

I hereby give notice that an ordinary meeting of the Passenger Transport Committee will be held on:

**Date:** Tuesday, 19 May 2020  
**Time:** 10.00am  
**Venue:** Meeting to be held via audio visual link

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## **PASSENGER TRANSPORT COMMITTEE**

### **AGENDA**

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#### **MEMBERSHIP**

<b>Chair</b>	Cr SD Ferguson	Horizons Regional Council
<b>Deputy Chair</b>	Cr WM Kriton	Horizons Regional Council
	Cr Cr EM Clarke	Horizons Regional Council
	Cr FJT Gordon	Horizons Regional Council
	Cr RJ Keedwell	Horizons Regional Council
	Cr JM Naylor	Horizons Regional Council
	Cr NJ Patrick	Horizons Regional Council
	Cr S Jennings	Horowhenua District Council
	Cr G Hadfield	Manawatu District Council
	Cr B Barrett	Palmerston North City Council
	Cr C Ash	Rangitikei District Council
	Cr G Cosford	Ruapehu District Council
	Cr R Treder	Tararua District Council
	Mr A Tonnon	Whanganui District Council

**Michael McCartney**  
**Chief Executive**

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Palmerston North 4442

**Full Agendas are available on Horizons Regional Council website**  
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for further information regarding this agenda, please contact:  
Julie Kennedy, 06 9522 800

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<b>SERVICE CENTRES</b>	<b>Kairanga</b> Cnr Rongotea & Kairanga-Bunnythorpe Rds, Palmerston North	<b>Marton</b> 19-21 Hammond Street	<b>Taumarunui</b> 34 Maata Street	<b>Woodville</b> Cnr Vogel (SH2) & Tay Sts
<b>REGIONAL HOUSES</b>	<b>Palmerston North</b> 11-15 Victoria Avenue	<b>Whanganui</b> 181 Guyton Street		
<b>DEPOTS</b>	<b>Levin</b> 120-122 Hokio Beach Rd	<b>Taihape</b> 243 Wairanu Rd		
<b>POSTAL ADDRESS</b>	Horizons Regional Council, Private Bag 11025, Manawatu Mail Centre, Palmerston North 4442			
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## TABLE OF CONTENTS

1	Welcome / Karakia	5
2	Apologies and Leave of Absence	5
3	Public Forums / Deputations / Petitions	5
	• Deputation: Barbara Cameron (Feilding Bus Service)	
4	Supplementary Items	5
	• Item 11: Regional Integrated Ticketing System (Bee Card) Deployment Approach	
5	Members' Conflict of Interest	5
6	Confirmation of Minutes	
	Passenger Transport Committee meeting, 18 February 2020	7
7	Feilding Bus Service: Mid-Term Review outcomes and recommendations	
	<i>Report No: 20-56</i>	11
8	Palmerston North Bus Services Contract Extension	
	<i>Report No: 20-57</i>	19
9	Variation to the Regional Public Transport Plan 2015-25: Free Access Scheme Policy	
	<i>Report No: 20-58</i>	21
10	General Passenger Transport Update	
	<i>Report No: 20-59</i>	25
11.	Regional Integrated Ticketing system (Bee Card) Deployment Approach ( <i>Supplementary Item</i> )	
12.	Public Excluded Section	
12.1	Procedural motion to exclude the public	27
PX1	Confirmation of Public Excluded Meeting held on 18 February 2020	
PX2	Committee to <b>consider</b> whether any item in the Public Excluded minutes can be moved into the public domain, and <b>define</b> the extent of the release.	



## AGENDA

1 Welcome/Karakia

2 Apologies and Leave of Absence

At the close of the Agenda no apologies had been received.

3 **Public Forums:** Are designed to enable members of the public to bring matters, not on that meeting's agenda, to the attention of the local authority.

**Deputations:** Are designed to enable a person, group or organisation to speak to an item on the agenda of a particular meeting.

Requests for Public Forums / Deputations must be made to the meeting secretary by 12 noon on the working day before the meeting. The person applying for a Public Forum or a Deputation must provide a clear explanation for the request which is subsequently approved by the Chairperson.

**Petitions:** Can be presented to the local authority or any of its committees, so long as the subject matter falls within the terms of reference of the council or committee meeting being presented to.

Written notice to the Chief Executive is required at least 5 working days before the date of the meeting. Petitions must contain at least 20 signatures and consist of fewer than 150 words (not including signatories).

Further information is available by phoning 0508 800 800.

4 Supplementary Items

To consider, and if thought fit, to pass a resolution to permit the Committee/Council to consider any further items relating to items following below which do not appear on the Order Paper of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended), and the Chairperson must advise:

- (i) The reason why the item was not on the Order Paper, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

5 Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.



Minutes of the first meeting of the eleventh triennium of the Passenger Transport Committee held at 10.00am on Tuesday 18 February 2020, in the Tararua Room, Horizons Regional Council, 11-15 Victoria Avenue, Palmerston North.

**PRESENT** Crs SD Ferguson (Chair), EM Clarke, FJT Gordon (to 12.10pm), WM Kirton, RJ Keedwell, JM Naylor, NJ Patrick, B Barrett (Palmerston North City Council), C Ash & F Dalgety (Rangitikei District Council), G Cosford (Ruapehu District Council), R Treder (Tararua District Council), Mr A Tonnon (Whanganui District Council).

