



AGENDA

PASSENGER TRANSPORT COMMITTEE

Thursday, 17 March 2011 at 10.00am

Notice is given of a meeting of Horizons Regional Council to be held on
Thursday 17 March, 2011 at 10.00am in the Tararua Room,
Horizons Regional Council offices,
11-15 Victoria Avenue, Palmerston North

Business to be discussed includes:

- Review of Levin Urban Bus Service
- Review of Wanganui Urban Bus Services

**RECOMMENDATIONS IN REPORTS ARE NOT
COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**

NEWS EMBARGO

Items in this agenda may be subject to amendment or withdrawal at the meeting. Items are embargoed until two days before the date of the meeting.

Reporters who do not attend the meetings should seek confirmation of the agenda material or proceedings from the Chief Executive prior to any media reports.

for further information regarding this agenda, please contact:
Julie Kennedy, 06 9522 800

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SERVICE CENTRES	Kairanga Cnr Rongotea & Kairanga-Bunnythorpe Rds, Palmerston North	Marton Hammond Street	Taumarunui 34 Maata Street	Woodville Cnr Vogel (SH2) & Tay Sts
REGIONAL HOUSES	Palmerston North 11-15 Victoria Avenue	Wanganui 181 Guyton Street		
DEPOTS	Levin 11 Bruce Road	Taihape Torere Road Ohotu		
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PASSENGER TRANSPORT COMMITTEE MEMBERS

Cr Vern Chettleburgh QSM ED (Chair) Mayor Brendan Duffy (Horowhenua District Council)
Cr C Sheldon Cr A Anderson QSM JP (Wanganui District Council)
Cr G Cox Cr B Wilson (Palmerston North City Council)

AGENDA

17 March 2011
10.00am

PART ONE

Page No

1. Apologies
2. Public Speaking Rights
Notification to speak is required by 4pm on the working day prior to the meeting. Further information is available on www.horizons.govt.nz or by phoning 0508 800 800
3. Late Items:
To consider, and if thought fit, to pass a resolution to permit the Committee to consider any further items 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, 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.
4. 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.
5. Minutes of the Meeting held on 10 February 2011 1 - 4
6. Review of Levin Urban Bus Service 5 - 8
Report No: 11-39
File No: TPP 2 01
7. Review of Wanganui Urban Bus Services 9 - 16
Report No: 11-40
File No: TPP 2 07
8. Members' Questions

PART TWO - PUBLIC EXCLUDED SECTION

The public is to 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 is as follows:

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX1 Minutes of meeting held on 10 February 2011 <i>Pgs 17 - 18</i>	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.

M J McCartney
CHIEF EXECUTIVE



Minutes of the first meeting, eighth triennium, of the Passenger Transport Committee of Horizons Regional Council held in the Tararua Room, Regional House, 11-15 Victoria Avenue, Palmerston North at 10.09am on Thursday, 10 February 2011.

PRESENT Crs VJF Chettleburgh QSM ED (Chair), C Sheldon, and B Wilson.

IN ATTENDANCE Manager Transport Services Ms A Redgrave
Committee Secretary Mrs JA Kennedy

ALSO PRESENT Ms K Lowe (Transport Planner), Mr W Wallace (Transport Planner), Mr F MacDonald, Mr B Meinder (Deputation), and Mr J Beard (member of the public).

APOLOGIES

Apologies were received from Cr Anderson, Cr Stevens, (Wanganui District Council), and Mayor Duffy (Horowhenua District Council).

PT 11-01

Moved

Wilson/Sheldon

that apologies be received from Crs Anderson and Stevens, and Mayor Duffy.

CARRIED

LATE ITEMS

There were no late items.

MEMBERS' CONFLICTS OF INTEREST

There were no conflicts of interest.

DEPUTATION

Mr MacDonald had requested and been granted deputation rights. The Chairman welcomed Mr MacDonald. Mr MacDonald outlined to Members the history of the Otaki Road Safety Group of which he was a member. He raised concerns about what he described as a reduction of transport services between Otaki and Palmerston North, in particular, transportation from Otaki to Palmerston North Hospital for health services.

