

Report No.	20-139
Decision Required	

EMPLOYMENT RELATIONS AMENDMENT ACT COMPLIANCE - BUS TIMETABLE ADJUSTMENTS

1. PURPOSE

- 1.1. The purpose of this report is to advise the Council of the recommended service changes arising from the **Employment Relations Amendment Act 2018 (ERAA)** rest and meal break requirements and to recommend approval for increased funding to implement proposed changes.

2. RECOMMENDATION

It is recommended that Council:

- a. receives the information contained in Report No. 20-139 and Annex.
- b. approves **Option 2 alternative timetable (45 minute frequency)** as the recommended service change option to ensure bus services in Palmerston North are compliant with the requirements of the Employment Relations Amendment Act 2018.
- c. approves \$31,920.00 of Transport reserve be used to cover the local share component of costs for implementation and operation of **Option 2 alternative timetable (45 minute frequency)** in the Financial Year 2020-21.
- d. approves the ongoing allocation of \$36,045.00 (plus inflation) per year in the Long Term Plan for the local share of **Option 2 alternative timetable (45 minute frequency)** until the expiration of the Palmerston North and Massey contract in November 2023.

3. FINANCIAL IMPACT

- 3.1. To ensure the provision of bus services in Palmerston North are compliant with the requirements of the ERAA, it is recommended changes be implemented as soon as possible. Officers recommend changes to driver rosters and timetables (if approved by Council) be implemented in November 2020, prior to the Christmas holiday break.
- 3.2. The cost of implementing these changes has not been included in the **Long Term Plan 2018-2028 (LTP)**.
- 3.3. Waka Kotahi NZ Transport Agency as indicated it will assist in funding the costs at Horizons normal Financial Assistance Rate of 51%.
- 3.4. It is proposed the remaining 49% (local share) of the costs be funded from the Transport reserve for the Financial Year 2020-21, with ongoing costs being subject to the **Long Term Plan (LTP)**, and **National Land Transport Programme (NLTP)** budgeting procedures.
- 3.5. The costs of the various options are outlined in sections 8.2.1 to 8.2.4 of this item. Total costs of the recommended option are \$65,143.00 (local share, \$31,920.00) for the Financial Year 2020-21 and \$73,561.00 (local share, \$36,045.00 plus inflation) annually thereafter.

4. COMMUNITY ENGAGEMENT

- 4.1. Depending on the option approved by Council, a media release will be scheduled to update the community on any changes to be made to the service and timeframes.

- 4.2. If the option approved by Council results in timetable changes part of the implementation planning will include the development of a marketing and communication plan. This will ensure that prior to any bus 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. CLIMATE IMPACT STATEMENT

- 6.1. The Climate Change implications associated with this item will vary based on the choice of Council. The overall changes to emission from the Palmerston North and Massey bus service will be minimal. Depending on the option agreed to by council, fleet emissions will either have a slight increase or slight decrease.
- 6.2. As some options require additional vehicles for operation of the network, this will likely increase the kilometres travelled by individual vehicles. The increased kilometres will result in a net increase of carbon emissions produced by the fleet.
- 6.3. Several option presented will result in a net reduction in kilometres travelled which will in turn reduce the amount of emissions produced by the fleet, but consequently may result in mode shift to car for some bus customers.
- 6.4. The climate change implications outlined are only based on the numbers of kilometres operated by the vehicles in the fleet and does not account for the impact on car travel as a result of increased or decreased patronage.

7. BACKGROUND

- 7.1. The ERAA introduced a number of employment law changes that aimed to improve fairness in the workplace and deliver decent work conditions and fairer wages. The specific section which impacted directly on the provision of public transport services was in relation to the new requirements for rest and meal breaks.
- 7.2. Bus operators initially considered the potential impact of the ERAA on public transport services would be significant, and would result in wide scale service disruption due to the need for additional resources of drivers and buses. This increase would be as a result of adding the break times into the driver's current shifts.
- 7.3. Government, Regional Councils, Bus Operators and Unions agreed that the intent of the ERAA was not to cause wide scale disruption for customers and that a Steering Group should be formed. The intent of this Steering Group was be to help progress:
- A new land transport rule to enable bus operators to apply maximum flexibility to the timing of rest and meal breaks; and
 - A **Memorandum of Understanding (MOU)** between Government, Regional Council, Bus Operators, and Unions that defined the roles and responsibilities of the relevant parties for the period until 6 May 2019 and for the 12 months thereafter.
- 7.4. The MOU was successful in laying out the roles and responsibilities of all parties as well as creating a set of principles for moving forward to implement the new rest and meal breaks. Commencing on the 6 May 2019 it was agreed the Council, unions and operators would over the next 12 months, work collaboratively to implement the rest and meal break changes.

