subsequent sections contain further detail on the performance of each of the improvements.

| Improvement | Status |
|---|---|
| A stand-alone urban route covering the Summerhill area (two year trial) | Trial finished July 2018. The route is now confirmed as part of the urban bus services contract but will continue to be reported on separately until the urban services are retendered. |

| | |
|--|---|
| A two year trial of increased peak frequency (10 minute services) on Routes 5 and 6 | Trial ceased on 30 September 2018 due to low patronage. |
| Increased peak frequency (20 minute services) on Routes 31 and 32 (Fernlea and Heights) | New timetable commenced in February 2017. Services are performing well and will continue to be monitored. |
| Extended weekday hours of operation (last service departing at 8pm) across urban routes (commenced July 2017); | Extended services commenced in July 2017. Performance reviewed in August 2018 and February 2019 with a decision to be made by the Passenger Transport Committee on continuation in June 2019. |
| Improved weekend services on urban routes | Improved weekend timetable commenced in July 2018. Overall, services are performing well but there may be some opportunities to refine the schedule. This work will be undertaken during 2019-20 as part of the wider network review. |

3.2.1 Increased Services on Routes 31 and 32 (Fernlea and Heights)

In February 2017, additional peak services were introduced on Routes 31 and 32 (Fernlea and Heights) which largely covers the growing part of Kelvin Grove between Roberts Line and James Line. Feedback on the improved timetable to date from customers has been positive.

Figure Five shows the monthly patronage from July 2013 to March 2019, with the 12 month moving average summarising the overall trend. Figure Six provides a comparison of the total monthly patronage over the last three years. It is clear that the improvements have had a significant positive impact on overall usage.