Members considered Mr MacDonald's submission and asked questions of clarification. Mr MacDonald was thanked for his enthusiasm and time for presenting to the Committee.

PT 11-02**Moved****Chettleburgh/Wilson**

that the Passenger Transport Committee:

- a. **refers** the recommendation from Mr MacDonald's submission - "recommends that a Transport Forum be held to discuss and facilitate various transport initiatives and opportunities".- to the Transport staff for consideration and to report back to a future meeting.

CARRIED**PUBLIC TRANSPORT UPDATE***Report No. 11-12*

This item updated the Committee on public transport activities for the period 1 July 2010 to 31 December 2010.

Ms Lowe, Transport Planner (TP) expanded on items of note in the report and was available to answer questions of clarification about SuperGold Card usage and funding. Concern was expressed at the reduced timetable to services on the Levin urban service. The TP advised that the service was presently under review and a decision on the future of the services would be sought at a special meeting to be held in March 2011.

PT 11-03**Moved****Chettleburgh/Sheldon**

that the Passenger Transport Committee:

- a. **receives** the six month report on subsidised passenger services in the Region.

CARRIED**TOTAL MOBILITY AND CONCESSIONARY FARE SCHEME UPDATE***Report No. 11-13*

This report: Provided Members with background information on the Total Mobility scheme; Informed Members of the cost and patronage of Total Mobility and some concessionary fare schemes in the six months to December 2010; Updated Members on current developments in Total Mobility.

Ms Redgrave, Manager Transport Services (MTS) introduced the report and noted that Ms Patton, Total Mobility Coordinator was absent due to illness. The MTS drew Members' attention to the Land Transport Rule: Operator Licensing Amendment (NO 2) 2010 and explained the two main components of the amendment. She noted that Horizons Regional Council had submitted their concerns to the proposed amendment rule and as yet had not received any further information as a result of the submission. The MTS referred to a review undertaken on the current maximum total mobility subsidy for Levin. The result of the review recommended that the maximum subsidy be increased from \$5 to \$10. She then referred to the New Zealand Transport Agency (NZTA) discussion paper on total mobility funding issues. She explained the two options indicated by NZTA and asked for the Committee's approval to respond in favour of Option 1. Members fully discussed the report and to ensure clarity asked questions of clarification about recommendations (b) and (c).

PT 11-04**Moved****Sheldon/Wilson**

that the Passenger Transport Committee:

- a. **receives** the report on six month results for the Total Mobility scheme and some concessionary fare schemes in the Manawatu-Wanganui region;
- b. **approves** an increase in the maximum subsidy in Levin from \$5 to \$10; and
- c. **instructs** the Chief Executive to prepare a response to the New Zealand Transport Agency's letter of 17 December 2010 supporting Option 1 for Total Mobility funding:

Option 1: Retain the status quo. Horizons currently receives funding of between 50% and 60% on all taxi trips taken, as well as 100% for all the wheelchair hoist payments.

CARRIED**REVIEW OF WANGANUI URBAN BUS SERVICE**

Report No. 11-14

This report was to update Members on progress with the review of the Wanganui urban bus service.

Mr Wallace, Transport Planner (TP) expanded on some of the key issues raised through public consultation and through liaison with Wanganui District Council and Transit Coachlines regarding the service. He referred to a map of the Traffic Bypass Route of the draft Wanganui Urban Transportation Strategy to indicate several areas for improvements to service facilities, eg. preferred location for the bus terminal, bus routes, and bus stops. Potential changes to several services to improve Saturday travel to and from the central business district were also being considered. A final decision on the revised bus service contract would be made at a special Committee meeting to be held in March 2011. Members considered the report and provided their views on the suggested improvements for the overall Wanganui urban bus service.

PT 11-05**Moved****Chettleburgh/Wilson**

that the Passenger Transport Committee:

- a. **receives** the update into the review of the Wanganui urban bus services;
- b. **resolves** to hold a special meeting in late March 2011 to consider the findings of the Wanganui Urban Bus Service review.