**IN ATTENDANCE** Group Manager Regional Services and Information Committee Secretary      Mr G Shirley  
Mrs JA Kennedy

**ALSO PRESENT** At various times during the meeting:  
Mrs K Curry (Senior Transport Planner), Ms L Shirley (Senior Transport Planner), Ms J Anderson (Transport Planner), Mrs D Monks (Total Mobility Coordinator), Mrs C Hesselin (Senior Communications Officer), Ms J Snelgrove, (Tranzit Palmerston North), Ms R Cameron, Mr L Findlay and supporters (Age Friendly Group Palmerston North), Mr L Rohloff and Mrs M Williams (Horowhenua GreyPower), members of the public, a member of the press.

The Chair welcomed everyone to the meeting.

## **APOLOGIES**

**PT 20-1      Moved      Ferguson/Naylor**

*That apologies be received from Crs Grant Hadfield (Manawatu District Council), and Sam Jennings (Horowhenua District Council, and from Cr F Gordon (Horizons Regional Council) for early departure.*

**CARRIED**

The Chair noted that Cr Piri-Hira Tukapua would attend in place of Cr Sam Jennings (Horowhenua District Council). At the conclusion of the meeting, an apology was received from Cr Piri-Hira Tukapua.

The Chair provided an opportunity for Members and Staff to introduce themselves.

## **PUBLIC FORUMS / DEPUTATIONS / PETITIONS**

Ms Raewyn Cameron and Mr Lew Findlay spoke to the meeting about the formation of the Age Friendly Group and outlined its vision to enable all people in Palmerston North, as they age, to flourish and thrive. Members sought clarification from Ms Cameron and Mr Findlay around the Group's activities.

## **SUPPLEMENTARY ITEMS**

There were no supplementary items to be considered.

## MEMBERS' CONFLICTS OF INTEREST

Mr Tonnon noted a potential conflict of interest with his work in regard to transport services.

## PUBLIC TRANSPORT SERVICES REPORT 1 JULY TO 31 DECEMBER 2019

*Report No 20-07*

Mr Shirley (Group Manager Regional Services & Information) introduced the report which updated Members on the performance of contracted public transport services for the period 1 July 2019 to 31 December 2019. Ms Anderson (Transport Planner) took Members through the summary of all passenger services across the region, clarified queries about the graphs and tables outlining the performance of various bus services, and she and Mrs Curry (Senior Transport Planner) responded to questions relating to each of the services across the region.

**PT 20-2**                      **Moved**    **Patrick/Kirton**

*That the Committee recommends that Council:*

- a. *receives the information contained in Report No. 20-07 and Annex.*

**CARRIED**

## REPORT ON TOTAL MOBILITY SCHEME ACTIVITIES FOR 2018-19 AND 2019-20 (6 MONTHS)

*Report No 20-08*

This report provided passenger numbers and expenditure figures for the 2018-19 financial year and for the first six months of 2019-20, up to 31 December 2019. Mrs Monks (Total Mobility Coordinator) took Members through the report, provided an overview of Total Mobility services across the region, gave an update on the Concessionary Fare Scheme around the implementation of Ridewise 2, and explained how Total Mobility was connected to the Ministry of Transport/New Zealand Transport Agency Action Plan. She clarified Members' questions on the various activities as they arose.

**PT 20-3**                      **Moved**    **Naylor/Keedwell**

*That the Committee recommends that Council:*

- a. *receives the information contained in Report No. 20-08.*

**CARRIED**

*The meeting adjourned at 11.30am.*

*The meeting reconvened at 11.40am.*

## REGIONAL INTEGRATED TICKETING SYSTEM PROJECT UPDATE

*Report No 20-09*

Mrs Curry (Regional Integrated Ticketing System Special Project Manager) provided an update on the roll-out of the Regional Integrated Ticketing System project (Bee Card). She provided a recap of the project set-up, commented on issues experienced and lessons learnt following the roll-out of the Bee Card in Whanganui, and highlighted the benefits of the system. Mrs Curry clarified Members' questions.



**PT 20-4                      Moved                                      Keedwell/Patrick**

*That the Committee recommends that Council:*

- a. *receives the update on the implementation of the Regional Integrated Ticketing System project.*

**CARRIED**

Members had the opportunity to ask general questions about public transport services.

*Cr F Gordon left the meeting at 12.10pm.*

**PROCEDURAL MOTION TO EXCLUDE THE PUBLIC**

**PT 20-5                      Moved                                      Keedwell/Patrick**

*THAT the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.*

*This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 and section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:*

**CARRIED**

General subject of each matter to be considered	Reason for passing this resolution	Ground(s) under section 48(1) for the passing of this resolution
PX1 Policy for Passenger Transport Free Access/Bulk Buy Schemes	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.  The reason for this report being heard in public excluded is because of commercial sensitivity.	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
PX2 Council / Committee to consider whether any item in the Public Excluded minutes can be moved into the public domain and define the extent of the release		

The meeting adjourned to the Public Excluded part of the meeting at 12.10pm and resumed at 12.35pm.

During the public excluded part of the meeting, Members agreed to release the following information into the public domain:

- Recommendation PX PT 20-1, Report No. 20-10, Policy for Passenger Transport Free Access/Bulk Buy Schemes.

- **Moved** **Naylor/Keedwell**

*That the Committee recommends that Council:*

- a. *receives the information contained in Report No. 20-10.*
- b. *determines that a policy for free access/bulk buy schemes is required.*
- c. *selects Option 2 as the preferred option.*
- d. *directs staff to vary the Regional Public Transport Plan for approval at the next Passenger Transport Committee meeting.*

**CARRIED**

The meeting closed at 12.36pm.