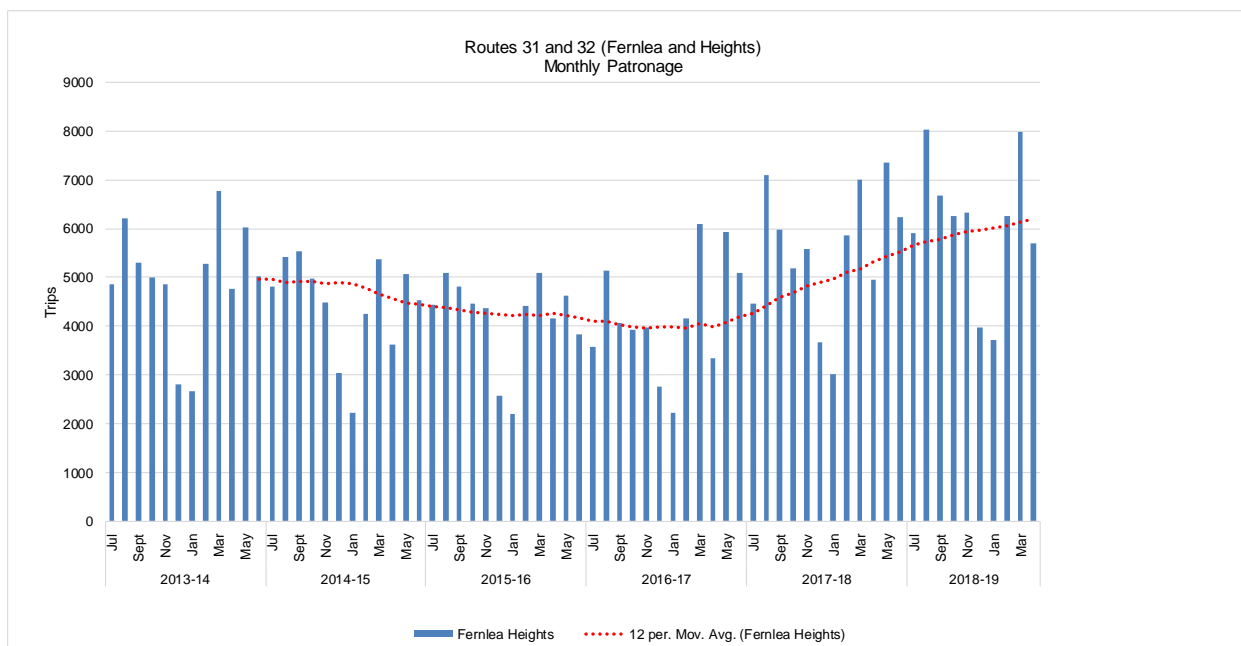


Figure 5: Routes 31 and 32 Monthly Patronage

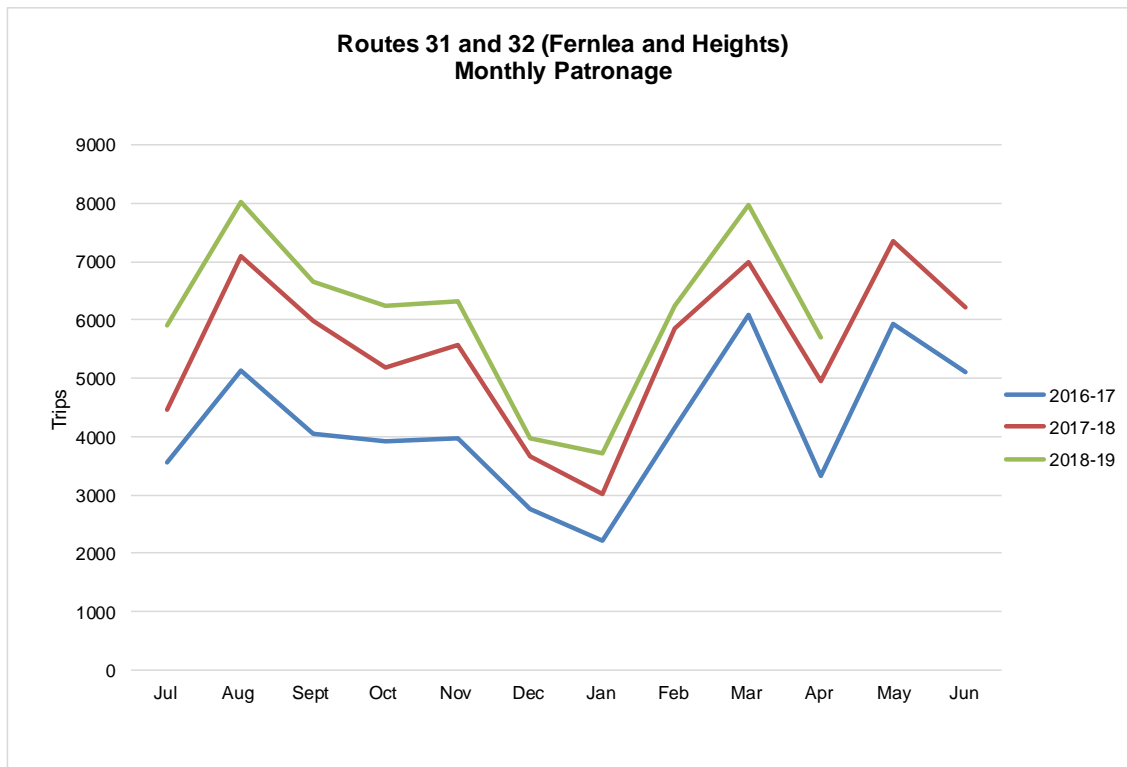


Figure 6: Routes 31 and 32 Total Trips By Month (Financial Year comparison)

Usage of the services continues to grow and it is expected that as further housing development occurs in the area, that bus usage will increase. Road linkages from Roberts Line to James Line are complete at Rosalie Terrace and connection via Freedom Drive is in development. Servicing of this growth area will be considered as part of the 2019-20 network review (discussed in section 3.3).

3.2.2 Weekend Services

In July 2017, a new weekend timetable was introduced across the six urban routes. Services now run from 8.00am to 6.00pm, at a 40 minute frequency on Saturdays and hourly on Sundays.

Patronage across all routes has increased as a result of the increased timetable as shown in Figure Seven. While this is pleasing to see, we believe there are opportunities to refine the timetable and remove some of the less well utilised services or reassign the resource into other areas of the network, such as the Massey services. This work will be undertaken during 2019-20 as part of the network review.



Figure 7: Weekend Services Total Patronage

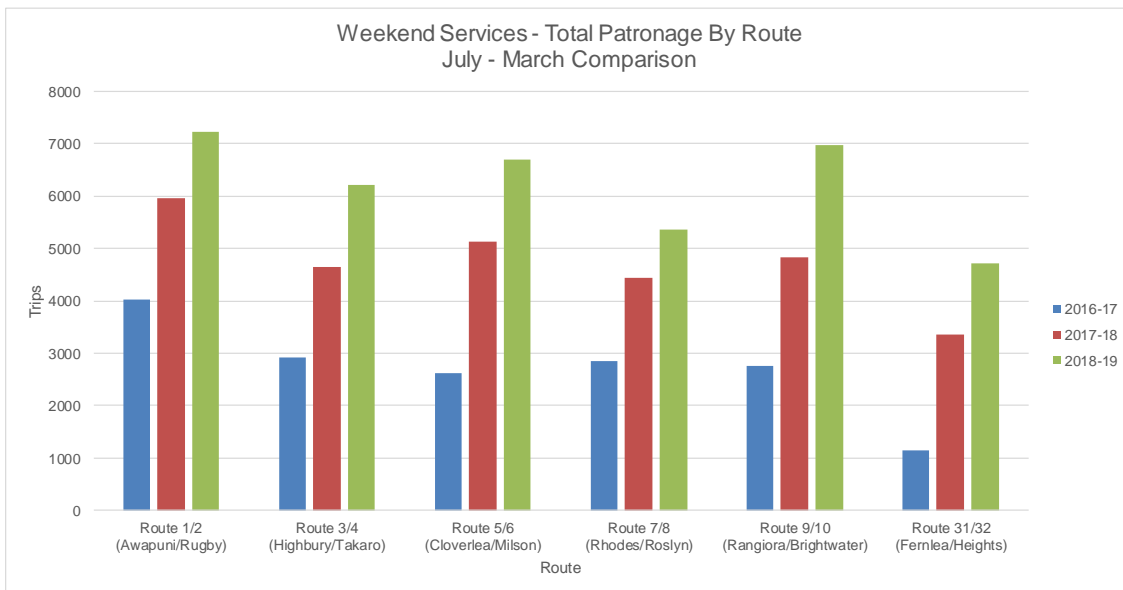


Figure 8: Weekend Services Total Patronage By Route (July – March Comparison)

Figure Eight shows a monthly comparison for the July to March period across the last three financial years. The baseline level of service in 2016-17 was very low, with infrequent services running on Saturday and Sundays across all urban routes. The improved weekend timetable commenced operation in July 2017 therefore comparing 2017-18 and 2018-19 provides a useful visual indication of the overall increases in usage in the 20 months since the changes were introduced.

3.2.3 Late Night Services

In July 2017, three additional weekday services per urban route were introduced (6.40pm, 7.20pm and 8.00pm). While usage has increased slightly, overall uptake continues to be limited.