CARRIED**REGIONAL PUBLIC TRANSPORT PLAN REVIEW UPDATE**

Report No. 11-16

This item updated Members on progress with the review of the Regional Public Transport Plan (RPTP).

Ms Lowe, Transport Planner (TP) briefed Members on the consultation phase undertaken late in 2010 with key public transport stakeholders, meetings with established community forums, and meetings with district/city council officers. Staff were currently working on the policies for the draft RPTP and it was intended to workshop the introductory chapters at a special meeting to be held in March 2011.

PT 11-06 **Moved** **Chettleburgh/Sheldon**

that the Passenger Transport Committee:

- a. **receives** the update on the Regional Public Transport Plan review.

CARRIED

PT 11-07 **Moved** **Chettleburgh/Sheldon**

that the public be excluded from the remainder of the Subcommittee 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 is as follows:

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX1 Palmerston North Bus Terminal Project Update <i>Report No. 11-09</i>	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.

CARRIED

The meeting adjourned to the public excluded part of the meeting at 11.26am and resumed at 11.44am.

The meeting closed at 11.45am.

Confirmed

MANAGER TRANSPORT SERVICES

CHAIRMAN

A Significant decision? If Yes	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 6
Date: 17/03/2011
Report No: 11-39
File No: TPP 2 01

REVIEW OF LEVIN URBAN BUS SERVICE

PURPOSE

1. This report is to inform Members of findings of the review of the Levin urban bus service and to make a recommendation on the future of the service.

FINANCIAL IMPACT

2. The cost for this service has been accounted for in the 2010-11 Annual Plan.

BACKGROUND

3. The Levin urban bus service currently operates on Thursdays in the eastern half of Levin. The service operates two loops with both loops terminating at the Levin Mall car park.
4. The service was initially trialled in 2002 for a three-year period and included four routes covering all of Levin. These routes operated three times daily, every weekday. The service achieved a 25% revenue recovery rate.
5. Following this trial, from May 2005 to September 2007 the service was reduced to three routes (two eastern loops and a western loop) operating four days a week. During this period the service achieved a 20% revenue recovery rate.
6. In June 2007, a Transport Needs Assessment for the Horowhenua was undertaken by Horizons. This discussed a number of options for improving the Levin round town services including the possibility of community-based solution such as building upon the Levin Community Services Van.
7. The Transport Needs Assessment however recommended reducing the round town service to the two eastern loops and replacing the western loop service with a 'Dial a Ride' service. The remaining services would operate on Tuesdays and Thursdays only.
8. From September 2007 to November 2008, the services were reduced to that recommended in the Transport Needs Assessment. During this period the services continued to decline in patronage and achieved only a 14% revenue recovery rate.
9. Because of the falling patronage and revenue recovery, when the new contract took effect from November 2008, a smaller vehicle was used in an effort to reduce the overall cost of the service. However, this resulted in a number of complaints from users who experienced trouble boarding and alighting the smaller vehicle.
10. At the last review in January 2010, the service was scaled back to Thursdays only with the removal of Tuesday services. The vehicle used for the service was also increased in size in response to the issues experienced with the smaller vehicle.
11. The adult fare was also increased from \$1.50 to \$2.00 in an attempt to increase the revenue recovery rate of the service.