Confirmed

\_\_\_\_\_  
GROUP MANAGER  
REGIONAL SERVICES & INFORMATION

\_\_\_\_\_  
CHAIR

Report No.	20-56
Decision Required	

## FEILDING BUS SERVICE: MID-TERM REVIEW OUTCOMES AND RECOMMENDATIONS

### 1. PURPOSE

- 1.1. The purpose of this report is to advise the Committee of the recommended service changes arising from the Feilding Around Town/Feilding to Palmerston North bus service mid-term review and to recommend service changes to Council for approval and implementation.

### 2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-56.
- b. approves the recommended service changes to the Feilding Around Town/Feilding to Palmerston North bus service set out in Section 8.2 of this report.
- c. approves the additional spend for implementation of the service changes outlined in this report, subject to Horizons Regional Council's Annual Plan process and New Zealand Transport Agency funding.
- d. agrees the Feilding Around Town/Feilding to Palmerston North bus service mid-term review is substantively complete and that only some operational matters remain outstanding.
- e. notes, subject to funding approval, officers will work to implement the service changes in the second half of 2020-21.

### 3. FINANCIAL IMPACT

- 3.1. The cost to undertake the mid-term review is being funded through Horizons' existing public transport budgets.
- 3.2. If the recommended mid-term review service changes are implemented prior to June 2021, the additional funding requirements for the service changes will be subject to the **Annual Plan (AP)**, and **National Land Transport Programme (NLTP)** budgeting procedures. The costs of the recommended improvements are outlined in Sections 8.3-8.19 of this item. Total costs of the recommended improvements package are \$72,580.00 (gross) for Financial Year 2020-21 and \$70,140.00 (gross) annually thereafter.
- 3.3. If the recommended mid-term review service changes are implemented after June 2021, any changes to the service will be subject to the **Long Term Plan (LTP)**, **Regional Land Transport Plan (RLTP)** and NLTP budgeting procedures. In the event that changes are postponed until year 1 of the 2021-22 LTP, introduction of minor improvements to the existing service is recommended. The changes include providing WiFi on the service and increased promotion of the current service. The inclusion of WiFi totals \$1,680.00 (gross) for Financial Year 2020-21 and \$1,440.00 (gross) annually thereafter. The cost of increased promotion of the current services will be managed through existing budget.
- 3.4. This report will not result in any financial impacts, other than allowing additional service changes to be incorporated into the relevant strategic funding documents.

#### 4. COMMUNITY ENGAGEMENT

- 4.1. Consultation with key stakeholders and the Feilding, Bunnythorpe and Palmerston North communities was undertaken in March 2020. During this time stakeholders and the community were made aware of the mid-term review and asked to provide feedback on the options proposed.
- 4.2. Following Committee endorsement and Council approval, a media release will be scheduled to update the community on any changes to be made to the service and timeframes.
- 4.3. As part of the implementation planning a marketing and communication plan will also be developed. This will ensure that prior to any bus route or timetable changes taking place, information will be distributed ahead of time to the general public using a variety of information channels.

#### 5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk as a result of this item.

#### 6. BACKGROUND

- 6.1. The Feilding Around Town/Feilding to Palmerston North bus service is identified in the **Regional Public Transport Plan (RPTP)** as a public transport unit that is integral to the Region's public transport network. The current contract is a nine year contract expiring in January 2025. All contracted public transport services in the Region are reviewed on a regular basis to ensure that they operate effectively and efficiently. Minor reviews may be undertaken at any time in response to new developments or other changes<sup>1</sup>, while more in depth reviews are generally undertaken prior to seeking Council approval to retender a service.
- 6.2. Given the service has reached the middle of its nine year contract, a mid-term review has been undertaken. The review has focused on considering whether the current service is still fit for purpose and whether there are any opportunities for operational efficiencies or improvements to be made.

#### 7. DISCUSSION

- 7.1. The mid-term review of the Feilding Around Town / Feilding to Palmerston North bus service commenced in May 2019 with the establishment of an Advisory Group consisting of elected officials from Manawatu District Council, Palmerston North City Council and Horizons Regional Council as well as council staff, a community representative and a NZ Transport Agency staff member. The Advisory Group met four times over the course of the mid-term review.
- 7.2. It was identified through the Advisory Group that the Feilding community needed better access to enable travel around Feilding in a timely manner without the possibility of having to catch the bus to Palmerston North and back to complete their journey. It was also identified there may be some improvements that could be made to the commuter service. As a result, a range of options were considered, with the Advisory Group determining that a Feilding only service should run separately to a commuter service between Feilding and Palmerston North. The Group selected three possible options with slightly different routes for an around Feilding service as well as possible Sunday and late night services and increased services on a Saturday for consultation.

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<sup>1</sup> For example, the Ashhurst to Palmerston North trial service timetable was revised following community feedback and analysis of patronage.

- 7.3. Targeted consultation was undertaken with key stakeholders and interested parties in the form of meetings, letters and emails. Consultation was also undertaken with the public via attendance at markets and rural games as well as provision of information on the buses, in bus shelters, at i-Sites and online. Consultation with the public ran over the course of four weeks starting on 2 March and ending 30 March 2020, with feedback collected via surveys. Over the consultation period, 61 surveys were received from the public and feedback from 6 key stakeholders and interested parties. While the number of responses is limited, the feedback provided from stakeholders and members of the public has been valuable in developing the proposed recommendations.
- 7.4. The key feedback received from consultation was:
- 7.4.1. A Feilding only service is supported.
  - 7.4.2. Of the options proposed, people preferred Option 2 for travelling around Feilding. This option being the one which provides the greatest coverage, but having the longest travel time, and greatest implementation and on-going costs.
  - 7.4.3. The least preferred option was Option 4 (status quo).
  - 7.4.4. Provision of Saturday services and late night services were supported but not overwhelmingly.
  - 7.4.5. Of those who requested increased Saturday services and late nights, most wanted to see these available on the commuter service.
- 7.5. Following consultation, the Advisory Group met again in April 2020 to discuss the findings from consultation and determine what changes (if any) should be recommended for consideration by the Passenger Transport Committee. The Advisory Group's recommendations and associated costs are discussed in the following section of this report.