Usage of the services was reviewed in August 2018 and the Committee recommended continuation for a further six months to determine whether additional promotion would have any significant impact on usage. Further analysis was presented to the Committee in February 2019, where the Committee recommended that services continue for the full two year period, before a final decision is made. A separate detailed report on service performance will be presented to the Passenger Transport Committee in June 2019.

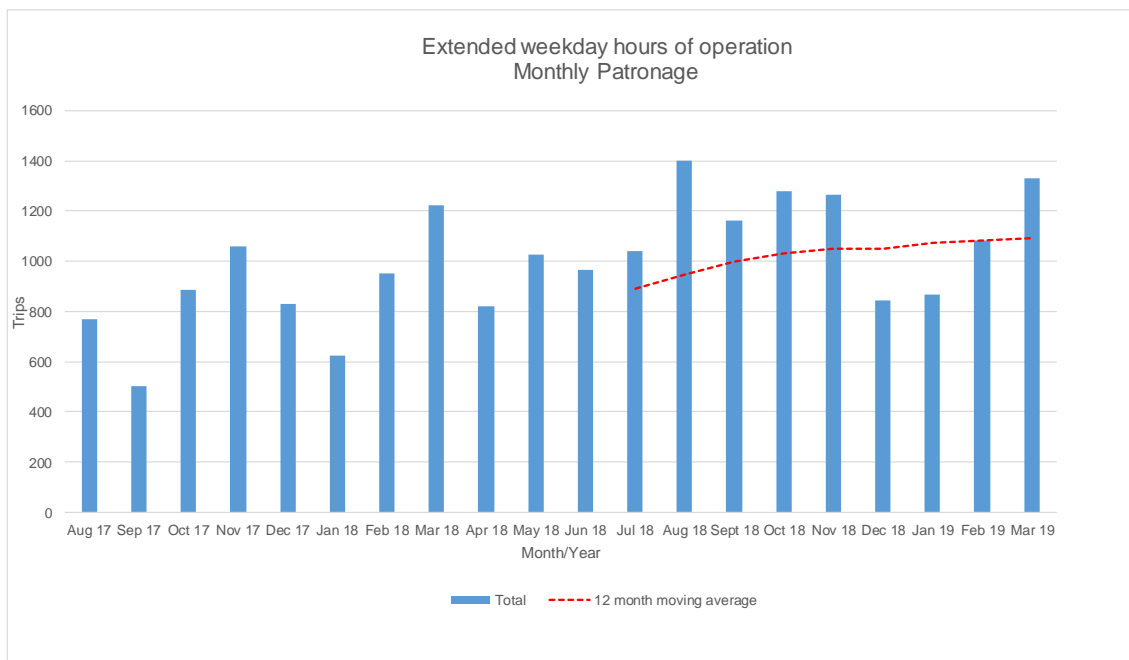


Figure 9: Late Night Services Total Monthly Patronage

3.2.4 Summerhill bus service

A stand-alone urban route covering the Summerhill area commenced in July 2016 under a two year trial contract. Based on the strong uptake of the services, the Passenger Transport Committee agreed to incorporate the route into the Palmerston North Urban Bus Services contract in May 2018.

The table below details the performance of the service.

| | Period: 1 July to 31 March | | |
|------------------------------------|----------------------------|---------|---------|
| | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 18,876 | 25,618 | 32,870 |
| Gross cost (\$) | 133,987 | 140,618 | 154,585 |
| Revenue (\$) | 21,790 | 14,239 | 17,008 |
| Net cost (\$) | 112,197 | 126,379 | 137,577 |
| Transport Agency share (\$) | 58,342 | 64,453 | 70,164 |
| Third party revenue (\$) | 0 | 13,800 | 0 |
| HRC share (\$) | 53,855 | 61,926 | 67,413 |
| HRC cost per passenger (\$) | 3 | 2 | 2 |
| Farebox recovery * | 16% | 20% | 11% |

*For the purposes of calculating the Farebox Recovery, both the Revenue and Third Party Revenue figures are used.

**Transport Agency share: 52% (2016-17) and 51% (2017-18 to current).

Passenger numbers on the service continue to increase strongly, with an additional 7,252 trips taken during the reporting period this financial year, compared to last financial year. Usage of the IPU free travel scheme remains strong, with 35,209 trips recorded this financial year. 14,222 of these free trips have been taken on the Summerhill service. Since the start of the IPU free services trial in August 2017, a total of 72,174 trips have been made.

It should be noted that farebox recovery has decreased compared to 2017-18. This is due to the timing of the contribution from IPU for the free student travel scheme. This payment occurred later this financial year (April 2019) and as such, is not reflected in 2018-19 figures above.