12. A new daily gross rate of \$174.75 (ex GST) was negotiated with Madge Coachlines in response to these changes.

REVIEW OF SERVICE

13. In the 12 months since January 2010 the service has carried 953 passengers. In the previous 12 months (January 2009 – December 2009) the service carried 1627 passengers. However as the service has effectively been halved this represents less than a 50% decline in patronage which would be anticipated. Furthermore the increase in fares could also have meant a further loss of patronage, which has not happened.
14. In the 12 months since January 2010 revenue recovery is 14.3%, still well below that of the rate recommended in the Regional Passenger Transport Plan (RPTP). However, the rate has risen from the previous 12 months, which was 11.2%. SuperGold card revenue has accounted for over half the service's revenue over the previous 12 months. However, from November 2010 the New Zealand Transport Agency (NZTA) has reduced the reimbursement rate from 75% of the full adult fare to 65%, which means that there is a likelihood that revenue recovery will decrease unless patronage increases.
15. Furthermore, it will be a requirement of the new Regional Public Transport Plan (RPTP) to have a Farebox Recovery Policy. The NZTA has signalled that it aims to meet a national revenue recovery of 50% by 2018. To do so all regional councils' farebox policies should identify a target ratio or range, explain why it has been chosen and how it is to be achieved.
16. In Horizons' current RPTP, Policy 8 sets the cost (revenue) recovery to cover 40-60% of the costs of providing the service, unless the benefits of a lower ratio clearly outweigh the extra subsidy costs incurred.
17. In the case of this service, a lower revenue recovery rate may be justified because the users have few other options available to them. At the time of the last review in November 2009 Horizons staff interviewed the users and asked them what options they had if the service were discontinued. Most passengers commented that the service was their only viable means of transport as many do not have friends or family nearby. While many of them were capable of walking into town, bringing home groceries and library books is not feasible for most. Many of the regular users also viewed the bus as their only means of social interaction and without it they would quickly become isolated.
18. Should the bus service be discontinued, the only means of transport for the users would be the local taxi service, operated by Taxis Direct. While a number of the regular users are also Total Mobility users, and would therefore be able to claim a 50% subsidy for each taxi trip, there are many who are not and would have to pay for a full taxi fare.
19. A survey undertaken in 2006 showed that more than half of patrons had no other means of transport and, if discontinued, only a small proportion of users would use taxis because of the cost. This is likely to still be an issue, possibly more so given increases in taxi fares recently.
20. The average Total Mobility voucher subsidy for the 2010-11 year is \$3.44. Given that this is half the cost of the full fare, the average cost of a taxi trip in Levin is about \$7. As a trip into town would involve two taxi trips, an inbound and outbound journey, the total cost would be in the range of \$15. Currently most users of the bus service do not pay anything because of the Supergold card free travel scheme. Therefore the costs of using the taxi to meet the needs of the current bus users would probably be prohibitive and they could become socially isolated.

21. Horizons officers met with Mayor Brendan Duffy, David Clapperton, Manager Strategic and Corporate Services and Cr Colleen Sheldon at Horowhenua District Council (HDC) on February 23 to discuss the future of the service.
22. At this meeting it was suggested that the service be discontinued and that Horizons and HDC officers negotiate with either the Horowhenua Health Shuttle Trust and/or the Levin Community Services Trust to tie in the current service with the services these two Trusts operate.
23. It is likely that Horizons would pay a concession fare for each passenger carried and passengers could make a donation.
24. Further negotiations will be undertaken and will be verbally reported at the meeting.

RECOMMENDATIONS

25. It is recommended that the Council:
 - a. **receives** the report into the review of the Levin urban bus service; and
 - b. **approves** the cancellation of the Levin urban bus service once a suitable community-based transport solution has been reached.

W Wallace
TRANSPORT PLANNER

A Significant decision? If Yes	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 7
Date: 17/03/2011
Report No: 11-40
File No: TPP 2 07

REVIEW OF WANGANUI URBAN BUS SERVICES

PURPOSE

1. This report is to inform Members of the outcome of the review into the Wanganui urban bus services; and
2. To recommend changes to the contract when it is retendered.

FINANCIAL IMPACT

3. Funding for the service has been budgeted for in the draft Annual Plan 2011-12.

BACKGROUND

4. The Wanganui urban bus services are currently operated by Transit Coachlines at an annual net contract price of \$255,810 (GST excl) plus inflation adjustment.
5. The current contract is due to expire in December 2011. The contract was granted a one-year extension in order to take into account the development of the Regional Land Transport Strategy (RLTS), the Wanganui Urban Transportation Strategy (WUTS) and the pre-consultation phases of the Regional Public Transport Plan. Services are generally reviewed in the year prior to re-tendering, to allow any necessary improvements to be included in the new contract.
6. The service currently operates Monday to Saturday on four loop routes covering most of urban Wanganui. Total passengers carried in the 2009-10 year (including The Universal College of Learning (UCOL)) were 136,658. This represents an increase of 1.9% from the previous year.