## 8. RECOMMENDATIONS AND ASSOCIATED COSTS

- 8.1. In determining their recommendations, the Advisory Group considered factors such as current patronage, affordability, demand and sample size (of the survey respondents) to determine what would achieve the greatest return on further investment in respect of patronage uptake and fare box revenue.
- 8.2. Having considered these factors, the Advisory Group recommends the following changes to the Feilding Around Town/Feilding to Palmerston North service:
- 8.2.1. **Feilding town service:** that a Feilding around town service be implemented, separately to the commuter which follows the route described as **Option 2: Feilding town service with Lethbridge Street and Makino Road (shown below in Figure 1)**, subject to the following:
    - 8.2.1.1. That the route be trialed for 24 months;
    - 8.2.1.2. If uptake on Lethbridge St and Makino Rd section is low, then alter and move to the Option 1 route after 24 months; and
    - 8.2.1.3. Required supporting infrastructure, such as new bus stops, are installed.

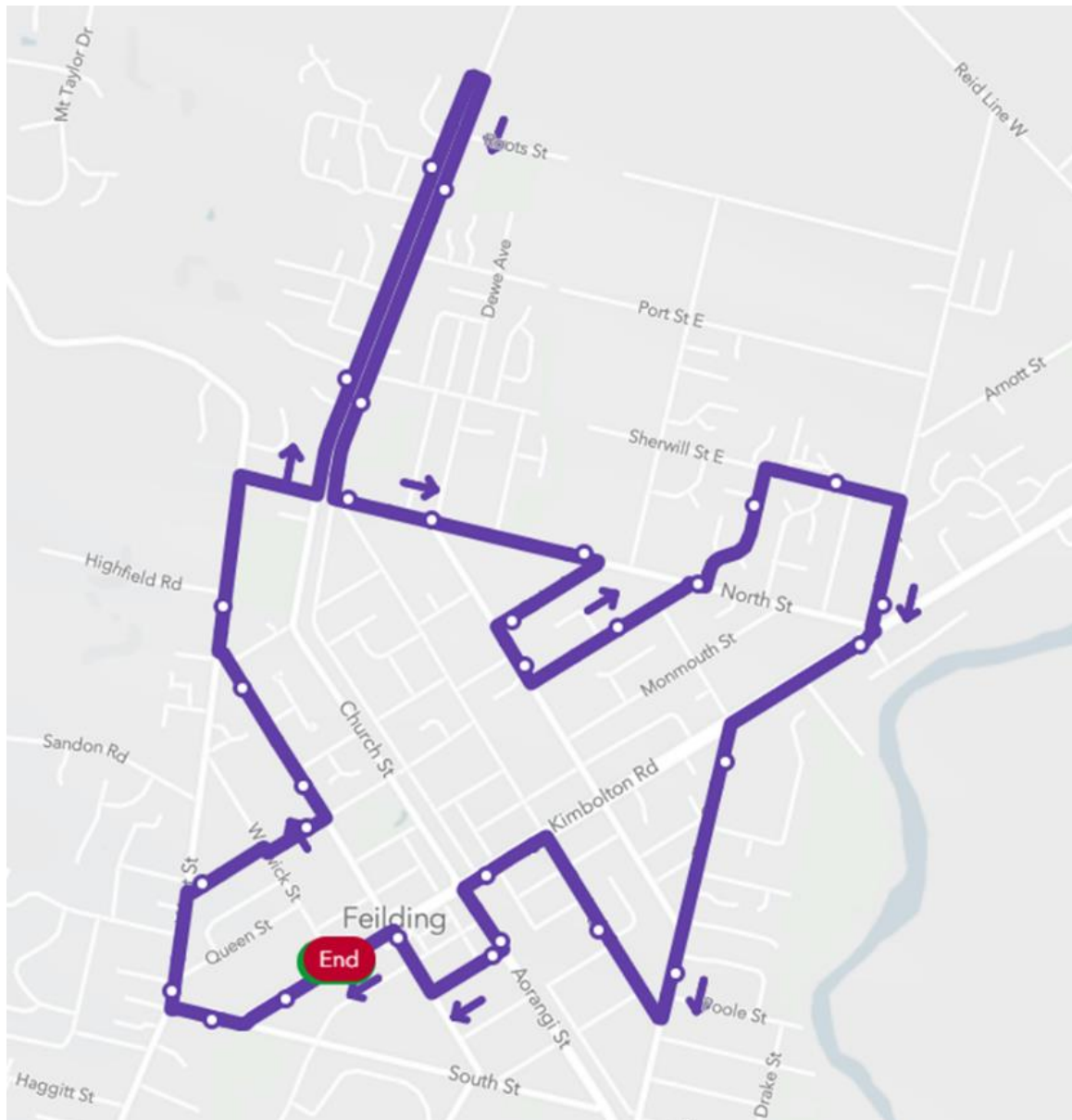


Figure 1: Feilding town service with Lethbridge Street and Makino Road route

- 8.2.2. **Commuter service:** that the following changes be made to improve the user experience of the service:
- 8.2.2.1. Duke Street section of the route in Feilding be removed
  - 8.2.2.2. two additional Saturday services be provided
  - 8.2.2.3. Monday to Friday last service (6.00pm) from Palmerston North to Feilding be change to run slightly later in the evening
  - 8.2.2.4. WiFi (look at options for sponsorship) be provided; and
  - 8.2.2.5. timetable checked and adjusted where necessary to ensure it reflects actual travel times