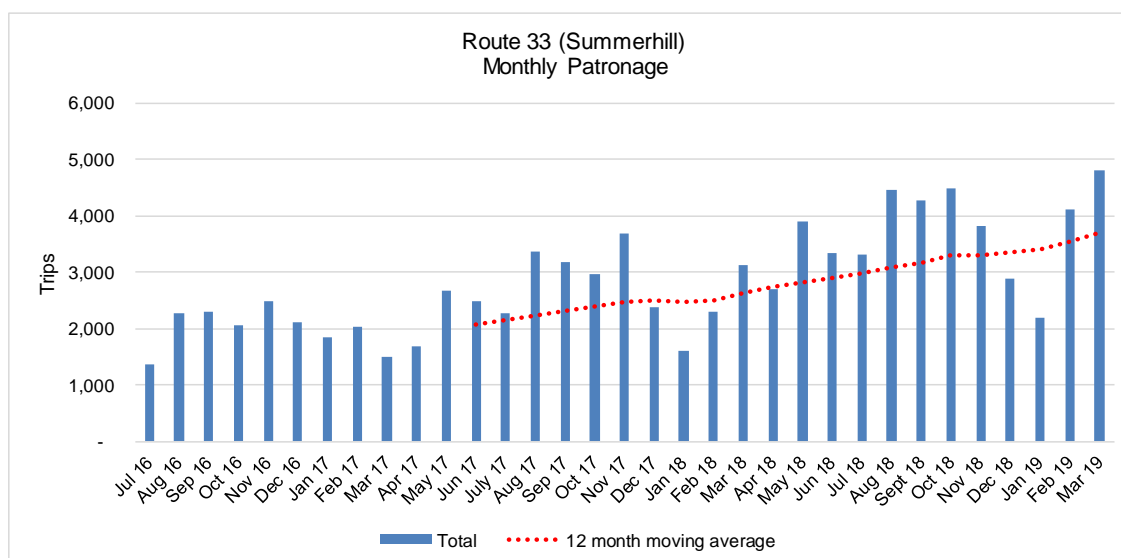


Figure 10: Summerhill Trial Service Monthly Patronage

3.2.5 Bike Racks

Bike racks on the Palmerston North bus network were introduced in September 2016; usage to date is shown below. Uptake is still low however it is pleasing to see that usage is growing. Total bike rack trips for the year to date sit at 359, compared with 303 for the same period last financial year.

| Month | 2016-17 | 2017-18 | 2018-19 |
|---------------------------|------------|------------|------------|
| July | 0 | 30 | 35 |
| August | 0 | 48 | 73 |
| September | 4 | 44 | 78 |
| October | 15 | 49 | 60 |
| November | 17 | 88 | 68 |
| December | 7 | 44 | 45 |
| January | 6 | 52 | 80 |
| February | 12 | 83 | 78 |
| March | 35 | 38 | 91 |
| April | 26 | 50 | |
| May | 44 | 46 | |
| June | 24 | 51 | |
| Total | 190 | 623 | 608 |
| Year to date total | 96 | 476 | 608 |

3.3 Network Review

The Palmerston North Urban and Massey bus services contract will expire in November 2022. Prior to retendering the contract, it is prudent to review the services to inform the future requirements. This work will be led by Horizons Regional Council, with input from the Palmerston North Bus Services Advisory Group³. An external public transport consultant will be engaged to undertake the review, with oversight from Horizons transport staff.

Public transport operators, users and other key stakeholders such as tertiary institutions, will be involved and consulted throughout the review process as appropriate. Key milestones will be reported to the Passenger Transport Committee, with recommendations coming from the Committee to Council for approval.

The 'first principles' review of the services in 2013-14 determined the optimal network structure for the city into the future. The 2019-20 review does not seek to redo the work undertaken in 2013-14 but will build on the outcomes of the service enhancements/trials implemented since then. The suitability of a number of aspects of the service have been queried and it is appropriate that before the contract retender, these are evaluated. Aspects within the scope of the review include:

- Pulse versus offset scheduling;
- Alternating loop system;
- Access to/through the city centre;
- Massey University services;
- Service coverage and frequency (particular focus on the growth areas of the city);
- Timetable/hours of operation.

The full scope of the review will be approved by the Advisory Group in June 2019. An indicative timeframe for the review and retender process is outlined below.

| | |
|---------------|---|
| July 2019 | Review commences |
| August 2020 | Sign off review |
| November 2020 | PTC/Council approval to retender contract |

³ The Advisory Group is made up of political and officer representation from Horizons Regional Council and Palmerston North City Council and officers from the New Zealand Transport Agency.

| | |
|--|------------------------|
| Tender process, evaluation and approvals | March – September 2021 |
| Award contract | November 2021 |
| New contract commences | November 2022 |

3.4 Ashhurst to Palmerston North Bus Service

The Ashhurst to Palmerston North bus service commenced in July 2016 on a two year trial period and operates Monday-Saturday. Prior to July 2016, the service operated as a twice weekly “shopper” service, offering one return trip per day.

The table below summarises the performance of the services for the period 1 July 2018 to 31 March 2019. It is pleasing to see that with some slight amendments to the timetable and increased promotion in the Ashhurst community that numbers for this service continue to trend upwards. Farebox recovery has also increased from 13% last financial year to 17% for the reporting period.

| | Period: 1 July to 31 March | | | | |
|--------------------------------------|----------------------------|---------|---------|---------|---------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 612 | 652 | 4,076 | 5,116 | 6,448 |
| Gross cost (\$) | 8,334 | 5,632 | 80,943 | 83,176 | 87,201 |
| Revenue (\$) | 1,505 | 912 | 9,089 | 10,814 | 14,711 |
| Net cost (\$) | 6,829 | 4,720 | 71,854 | 72,362 | 72,490 |
| Transport Agency share (\$)** | 3,415 | 2,502 | 37,364 | 36,905 | 36,970 |
| HRC share (\$) | 3,415 | 2,218 | 34,490 | 35,457 | 35,520 |
| HRC cost per passenger (\$) | 5.58 | 3.40 | 8.46 | 6.93 | 5.51 |
| Farebox recovery | 18% | 16% | 11% | 13% | 17% |

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

Figure Eleven shows the total monthly patronage on the service for the trial period to the end of March 2019.