CONSULTATION

7. Consultation has been undertaken via various methods since the review of the services first began in late 2009. A survey was sent to every household in the Wanganui urban area, via the *River City Press*, in late 2009 asking for feedback on the current services and areas where the services could be improved. By sending the survey to every household it was hoped feedback would be received from non-users as well as users of the service.
8. Feedback was received from 648 completed surveys. The main themes for improving the services from the survey were:
 - Increase the desirability of the services for commuters;
 - A bus stop more convenient to the Hospital;
 - Commuter and / or Saturday services for Springvale / St Johns Hill route;
 - Later evening services, particularly for Friday nights and in summer; and

- Improved Wanganui East services.
9. Almost 40% of respondents had never used the bus services.
 10. Officers also worked closely with the Wanganui District Council throughout the duration of the review. We have sought feedback from a range of District Council staff, have attended the Wanganui Older People's Forum quarterly, and have been closely involved in the development of the draft WUTS through involvement on the Strategy's steering group. A presentation was also made to the Property and Infrastructure Committee at Wanganui District Council. Members discussed and provided feedback on the proposals.
 11. The draft WUTS document is intended to be a 30-year guiding document for the sustainable integrated planning of Wanganui's transport network serving all modes of transport, including public transport. The document links to the RLTS and will link to the Regional Public Transport Plan once developed. A copy of the draft WUTS was attached as an annex to the February Committee agenda.
 12. The key recommendations relating to public transport from the draft WUTS are:
 - Investigate, define and implement direct bus routes for commuters;
 - Collaborate with Horizons Regional Council to identify options for additional funding or subsidy to facilitate a more convenient and user focused passenger transport service;
 - Collaborate with Horizons Regional Council and passenger transport operators to confirm a preferred location of a future transport hub;
 - Investigate use of Demand Responsive Transport to complement the bus routes and services;
 - Liaise with industry to develop and implement an area-wide travel plan for industry in Castlecliff (potentially hospital and others); and
 - Liaise with all schools to develop and implement travel plans for staff and students.
 13. The draft WUTS is due to be adopted by the Wanganui District Council in April 2011.

REVIEW OF SERVICES

14. Council employed Dr Peter Stoeveken, a passenger transport consultant, to take a fresh look at the current Wanganui passenger transport services in late 2009. Dr Stoeveken is well-known for taking a customer focused outlook to passenger transport, i.e. what the user wants from the service. Dr Stoeveken's brief was to examine the current services and recommend any route, timetabling or fare structure improvements that could be made at no or minimal extra cost to Horizons.
15. Dr Stoeveken spent time riding the buses looking at the existing routes and timetable and understanding the layout of the city and the amenities that the routes currently service. Officers also briefed him on some of the issues Horizons would like to solve in reviewing the services, such as the lack of services to Springvale/St Johns Hill, the timing problems with the Wanganui East and Springvale/St Johns Hill service, the weight restrictions on the Dublin Street Bridge and the need to service Wanganui Base Hospital.
16. Dr Stoeveken's recommendations were reported at the February 2010 Committee meeting. In brief he recommended:
 - Creating more direct routes

- Improving peak time frequency to 30 minute headways
 - All services operating between 7am and 6pm
 - Introducing the option of a crosstown service linking Springvale/St Johns Hill with the Aramoho and Castlecliff routes; or
 - Introducing a demand responsive service for the Springvale / St Johns Hill area
17. Horizons has also worked closely with the current operator of the service, Tranzit Coachlines Wanganui, to get their feedback on how the current services operate.
18. Members will recall that as there is little to no extra funding in the Passenger Transport Services work category in the National Land Transport Programme 2009-12, any changes to the services will have to fit within existing budgets. Therefore the review has progressed with a keen eye on making service efficiencies that will lead to a better service.
19. The New Zealand Transport Agency (NZTA) has also made it clear that, with the release of the next Government Policy Statement (GPS) on Land Transport Funding due in June 2011, there is likely to be little or no increase in funding in the Public Transport Services work category. Therefore funding for public transport services is very likely to be capped until mid-2015 at the earliest, as the next GPS will cover the 2012-15 timeframe.
20. This likely funding scenario has been communicated throughout the consultation phase of the review.