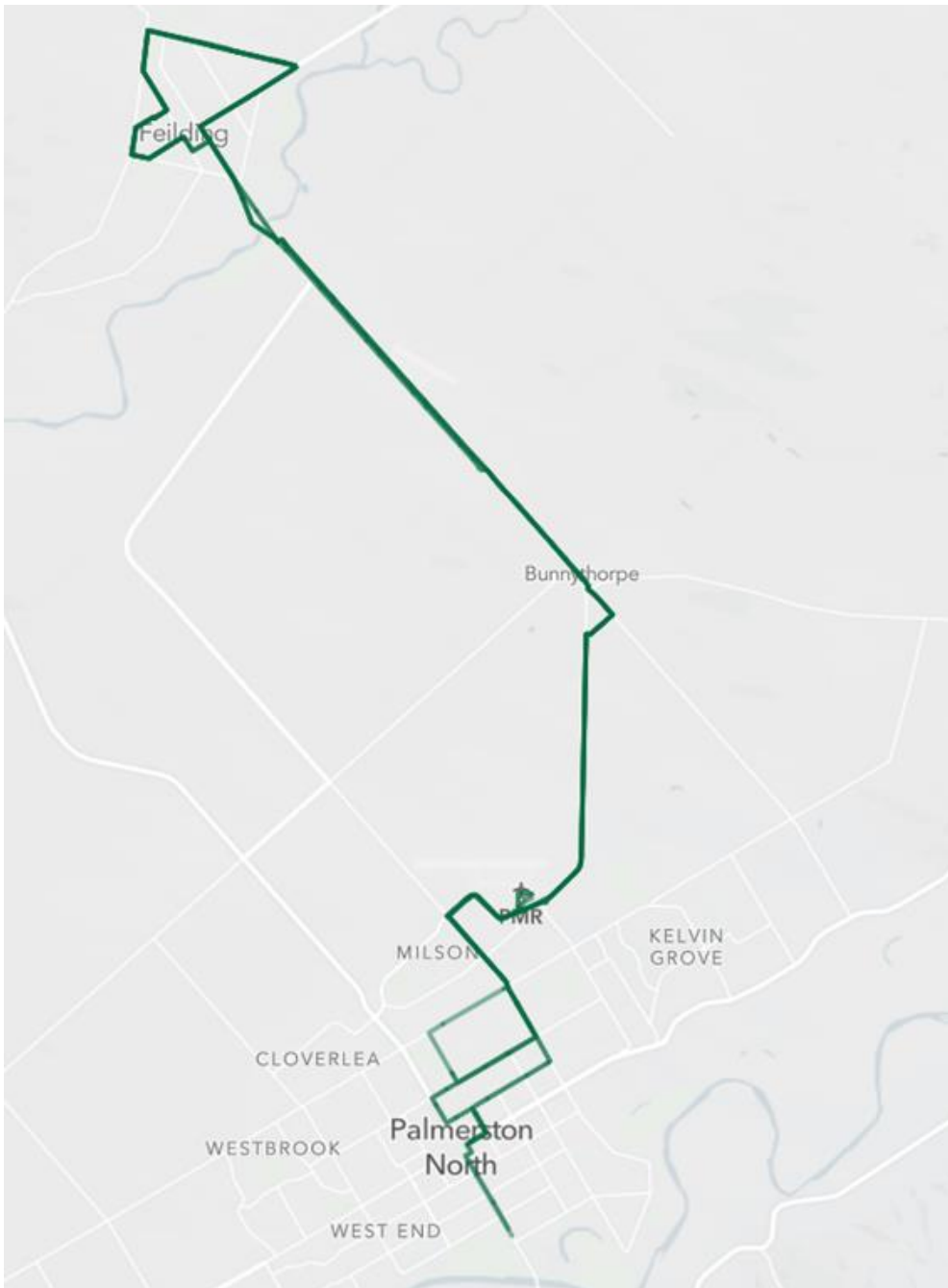


Figure 2: Feilding to Palmerston North commuter service route

- 8.2.3. **Both town and commuter services**, update timetable design to incorporate new changes and undertake promotion. In the absence of any changes, review timetable design to ensure it is adequate and increase promotion.
- 8.2.4. **Both town and commuter services:** That the proposed changes be implemented in the second half of the 2020-21 financial year, subject to funding.

#### Additional Cost

- 8.3. In order to implement the recommended service changes, listed in Section 8.2, additional costs will be incurred for both one-off set-up costs and ongoing operational costs. These costs are detailed in the table below.

- 8.4. The costs in financial year 2020-21 assumes implementation of the changes occurs in March 2021. The costs in financial year 2021-22 represent the typical ongoing annual additional costs for the changes (excluding inflation).