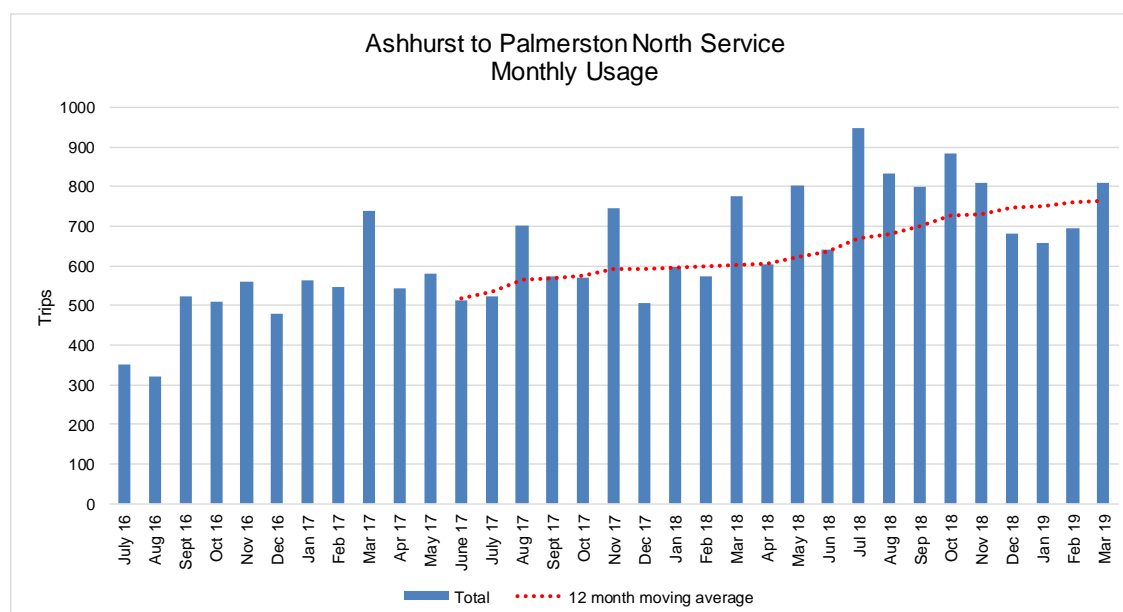


Figure 11: Ashhurst to Palmerston North Service Monthly Usage

SuperGold Card usage of the service remains fairly steady, making up almost 13% of all trips taken for the reporting period. SuperGold usage is shown in the table below.

| | Period: 1 July to 31 March | | | | | |
|----------------------|----------------------------|---------|---------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 530 | 612 | 652 | 4,076 | 5,116 | 6,448 |
| SuperGold Patronage | 242 | 241 | 306 | 483 | 758 | 831 |
| % of Total Patronage | 45.7% | 39.4% | 46.9% | 11.8% | 14.8% | 12.9% |

In February 2019, the Passenger Transport Committee considered a report on the performance of the service of the trial period, as well as several suggestions for timetable changes. Given the growth in numbers and positive user response to the first tranche of timetable changes, the Committee approved retendering the service with the existing timetable. A Request For Tender was let in March 2019 and the contract is expected to be awarded in June 2019.

3.4.1 Bike racks

Bike racks on the buses were included as part of the trial contract and have been in operation since July 2016. Usage for the duration of the trial to date is shown below.

| Month | 2016-17 | 2017-18 | 2018-19 |
|---------------------------|-----------|-----------|-----------|
| July | 0 | 1 | 7 |
| August | 1 | 0 | 3 |
| September | 0 | 0 | 6 |
| October | 2 | 3 | 4 |
| November | 0 | 2 | 4 |
| December | 0 | 1 | 5 |
| January | 2 | 0 | 1 |
| February | 0 | 0 | 0 |
| March | 1 | 0 | 1 |
| April | 5 | 0 | |
| May | 7 | 1 | |
| June | 1 | 4 | |
| Total | 19 | 12 | 31 |
| Year to date total | 6 | 7 | 31 |

3.5 Prisoners Aid and Rehabilitation Services (PARS)

PARS is a non-profit organisation based in Palmerston North which assists prisoners and their families, both while in prison and upon release. The organisation operates trips to and from Linton Prison on a demand basis to provide access to visitation services for families; this service is supported by a concessionary fare agreement with Horizons.

147 trips have been taken during the reporting period, at a cost of \$272.00, compared to 237 trips for the same period last year.

4. Rangitikei Public Transport Services

4.1 Summary

Services provided in the Rangitikei district are:

- Marton to Palmerston North commuter service, operating one return trip per weekday.
- Taihape to Whanganui/Palmerston North fortnightly service. This service runs on the first Thursday of the month from Taihape to Whanganui and the third Friday of the month from Taihape to Palmerston North (via Feilding).

4.2 Marton to Palmerston North Commuter Service

The table below summarises the performance of the Marton to Palmerston North service. This service operates Monday-Friday.

| | Period: 1 July to 31 March | | | | |
|--------------------------------------|----------------------------|---------|---------|---------|---------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 3,371 | 3,670 | 2,094 | 2,655 | 3,436 |
| Gross cost (\$) | 42,843 | 42,793 | 46,125 | 54,669 | 57,683 |
| Revenue (\$) | 14,169 | 15,645 | 8,915 | 11,298 | 14,270 |
| Net cost (\$) | 28,674 | 27,148 | 37,210 | 43,371 | 43,413 |
| Transport Agency share (\$)** | 14,337 | 14,388 | 19,349 | 22,119 | 22,141 |
| HRC share (\$) | 14,337 | 12,760 | 17,861 | 21,252 | 21,272 |
| HRC cost per passenger (\$) | 4.25 | 3.48 | 8.53 | 8.00 | 6.19 |
| Farebox recovery | 33% | 37% | 19% | 21% | 25% |