RECOMMENDED IMPROVEMENTS TO SERVICES

21. Given the variance between what the community wants for the services and the current funding constraints, it is proposed that any service improvements be staged over time in two distinct phases.
22. The first stage of the improvements will focus on gaining efficiencies and 'easy wins' with the aim to tender a service that will have some improvements but will remain within the existing budget for the service. These improvements will be implemented at the start of the new contract period in December 2011.
23. The second stage of the improvements will be included in the Regional Public Transport Plan with likely implementation depending on when additional funding becomes available. These improvements will focus on improving the frequency of services in the am and pm peaks, improving the service to the Springvale/St Johns Hill area, improving the weekend services and investigating improved services for those working in the expanding Castlecliff industrial area in the Heads Road vicinity.
24. Paragraphs 25 to 51 will expand on the proposed improvements to be made in the first stage of improvements.

REDUCE KILOMETRES TRAVELLED ON ALL SERVICES

25. The current services do a lot of what is termed 'dead running' around the Central Business District (CBD) with very few passengers boarding and alighting the services in this area. Over the course of a year these extra kilometres add up to a significant cost and by reducing them, the cost savings can be used to make improvements elsewhere in the services.
26. For example, both the Springvale/St Johns Hill red and Aramoho purple services begin at Maria Place before heading on a loop past Trafalgar Square before heading up Drews

Avenue and Watt Streets and out onto the rest of the respective runs. The distance travelled is around 1.5 kilometres each, however the distance from the Maria Place terminal and the bus stop on Watt Street would be about 150 metres.

CREATION OF TRAFALGAR SQUARE AS THE MAIN TERMINAL

27. In order to cut out a lot of the 'dead running' around the CBD the location of the terminal becomes critical, as much of this is used to position the buses correctly to enter the Maria Place terminal. Currently a lot of passengers board and alight the services at the Trafalgar Square bus stop and shelter. This is where The Warehouse and a Countdown supermarket are located and are popular locations for many of the current users. This stop is also on one of Wanganui's main arterial routes with good access from all directions.
28. In order to service the current Maria Place Terminal the buses frequently have to use Victoria Avenue. This adds extra distance onto most runs and can also lead to delays in the services as the lower part of Victoria Avenue is angle parking and not ideal for buses to be using. Furthermore, the current trend is for bigger buses which can lead to the buses having difficulties cornering at the Maria Place/Victoria Avenue and Victoria Avenue/Ridgway Street roundabouts.
29. Therefore it is proposed that the Trafalgar Square stop become the main terminal when the new contract takes effect. In order to offset the loss of Maria Place it is also proposed that a bus stop be located on Ridgway Street in the block between St Hill Street and Victoria Avenue.
30. The draft WUTS has also raised the possibility of a bus hub in the vicinity of the CBD to service both urban and long-distance services. While the decision and, ultimately the construction, of a hub is some years away the relocation of the terminal to Trafalgar Square will not affect this in any way as the Maria Place Terminal is not one of the locations proposed by Opus Consultants in its WUTS Options Report, which forms part of the background material for the draft Strategy.

ADDITIONAL SATURDAY SERVICES

31. A number of comments were made about the lack of Saturday services particularly the timing of the Wanganui East services being too late for Saturday morning shopping and the total lack of services for Springvale / St Johns Hill.
32. Therefore it is proposed that there be some changes to the Saturday services. The most significant change is combining the Aramoho and Springvale / St Johns Hill service to form one route on a Saturday. While the full loop will be considerably longer than at present, the service is largely unchanged for Aramoho residents and at least provides some service for Springvale St John.
33. Should Springvale/St Johns Hill have a stand alone service on Saturdays there would need to be an additional bus put into service which would potentially push the cost over current budgets.
34. This service would operate three times on Saturdays as per the Saturday timetable shown below.
35. Other changes would be an increase from three to four Castlecliff services on Saturdays and altering the Wanganui East services so that passengers can access Saturday shopping.