	Financial year	
	2020/21 Annual Plan	2021/22 Long Term Plan
<b>Feilding town service proposal</b>		
<b>Operating Gross Costs</b>	\$20,700	\$62,100
<b>Operating Net Costs</b>	\$10,143	\$30,429
<b>Infrastructure Gross Costs</b>	\$48,000	-
<b>Infrastructure Net Costs</b>	\$23,520	-
<b>Total Gross Cost</b>	\$68,700	\$62,100
<b>Feilding town Service Total Net Cost (rates impact)</b>	<b>\$33,663</b>	<b>\$30,429</b>
<b>Commuter service proposal</b>		
<b>Operating Gross Costs</b>	\$2,200	\$6,600
<b>Operating Net Costs</b>	\$1,078	\$3,234
<b>Infrastructure Gross Costs (WiFi)</b>	\$1,680	\$1,440
<b>Infrastructure Net Costs</b>	\$823	\$706
<b>Total Gross Cost</b>	\$3,880	\$8,040
<b>Commuter service Total Net Cost (rates impact)</b>	<b>\$1,901</b>	<b>\$3,940</b>
<b>Total Proposed Additional Costs (commuter and town)</b>		
<b>Operating Gross Costs</b>	\$22,900	\$68,700
<b>Operating Net Costs</b>	\$11,221	\$33,663
<b>Infrastructure Gross Costs</b>	\$49,680	\$1,440
<b>Infrastructure Net Costs</b>	\$24,343	\$706
<b>Total Gross Cost</b>	\$72,580	\$70,140
<b>Total Net Cost of recommended changes (rates impact)</b>	<b>\$35,564</b>	<b>\$34,369</b>

Table 1: Additional costs to implement recommended mid-term review changes

Note:

**Gross Costs** mean costs **before** fares and NZTA subsidy have been deducted.

**Net Costs** mean costs **after** fares and NZTA subsidy have been deducted (ie. potential rates impact).



- 8.5. The one-off additional infrastructure costs in financial year 2020-21 relate to:
- 8.5.1. installation of bus stops along the new sections of the **Feilding town service**; and
  - 8.5.2. set-up costs for installation of WiFi on the **commuter service**.
- 8.6. If after 24 months, uptake on the Lethbridge Street / Makino Road section of the **Feilding town services** is low, the route will be amended to remove this section. This would result in a reduction of approximately \$7,000.00 pa in net operating costs.
- 8.7. The financial savings created by removing the Duke Street section of the **commuter service** (approximately \$8,500.00 pa net costs) has helped to off-set some of the additional costs in providing two extra Saturday services.
- 8.8. Introduction of the above recommendations will be subject to funding and the approvals and implementation of supporting infrastructure.
- 8.9. The above timeline is based on funding for the changes being included in the 2020-21 Annual Plan and attracting funding through the NLTP. In the event that funding is not available in the coming financial year, the majority of changes will need to be pushed out to year 1 of the 2021 LTP.

## 9. NEXT STEPS

- 9.1. The Feilding bus service mid-term review has identified some areas where operational efficiencies can be gained and improvements made. Following multiple meetings and consideration of consultation findings, the Advisory Group has recommended a new town-only service be developed for the Feilding community and enhancements be made to the commuter service running between Palmerston North and Feilding. The final estimated costs associated with the recommended changes are presented in this item for consideration by the Committee for recommendation to Council.
- 9.2. Should the Committee adopt the recommendations presented in this item, funding will be sought via the Annual Plan and NLTP processes. Once funding is secured, planning for implementation of the changes will commence.
- 9.3. Following Committee endorsement and Council approval, Horizons officers will work on finalising timetable and bus stop changes in line with the recommended service changes set out in this report. Part of this work will include the development of an implementation. As part of the implementation planning a marketing and communication plan will also be developed. This will ensure that prior to any bus route or timetable changes taking place, information will be distributed ahead of time to the general public using a variety of information channels. Officers will continue to work with Manawatu District Council and Palmerston North City Council as well as the bus operator to finalise bus stop locations, as well as ensuring service changes are undertaken in the most efficient manner and with the least disruption as possible to customers.

- 9.4. The proposed timeline for implementation of the recommended service changes is detailed in the following table (Table 2)

Year	Month	Event/activity
2020	May	PTC meeting to determine if recommendations will be adopted
	June	Annual Plan adopted
	August	NLTP adopted
	September	Start conversations with Operator about amendments to contract and pricing. Discuss timing of implementing new services and operator requirements around staffing and fleet. Start conversations with MDC and PNCC about bus stop infrastructure and locations
	October	Finalise route design and bus stop locations Finalise timetable (in conjunction with operator)
	November	Start developing new timetable design and layout
	December	
2021	January	Prepare marketing and communications plan, and associated marketing collateral
	February	Promote upcoming changes to service Finish installation of new stops
	March	Implement changes / new services

**Table 2: Proposed project timeline**

## 10. SIGNIFICANCE

- 10.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Leana Shirley  
**SENIOR TRANSPORT PLANNER**

Rhona Hewitt  
**MANAGER TRANSPORT SERVICES**

## ANNEXES

There are no attachments for this report.

Report No.	20-57
Decision Required	

## PALMERSTON NORTH BUS SERVICES CONTRACT EXTENSION

### 1. PURPOSE

- 1.1. To seek approval to extend the Palmerston North Urban and Massey bus services contract (Contract 2011/42) for 12 months.

### 2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-57
- b. approves the Palmerston North Urban and Massey Bus Services Contract (Contract 2011/42) be extended by up to 12 months to 14 November 2023, subject to approval from the New Zealand Transport Agency.

### 3. FINANCIAL IMPACT

- 3.1. No additional financial impact over approved budgets. Costs for the service contract are included in current budgets, extending the existing contract maintains the current costs for an additional 12 months. It should be noted that the service is currently under review and any financial implication from changes proposed would be included as part of development of the 2021-31 Long-term Plan.

### 4. COMMUNITY ENGAGEMENT

- 4.1. Community engagement is not required.