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

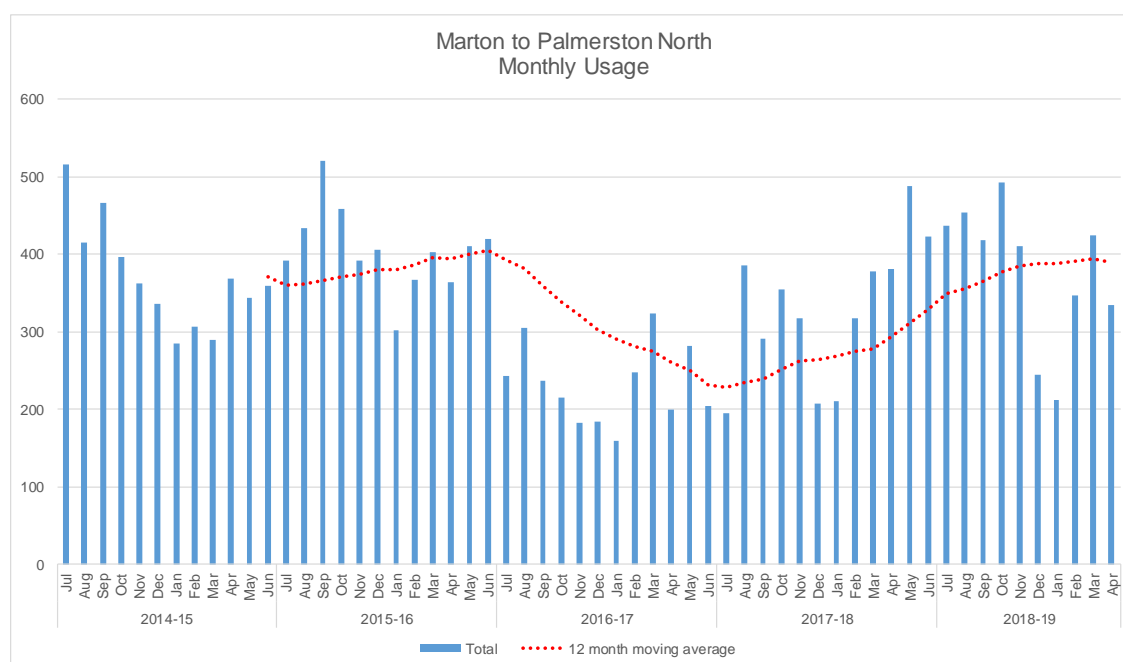


Figure 12: Marton to Palmerston North Service Monthly Usage

After a period of decline, fares were reduced in November 2017 to see if the downturn could be reversed. It is clear that this reduction in fares has had a positive impact, with usage steadily climbing. Farebox recovery of the service has also lifted from 21% to

25% for the year to date, a significant improvement on the 19% achieved during the same period in 2016-17.

The service contract is due to expire in early 2020 and a separate report will be presented to the Passenger Transport Committee in June 2019, seeking approval to retender the service.

4.3 Taihape-Whanganui/Palmerston North Bus Service

The table below summarises the performance for the Taihape service. A new contract commenced operation in January 2019 where the service now operates the first Thursday of the month to Whanganui and the third Friday of the month to Palmerston North via Feilding.

As part of the service review/retender process an opportunity to align the service operation days was identified. The Committee approved changing the Friday Taihape to Palmerston North trip to Thursdays. This was suggested on the back of feedback from community members that the service would be better utilised if the day was changed.

A tender process was completed in late 2018 and the contract re-awarded to Go Bus Limited for a further three year period, commencing January 2019

| | Period: 1 July to 31 March | | | | |
|-------------------------------|----------------------------|---------|---------|---------|---------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 199 | 224 | 256 | 254 | 233 |
| Gross cost (\$) | 7,201 | 8,257 | 8,465 | 8,528 | 8,801 |
| Revenue (\$) | 2,068 | 2,060 | 1,607 | 1,473 | 1,724 |
| Net cost (\$) | 5,133 | 6,197 | 6,858 | 7,055 | 7,077 |
| Transport Agency share (\$)** | 2,567 | 3,284 | 3,566 | 3,598 | 3,609 |
| HRC share (\$) | 2,567 | 2,913 | 3,292 | 3,457 | 3,468 |
| HRC cost per passenger (\$) | 12.90 | 13.00 | 12.86 | 13.61 | 14.88 |
| Farebox recovery | 29% | 25% | 19% | 17% | 20% |

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

Free SuperGold Card travel was introduced on the service in November 2016 for the eligible morning service. SuperGold usage made up almost three-quarters of all trips taken for the reporting period and is detailed in the table below.

| | Period: 1 July to 31 March | | |
|----------------------|----------------------------|---------|---------|
| | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 256 | 254 | 233 |
| SuperGold Patronage | 49 | 178 | 166 |
| % of Total Patronage | 19.1% | 70.1% | 71.2% |

5. Ruapehu Public Transport Services

5.1 Raetihi to Ohakune Service

The table below summarises the performance of the Raetihi to Ohakune service. This service operates every second Tuesday between Raetihi and Ohakune.

| | Period: 1 July to 31 March | | | | |
|--------------------------------------|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 232 | 290 | 250 | 264 | 255 |
| Gross cost (\$) | 1,845 | 2,010 | 1,891 | 1,469 | 2,367 |
| Revenue (\$) | 504 | 778 | 544 | 509 | 511 |
| Net cost (\$) | 1,341 | 1,232 | 1,347 | 1,374 | 1,856 |
| Transport Agency share (\$)** | 671 | 653 | 700 | 701 | 947 |
| HRC share (\$) | 671 | 579 | 647 | 673 | 909 |
| HRC cost per passenger (\$) | 2.89 | 2.00 | 2.59 | 2.55 | 3.57 |
| Farebox recovery | 27% | 39% | 29% | 35% | 22% |