36. The Saturday services would also commence at 8.00 am with a Castlecliff service whereas currently the first service is a 9.30 am Aramoho service. The last service in the proposed timetable is the 3.10 pm Castlecliff which is over an hour earlier than the current 4.30 pm Castlecliff. However if demand warrants a later bus could be reinstated for Castlecliff at little additional cost.
37. Overall there would be one additional service to the current timetable however by combining the Aramoho and Springvale/St Johns Hill services all routes are in service on Saturdays. Future additional Saturday services will be included in the Regional Public Transport Plan for potential implementation.

PROPOSED SATURDAY TIMETABLE

Castlecliff

City	Route	Via	Karaka St	Via	City
8.00	2	Blue Route	8.25	Pink Route	8.50
10.35	2	Blue Route	11.25	Pink Route	11.25
13.10	1	Pink Route	13.35	Blue Route	14.00
15.10	1	Pink Route	15.25	Blue Route	16.00

Wanganui East

City	Route	Via	Easttown Rd	Via	City
8.50	7	Brown Route	9.05	Green Route	9.25
11.25	7	Brown Route	11.4	Green Route	12

Aramoho / Springvale / St Johns

City	Route	Via	Peaks Rd	Via	Somme Pd	Via	City
9.25	3	Yellow Route	9.45	Red Route	10.05	Orange Route	10.30
12.00	3	Yellow Route	12.20	Red Route	12.45	Orange Route	13.10
			Somme Pd		Peaks Rd		
14.00		Orange	14.05	Red Route	14.25	Yellow Route	15.10

SERVICE TO THE HOSPITAL

38. The current Castlecliff blue route runs approximately 200 metres to the Hospital entrance on Heads Road, however for many people this is a long walk, particularly the elderly, the infirm and when it is raining. Feedback from the community has been strong in regards to having a more accessible bus stop to the Hospital.
39. Therefore it is proposed that the Castlecliff blue route be adjusted so that instead of the bus route going along Carlton Avenue it travels along Heads Road besides the Hospital, turns up Gonville Avenue and returns to the current route on Tawa Street. While it is recognised that there will be a loss of service to those residents on May Street, Alma Road and Rata Street, the Hospital is a major destination for users of the service so it needs to be as accessible as possible.

40. While there is no intention currently for the bus to enter the hospital grounds the proposed bus stops would be located close to the current pedestrian crossing adjacent to the main entrance on Heads Road.

BUS ROUTES ON UPPER VICTORIA AVENUE

41. All routes currently travel via Wicksteed Street rather than a more direct route via Victoria Avenue, the main street through the CBD. The reason the services currently use Wicksteed Street is that there are some medical specialists on the street and UCOL used to have its main campus there. UCOL has since moved most of its operations to its new Rutland Street campus.
42. However Wicksteed Street has a number of speed humps and either give way or stop signs. This slows down the buses considerably. Therefore, it is recommended that the services travel via Victoria Avenue west of Ingestre Street. The Wanganui District Council has given approval in principle to this change subject to consultation with affected landowners. Those accessing medical specialists would have a short walk between Victoria Ave and Wicksteed St.

CHANGES TO WANGANUI EAST SERVICE

43. The Wanganui East service currently uses the Dublin Street bridge on the green route and travels around the western side of the river in an area already serviced by the Aramoho route. This part of the route picks up very few passengers and it is therefore recommended that this part of the service is terminated. The services would only use the City bridge from now on.
44. This would also solve the current weight restriction dilemma on the Dublin Street bridge should the services ever use heavier buses than are currently in use on the Wanganui East route.
45. Furthermore the current timetable has a 2 hour 20 minute gap between 11 am and 1.20 pm and many respondents to the survey felt that a midday service should be reinstated. However as an additional bus would be required to run this service the cost of providing it may be too high. Therefore we propose to tender the services with an option for two price proposals, a price including a midday Wanganui East service and one without. Should the price for the inclusion of a midday Wanganui East service fit within the budgeted cost then this service will be reinstated.