### 5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk associated with this decision.

### 6. BACKGROUND

- 6.1. The Palmerston North Urban and Massey bus services is our biggest and most complex public transport contract, with over 1 million trips taken annually. While services are contracted by Horizons Regional Council, **Palmerston North City Council (PNCC)** plays a key role in provision of infrastructure to support services and has responsibility for planning/management of the transportation network within the city, of which the bus services play an important part.
- 6.2. The contract for services is due to expire in November 2022. Prior to any public transport contract being re-tendered, the Council plans to complete a review of services to ensure that the new contract remains fit for purpose, and develop a detailed procurement strategy and plan to support the contract tendering. An advisory group has been established to undertake a review of the services and provide recommendations to the Passenger Transport Committee.
- 6.3. The service review commenced in August 2019 and was due for completion by the end of 2020 ahead of the tender process commencing in early 2021. Progress of the review has been impacted by the Covid-19 Level 4 and 3 alerts, due to limitations on resources required to advance work. Recent discussions with PNCC and Horizons officers have

identified an opportunity to refresh the scope of the review, re-assess project structure and ensure that supporting infrastructure and potential policy changes are fully considered within the review.

- 6.4. The revised approach to the review, and to enable transitioning back into business as usual resourcing levels resulting from the impacts of Covid-19 means the timeframe for completion will be extended by six to twelve months.

## 7. DISCUSSION

- 7.1. The New Zealand Transport Agency's Procurement Manual contains the approved procurement processes to be used by approved organisations when purchasing infrastructure and public transport services using funds from the National Land Transport Fund.
- 7.2. Rule 10.23 of the Procurement Manual sets out the requirements for lead times for public transport contracts and states that "*The time between contract award and commencement of services must be sufficient to allow a successful tenderer to acquire the resources necessary to deliver the services*". The subsequent guidance notes that "*...larger contracts where providers may need to obtain new vehicles will generally need a lead time no less than nine months. A longer lead time could also encourage new market entrants, who may need to establish depots and hire staff*".
- 7.3. The revised approach to the review and extension of the timeframe has a flow on effect to timing of the tender process and commencement of the new contract. In order to complete the review and provide the necessary lead time, an extension of the existing contract by up to twelve months to November 2023 is recommended. This extension also enables further time to develop a detailed procurement strategy including such components as, bus fleet strategy and branding.
- 7.4. Approval from the New Zealand Transport Agency is also required for any contract extension. Verbal support for this has been provided and a written request is currently being reviewed.
- 7.5. A formal contract extension will also need to be agreed with the bus operator. It is recommended that the extension be for an initial six month period with a right to extend for a further six months (subject to an agreed notice period) should the time be required to ensure a robust procurement process is developed and followed, and any required significant supporting infrastructure is in place for contract commencement.

## 8. SIGNIFICANCE

- 8.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Kelly Curry  
**SENIOR TRANSPORT PLANNER**

Rhona Hewitt  
**MANAGER TRANSPORT SERVICES**

## ANNEXES

There are no attachments for this report.

Report No.	20-58
Decision Required	

## VARIATION TO THE REGIONAL PUBLIC TRANSPORT PLAN 2015-25: FREE ACCESS SCHEME POLICY

### 1. PURPOSE

- 1.1. The purpose of this report is consider a variation to the operative **Regional Public Transport Plan 2015-25 (RPTP)**. The variation is to include a new policy to guide decision making around requests for free access schemes.

### 2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. Report No. 20-58.
- b. recommends that the Regional Public Transport Plan be varied to include a new Policy 17a in section 6.1 as worded below in section 7.3 of this item.

### 3. FINANCIAL IMPACT

- 3.1. Bulk buy schemes are aimed at attracting new patrons to current services and the intention is that the group or provider benefiting from the scheme will subsidise a portion of the cost to enable their staff or students to travel for free or at a discounted rate. This was discussed in report No. PX 20-10 presented to the Committee in February.
- 3.2. There will be no financial impact associated with varying the RPTP.

### 4. COMMUNITY ENGAGEMENT

- 4.1. None required.

### 5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk impact as a result of this report.

### 6. BACKGROUND

- 6.1. An item was presented to the Committee at their last meeting in February 2020, outlining the need for a policy in the RPTP for free access or bulk buy schemes. The purpose of the policy is to manage requests from organisations wishing to have a free access or bulk buy travel scheme to enable staff or students to either travel for free or at a discounted rate on Horizons contracted bus services.
- 6.2. At the meeting the Committee was presented with four options for managing these requests. The options included three possible policy options and a 'do nothing / status quo' approach. The Committee determined that a policy in the RPTP would be appropriate and selected the policy wording proposed in Option 2 with some minor tweaks.
- 6.3. The policy selected by the Committee for inclusion in the RPTP is as follows:  
*"Horizons will investigate and provide special fare concessions or enter into agreements for unlimited free travel access schemes where there is a benefit to the community transport needs and the partnering agency contributes an agreed amount towards the cost of providing the scheme, based on the estimated uptake of the scheme, payable at least annually. The following apply:*

- a. *The partnering agency's contribution will be reviewed annually based on the previous 12 months uptake and amended accordingly. More frequent reviews will apply for shorter term contracts.*
  - b. *Where uptake of the scheme is significantly higher or lower (+/- 20%) than estimated, Horizons will adjust the partnering agency's contribution accordingly.*
  - c. *Horizons will undertake an annual (or more frequent as agreed with the partnering agency) assessment of uptake and re-evaluate the benefit of continuing with the scheme if uptake is low. In the event uptake is consistently lower than expected, Horizons may choose not to renew the agreement.*
  - d. *The agreed contribution will be based on no additional services being required to accommodate users of the scheme.*
  - e. *In the event that new services are required, the partnering agency will be expected to contribute a greater amount to enable the additional services to be implemented at minimal cost to the ratepayer."*
- 6.4. The Committee resolved that the RPTP should be varied to include the above policy and that this would be undertaken by staff and included as part of the next Passenger Transport Committee meeting for approval.