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

Usage of the service remains steady. Free SuperGold Card travel was extended to this service in November 2016 and accounts for over 80% of all trips taken. The table below outlines SuperGold Card usage.

| | Period: 1 July to 31 March | | |
|----------------------|-----------------------------------|----------------|----------------|
| | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 250 | 264 | 255 |
| SuperGold Patronage | 84 | 202 | 213 |
| % of Total Patronage | 33.6% | 76.5% | 83.5% |

6. Whanganui Public Transport Services

6.1 Summary

Services provided in the Whanganui district are:

- Whanganui urban services operating Monday to Saturday.
- Whanganui to Palmerston North commuter service, operating one return trip per weekday.

During the network review of the Whanganui urban services, an Advisory Group was formed. The group was made up of representatives from Horizons, Whanganui District Council and New Zealand Transport Agency, with input from the bus operator. The review is now complete however the Advisory Group will continue to monitor service performance, implementation of the service changes resulting from the review and other needs e.g. infrastructure requirements.

6.2 Whanganui Urban Bus Services

The Whanganui urban services is made up of four loop services and three routes covering local intermediate and secondary schools (during term time only). The urban services run in alternating directions (i.e. clockwise then anticlockwise) departing from and arriving at Trafalgar Square.

The table below summarises the performance of the Whanganui urban bus service. The service operates Monday-Saturday.

| | Period: 1 July to 31 March | | | | |
|--------------------------------------|----------------------------|---------|---------|---------|---------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 122,361 | 112,450 | 109,325 | 102,738 | 98,091 |
| Gross cost (\$) | 463,850 | 462,571 | 467,854 | 462,966 | 504,984 |
| Revenue (\$) | 155,710 | 143,116 | 142,002 | 135,338 | 126,196 |
| Net cost (\$) | 308,140 | 319,455 | 325,852 | 327,628 | 378,788 |
| Transport Agency share (\$)** | 154,070 | 169,311 | 169,443 | 167,090 | 193,182 |
| Third party revenue (\$) | 7,129 | 7,129 | 7,129 | 7,128 | 7,128 |
| HRC share (\$) | 146,941 | 143,015 | 149,280 | 153,410 | 178,478 |
| HRC cost per passenger (\$) | 1.20 | 1.27 | 1.37 | 1.49 | 1.82 |
| Farebox recovery * | 35% | 32% | 32% | 31% | 26% |

*For the purposes of calculating the Fare Box Recovery both the Revenue and Third Party Revenue figures are used.

**Transport Agency share: 50% (2014-15), 53% (2015-16), 52% (2016-17) and 51% (2017-18 to current).

SuperGold card usage remains consistent across the network.

| | Period: 1 July to 31 March | | | | | |
|----------------------|----------------------------|---------|---------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Total Patronage | 123,205 | 122,361 | 112,450 | 109,325 | 102,738 | 98,091 |
| SuperGold Patronage | 26,600 | 28,240 | 29,045 | 26,732 | 28,964 | 28,220 |
| % of Total Patronage | 21.6% | 23.1% | 25.8% | 24.5% | 28.2% | 28.8% |

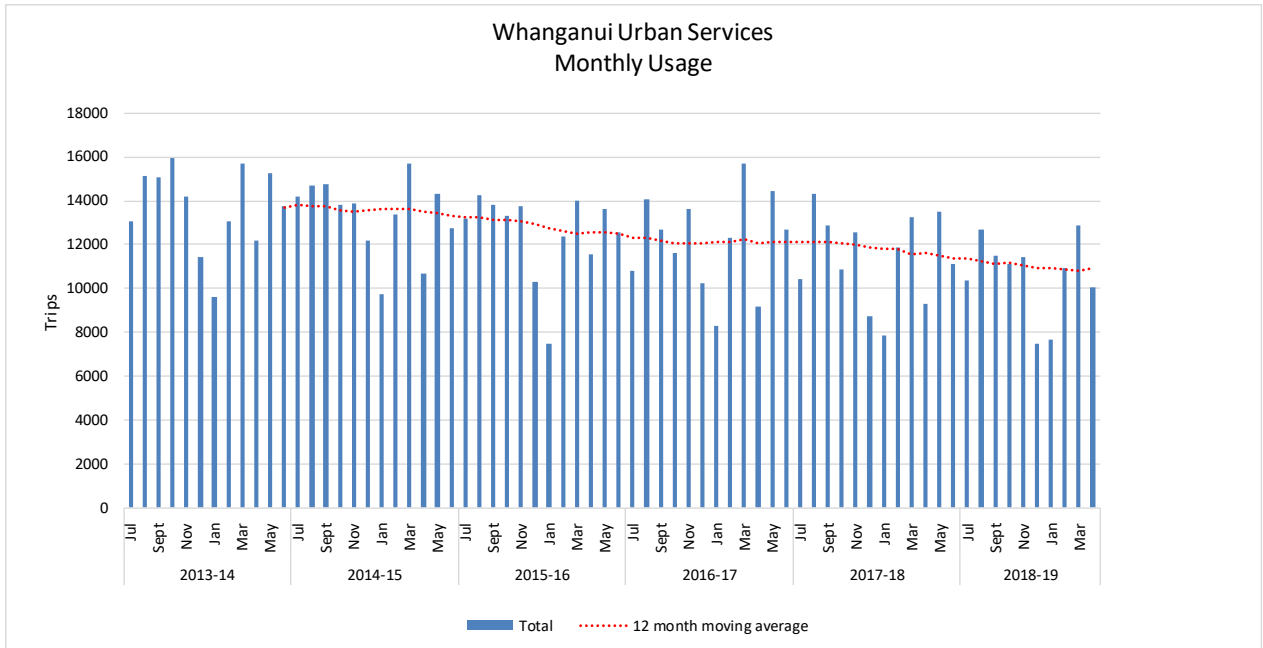


Figure 13: Whanganui Urban Services Monthly Patronage

Patronage across the network continues to decline. Figure 14 below shows the breakdown of usage across the network by route (for the period 1 July to 31 March to provide a year on year comparison). Usage across the school services (Girls College, Rutherford and Whanganui High) remains fairly static and the biggest changes in usage are on the Castlecliff services.