FREE TRANSFERS

46. To make the services more attractive for users it is recommended that free transfers be introduced for an hour after purchase of the original ticket. This would enable users, to transfer free of charge from one city service to another. Currently users have to purchase a transfer ticket which is 50% more than the current cash fare across all fare types.
47. Palmerston North users have been able to do this since September 2008. There has been good growth in patronage in Palmerston North since the introduction of free transfers.
48. Introducing free transfers would be beneficial for those non-Castlecliff users who travel to the Hospital frequently and also for those Wanganui East residents who will no longer have direct access for the supermarkets at the upper end of Victoria Avenue, as they will be able to transfer to one of the services going through this precinct.

COMBINING URBAN CONTRACT WITH CASTLECLIFF SCHOOL SERVICES CONTRACT

49. Currently Horizons separately contracts school bus services for Castlecliff school students to transport them to Wanganui Girls College, Wanganui High School, Wanganui City College, Cullinane College and Rutherford Intermediate. In effect, these services act as overload services for the Castlecliff urban service.
50. This contract is currently held by Transit Coachlines Wanganui and is for a three-year period.
51. By combining the two contracts there may be a chance to gain some efficiencies. For instance, a longer contract period may reduce costs in the long run. However one proposal to be implemented in the new contract is combining the 7.30 am Aramoho service with the Rutherford Intermediate bus. This will save a separate school bus being used for the Rutherford service in the morning.

CONTRACT TYPE

52. There are two main contract types for bus services, net and gross.
53. Under a net contract, the operator retains the fare revenue from the service and tenders a price based on the shortfall between the cost of operating the service and the revenue received. Any increase in revenue above what was predicted benefits the operator. A net contract can be a good incentive to provide quality customer service.
54. Under a gross contract, the operator tenders the full operating cost of the service and revenue from passenger fares is credited to the regional council. Any increase in revenue benefits the council.
55. It is possible that we will need to bring a proposal for fare increases on passenger services in the Horizons region to the May 2011 meeting of this committee. Fares on the Palmerston North and Wanganui services have not been increased for some time, as it was desirable to improve the difference between the cost of bus fares and the cost of driving.
56. However the NZTA is now requiring regional councils to contribute to an overall improvement in the level of fare recovery on bus services in New Zealand. In order to contribute to this, a fare increase may be required. Further analysis of fare levels and the effects of an increase on bus patronage is still to be undertaken, and a discussion paper and recommendation will be brought to the May meeting of this committee.
57. In light of the potential fare increase, we suggest that a gross contract should be used for the Wanganui bus service. The effect of fare increases on future patronage is hard to predict and this makes it difficult for operators to prepare net bids. This means the regional council would take the risk for any drop in patronage resulting from fare increases, but would also benefit as numbers grow through service improvements. Additional payments can always be built into the contract to provide the operator with an incentive to try to increase patronage through providing a top quality service.

ESTIMATED COST OF THE PROPOSED SERVICE

58. The proposed service improvements result in a saving in bus kilometres overall. We therefore do not anticipate that the proposed service will cost more than the current service, even with the additional services we have proposed. Provision has been made for this cost in the Annual Plan 2011-12.

SUMMARY OF PROPOSED CHANGES

59. In summary, the proposed changes are:

- Reduce 'dead running' around the CBD
- Change main terminal to Trafalgar Square
- Additional Saturday services for Springvale/St Johns Hill and Castlecliff
- Castlecliff service to go via Hospital
- Change routes from Wicksteed Street to Victoria Avenue
- Changes to Wanganui East service
- Free transfers
- Combine Castlecliff School contract with urban services contract

TENDER PROCESS

60. Once the Committee has agreed to the proposed changes and resolved to let the contract for tender, the process will be as follows:

- Before 1 June 2011 – Request for Tender (RFT) documents released
- Minimum of four weeks for tender process, but aim for 5-6 weeks – RFT closes mid-July 2011
- Mid-August 2011 – Tenders evaluated and contract awarded
- 5 December 2011 – New contract begins

RECOMMENDATIONS

61. That the Committee recommends that Council:

- a. **receives** the report into the review of the Wanganui urban services contract;
- b. **approves** changes to the Wanganui urban services contract as proposed in the item; and
- c. **approves** the tendering of Wanganui urban services contract.



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