## 7. NEW POLICY WORDING AND NUMBERING

- 7.1. It is proposed that the new policy be included under Section 6.1, Fare Structures. This is the logical location for the policy given it relates to fare structures, specifically discounted fares.
- 7.2. The policy number is proposed to be Policy 17a. The policy numbering in the RPTP follows a numerical list from 1-27. The suggested numbering comes from the proposed location for the policy and that it links to existing policy 17.
- 7.3. It is recommended that the wording below be applied to Policy 17a, along with the following explanatory text underneath:

### **Policy 17a**

*Horizons will investigate and provide special fare concessions or enter into agreements for unlimited free travel access schemes where there is a benefit to the community transport needs and the partnering agency contributes an agreed amount towards the cost of providing the scheme, based on the estimated uptake of the scheme, payable at least annually. The following apply:*

- a. *The partnering agency's contribution will be reviewed annually based on the previous 12 months uptake and amended accordingly. More frequent reviews will apply for shorter term contracts.*
- b. *Where uptake of the scheme is significantly higher or lower (+/- 20%) than estimated, Horizons will adjust the partnering agency's contribution accordingly.*
- c. *Horizons will undertake an annual (or more frequent as agreed with the partnering agency) assessment of uptake and re-evaluate the benefit of continuing with the scheme if uptake is low. In the event uptake is consistently lower than expected, Horizons may choose not to renew the agreement.*
- d. *The agreed contribution will be based on no additional services being required to accommodate users of the scheme.*
- e. *In the event that new services are required, the partnering agency will be expected to contribute a greater amount to enable the additional services to be implemented at minimal cost to the ratepayer."*



*Free Access or Bulk buy schemes are agreements which enable an organisation or education provider to have their staff and/or students travel for free or at an agreed discounted rate on selected bus services contracted by Horizons Regional Council.*

*Existing schemes have largely been very successful and have grown patronage on Horizons services. This has flow on benefits to the region by reducing carbon emissions, supporting multi-modal travel and likely attracting new people to the region (free travel being a drawcard to students choosing which university to attend).*

*The above policy applies to any party, organisation or education provider wishing to provide free or discounted access to Horizons bus services for a group of people. Each request will be assessed on its merits and the principles of Policy 17a applied.*

## **8. REGIONAL PUBLIC TRANSPORT PLAN VARIATION PROCESS AND SIGNIFICANCE**

- 8.1. To allow the Committee and Horizons to respond to opportunities for new services or transport opportunities, the RPTP can be varied at any time. Where variations are significant, consultation may be undertaken. The RPTP contains a significance policy to assist in determining whether consultation is required. The policy states:

*Whether a variation to the RPTP is significant will be determined on a case-by-case basis by the Horizons Passenger Transport Committee.*

*When determining the level of significance of a variation, consideration will be given to the following factors taken as a whole:*

- The effect of the variation on Horizons' Long-term Plan;*
- The extent to which the variation signals a material change to the planned levels of investment in the public transport network;*
- The extent to which the variation will result in the RPTP being inconsistent with the Regional Land Transport Plan;*
- How many people will be affected by the variation, and the degree of the impact on any or all of those people;*
- The effect on the overall affordability and integrity of the RPTP.*

- 8.2. Officers have assessed the proposal against the significance policy and have determined that the variation request is not significant. The table below summarises the key considerations.

SIGNIFICANCE POLICY FACTOR	IMPACT
Horizons' Long-term Plan	No effect on Horizons' Long-term Plan as any agreements for free access or bulk buy schemes will be partly funded by the provider and are aimed at attracting additional patronage on Horizons contracted services.
Material change to the planned levels of investment in the public transport network	The proposal does not represent 'new' investment and therefore will not result in material change to the planned levels of investment in the network.
Consistency with the Regional Land Transport Plan	The RLTP was recently reviewed and contains a focus on transport choice. The proposed policy is consistent with the RLTP strategic direction.
Number of people affected by the variation and the degree of the impact	There are no people deemed to be affected by the variation.
Overall affordability and integrity of the RPTP	Inclusion of this new policy will not affect the overall affordability or integrity of the RPTP.

8.3. Based on the above, there variation does not represent a significant change to the RPTP according to the significance policy.

## 9. TIMELINE / NEXT STEPS

9.1. Should the Committee recommend the RPTP be varied to include the new policy, it will be forwarded to Horizons Regional Council for final approval.

## 10. SIGNIFICANCE

10.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Leana Shirley  
**SENIOR TRANSPORT PLANNER**

Rhona Hewitt  
**MANAGER TRANSPORT SERVICES**

## ANNEXES

There are no attachments for this report.



Report No.	20-59
<b>Information Only - No Decision Required</b>	

## GENERAL PASSENGER TRANSPORT UPDATE

### 1. PRESENTATION

- 1.1 Transport Staff will provide a verbal update on general passenger transport activities.

### 2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the verbal update on general passenger transport activities.

### 3. SIGNIFICANCE

- 3.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Rhona Hewitt

**MANAGER TRANSPORT SERVICES**

### ANNEXES

There are no attachments for this report.



## Public Excluded Section

### RECOMMENDATION

That the public be excluded from the remainder of the Council meeting as the general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

General subject of each matter to be considered	Reason for passing this resolution	Ground(s) under section 48(1) for the passing of this resolution
PX1 Confirmation of Public Excluded Meeting held on 18 February 2020	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
PX2 Council / Committee to consider whether any item in the Public Excluded minutes can be moved into the public domain and define the extent of the release		