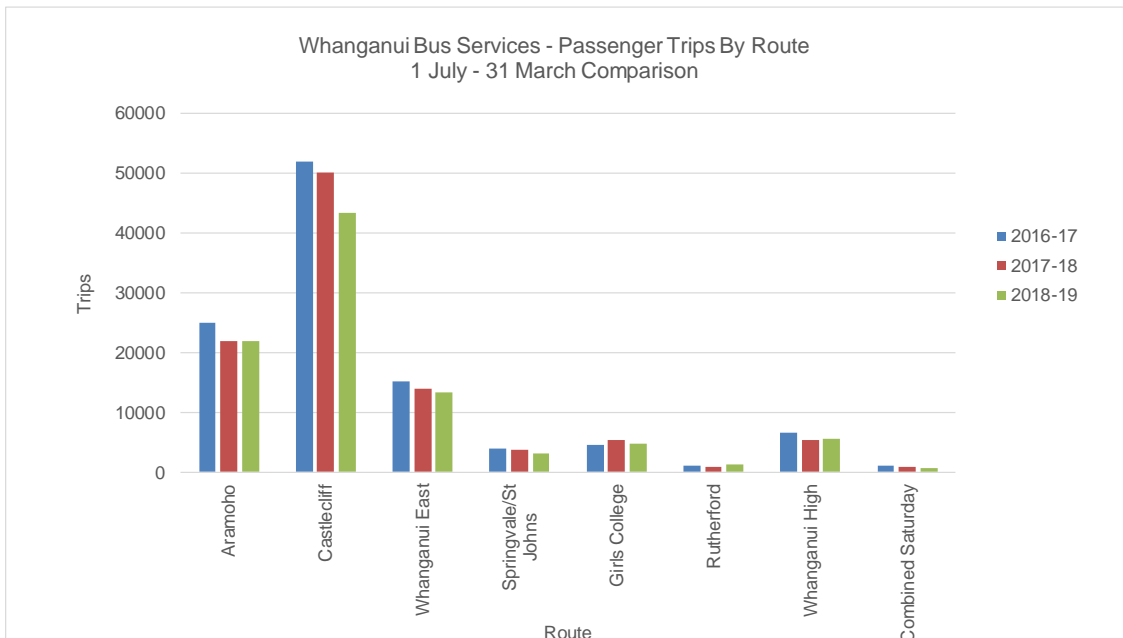


Figure 14: Whanganui Bus Services Passenger Trips By Route

A news article featured following the February 2019 Passenger Transport Committee which highlighted the decline in numbers. Public feedback that followed suggested that there is a low level of community awareness of the availability of services and the schedules. Officers are in the process of working with the operators to develop a series

of local promotions to provide better information to the public. It is expected that the first of these will commence early in the new financial year.

6.3 Whanganui to Palmerston North Commuter Service

A two year trial of a weekday commuter service between Whanganui and Palmerston North commenced operation in February 2017. UCOL contribute to the cost of this service to enable their students and staff to travel free of charge as it replaces part of the contracted campus shuttle UCOL operated between the two destinations. UCOL provide a campus service running from Palmerston North to Whanganui service separate to the contract for the Whanganui to Palmerston North service.

The table below summarises the performance for the Whanganui-Palmerston North service for the reporting period. Usage continues to grow, with the period January to March 2019 being particularly strong. 80% of customers are UCOL staff or students.

| | Period: 1 July to 31 March | | |
|--------------------------------------|-----------------------------------|----------------|----------------|
| | 2016-17 | 2017-18 | 2018-19 |
| Passenger numbers | 1,267 | 5,850 | 6,849 |
| Gross cost (\$) | 16,188 | 81,879 | 92,690 |
| Revenue (\$) | 1,399 | 8,594 | 7,834 |
| Third party revenue (\$) | 5,000 | 22,500 | 22,500 |
| Net cost (\$) | 9,789 | 50,785 | 62,356 |
| Transport Agency share (\$)** | 5,090 | 25,900 | 31,802 |
| HRC share (\$) | 4,699 | 24,885 | 30,554 |
| HRC cost per passenger (\$) | 3.71 | 4.25 | 4.46 |
| Farebox recovery * | 40% | 38% | 33% |

*For the purposes of calculating the Fare Box Recovery both the Revenue and Third Party Revenue figures are used.

**Transport Agency share: 51% (2017-18 to current).

7. Infrastructure

Officers continue to work closely with district and city council staff to identify sites for 2018-19 and complete the associated work. This year's shelter installation programme is well on track to be delivered and includes five shelters in Palmerston North, two in Whanganui and one in Feilding.

Work on a two year infrastructure plan for Palmerston North is well underway, with support from Palmerston North City Council.

Officers are investigating options for bulk procurement of shelters over a three year period. The aim is to develop an overarching infrastructure strategy/plan to guide investment.