8. DISCUSSION

- 8.1. The ERAA changes to bus driver rest and meal breaks was identified to have a significant impact on the Palmerston North bus services. Using existing driver and bus resources, the current 40 minute timetable turnaround time does not provide sufficient time for the required 10 minute rest breaks to be scheduled between runs.
- 8.2. Transit, the operator for the Palmerston North service, has worked through several different approaches to implementing the rest and meal breaks into the current driver shifts. After working through these alongside Horizons two possible options, each with a potential sub-option, were identified. Option 1 retains the current timetable frequencies and timings, with services running every 20 minutes at peak time and every 40 minutes during the off-peak. Option 2 adjusts the timetable frequencies and timings. This change results in peak time services alternating between every 20 and 25 minute intervals, and off-peak services running every 45 minutes. A summary of the key components for each option is detailed as follows;
- 8.2.1. Option 1 – maintain current timetable (40 minute frequency)
- Requires two drivers and two additional vehicles
 - Retains existing timetables for customers
 - Perverse outcomes for drivers – less work hours and significant increase in split shifts
 - Retains existing peak-time service unreliability i.e. late running
 - Achieves 73% compliance with break schedules as per the MOU agreed principles.
 - **Gross ongoing cost \$124,405.00 per year (local share \$60,958.00)**
- 8.2.2. Sub-option 1A
- As per Option 1 and,
 - Includes improvements to Massey services as outlined in sections 8.3.2 to 8.3.3.
 - **Gross ongoing cost per year \$107,392 (local share \$52,622.00)**
- 8.2.3. Option 2 - alternative timetable (45 minute frequency), **recommended option**
- No additional resources required
 - New timetables for customers
 - Provides the same number of services as the current timetable, resulting in a slight increase in the hours of operation
 - Minimal effects on work hours and shift for drivers
 - Improved peak time service reliability as timetables is able to better absorb delays to individual services and limiting the flow on impacts of delays
 - Achieves 81% compliance with break schedules as per the MOU agreed principles
 - Includes improvements to Massey bus services as outlined in sections 8.3.1 to 8.3.3.
 - **Gross ongoing cost per year \$73,562.00 (local share \$36,045.00)**
- 8.2.4. Sub-option 2A
- As per Option 2 and
 - one less trip per route being operated Monday to Saturday
 - **Gross ongoing savings per year -\$12,019.20 (local share -\$5,889.00)**
- 8.3. As changes to driver rosters are required under all of the above options it has provided the opportunity to review the Massey timetables alongside the urban timetable. While this was mainly focused towards ensuring continued connectivity with the urban network for the alternate timetable, it also enables some improvements to be made. These improvements are small in scale and do not affect the Palmerston North services review, which is currently underway.
- 8.3.1. Massey services currently operates to three separate timetables (semester, non-semester/ mid semester break and the summer semester), which is confusing for customers.

To improve service legibility and operation it is proposed the services are simplified to two timetables (semester and non-semester).

- 8.3.2. Massey services have historically been viewed as variations of the city to Massey or IPU services. This has resulted in complex and confusing naming conventions ie. 12A/14. Most of these services follow distinct routes and should be considered separately rather than as sub-sets of a few named routes. To improve legibility of the services, it is recommended route names and route numbers are changed to make it easier for the user to understand.
- 8.3.3. The Massey timetable has a number of inefficient services that no longer achieve what they were intended for. Since Massey started moving away from the Hokowhitu Campus, demand for this detour has dropped, however we still maintain a number of services to this campus. Similarly, since the adoption of the new Summerhill route it has resulted in a number of underutilised trips being operated due to duplication of services. The ERAA changes provides the opportunity to address some of these inefficiencies and results in a slight reduction in operational costs of the services.
- 8.4. A more detailed breakdown of the cost for the different options are available in Annex A.
- 8.5. The above options were presented to the **Passenger Transport Committee (PTC)** members at a workshop on the 18 August 2020, and the **Palmerston North Bus Review Governance Group (PNGG)** on 7 September 2020. The PTC and PNGG recommendations and associated cost are discussed in the following section of this item.

9. RECOMMENDATIONS AND ASSOCIATED COSTS

- 9.1. In determining their recommendations, the members of the PTC and PNGG considered the following factors; compliance with rest and meal break requirements, the cost, the impact on bus drivers, and the impacts on customers.
- 9.2. Having considered these factors, the PTC and PNGG both recommend **Option 2 - alternative timetable** as the best way to implement the ERAA rest and meals break requirements without significantly compromising on the existing level of service for customers and delivering the best outcome for the drivers.
- 9.3. The operating costs for this option in the Financial Year 2020-21 is \$49,041.00 (local share \$24,030.00), assuming implementation of the changes occur in November 2020 (8 months of operation).
- 9.4. In addition to the operating cost the option requires a one off cost of \$16,102.00 (local share \$7,890.00) for new timetables and marketing of the changes to the public.
- 9.5. Total cost to implement and operate the recommended option in the Financial Year 2020-21 is \$65,143.00 (local share, \$31,920.00), and annually thereafter is \$73,562.00 (local share, \$36,045.00) plus inflation.

10. CONSULTATION

- 10.1. There is no consultation required for this item.

11. NEXT STEPS

- 11.1. Should the council approve the recommendations presented in this item, Horizons will work on finalising timetables changes in line with the recommended option set out in this report. Part of the work will include producing a new set of timetables to be distributed to the general public. We will also conduct a thorough marketing and communications process to notify the public of the planned changes prior to implementation. We will work to ensure that the change in the timetables will result in the least disruption as possible to customers.

12. SIGNIFICANCE

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

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ANNEXES

A ERAA Implementation Costs