

# **AGENDA**

## **PASSENGER TRANSPORT SUBCOMMITTEE**

**Tuesday  
18 NOVEMBER 2008**

for further information regarding this agenda, please contact:  
Julie Kennedy, 06 952 2800

<b>CONTACT</b>	<b>24hr Freephone 0508 800 800</b>	<b>help@horizons.govt.nz</b>	<b>www.horizons.govt.nz</b>
<b>SERVICE CENTRES</b>	<b>Kairanga</b> Cnr Rongotea & Kairanga-Bunnythorpe Rds Palmerston North  <b>Marton</b> Hammond Street  <b>Taumarunui</b> 34 Maata Street  <b>Woodville</b> Cnr Vogel (SH2) & Tay Sts	<b>REGIONAL HOUSES</b>	<b>DEPOTS</b>
		<b>Palmerston North</b> 11-15 Victoria Avenue  <b>Wanganui</b> 181 Guyton Street	<b>Levin</b> 11 Bruce Road  <b>Taihape</b> Torere Road Ohotu

**POSTAL ADDRESS**

Horizons Regional Council, Private Bag 11025, Manawatu Mail Centre, Palmerston North 4442 | F 06 9522 929



Notice is given that a meeting of Horizons Regional Council will be held at 1.00pm on Tuesday, 18 November 2008 in the Missoula Room, Palmerston North City Council, 32 The Square, Palmerston North.

## ORDER PAPER

### Passenger Transport Subcommittee

### Agenda Pages

1.00pm Tuesday, 18 November

1 - 100

**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.





## PASSENGER TRANSPORT SUBCOMMITTEE MEMBERS

Cr Vern Chettleburgh QSM ED (Chair)  
Cr L Bailey  
Cr B Walker

Cr D Colling (Horowhenua District Council)  
Cr A Anderson (Wanganui District Council)  
Cr B Wilson (Palmerston North City Council)

### AGENDA

**18 November 2008**  
**1.00pm**

#### PART ONE

#### Page No

1. Apologies
2. Public Speaking Rights
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 25 August 2008 1 - 6
6. Review of Linton/Massey Late Night Service 7 - 10  
*Report No: 08-202*  
*File No: TPP 2 03 / GRP 3 06*
7. Review of Ashhurst Service 11 - 14  
*Report No: 08-204*  
*File No: TPP 2 03 / GRP 3 06*
8. Palmerston North Service Review 15 - 22  
*Report No: 08-203 (Incl. Annex A)*  
*File No: TPP 2 03 / GRP 3 06*

9. Government Policy Statement Targets for the Region  
*Report No: 08-206*  
*File No: TPP 1 01 / GRP 3 06*

23 - 24

10. 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 Confirmation of Minutes of 25 August 2008  <b><i>Pgs 25 - 28</i></b>	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.
PX2 Palmerston North Bus Terminal Update <i>Report No. 08-205</i> <i>(Incl. Annex A)</i>  <b><i>Pgs 29 - 100</i></b>	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 fourth meeting, seventh triennium, of the Passenger Transport Subcommittee of Horizons Regional Council held in Committee Room 1 of the Palmerston North City Council offices, The Square, Palmerston North at 10.07am on Monday, 25 August 2008.

**PRESENT** Crs V Chettleburgh (Chair), L Bailey, D Colling, and B Wilson.

**IN ATTENDANCE** Manager Transport Services Mrs A Redgrave  
Committee Secretary Ms K Booth

**ALSO PRESENT** Mrs C Stevens (Transport Officer), Cr R Vinsen (Wanganui District Council), and a member of the Press.

#### **APOLOGIES**

**PT 08-33** *Moved* **Chettleburgh/Wilson**

*that the Subcommittee accepts the apology of Cr A Anderson.*

**CARRIED**

Apologies were also noted from Crs Plowman and White, and Ms K Lowe (Transport Planner) and Ms V Patton (Total Mobility Coordinator).

The Chair welcomed Cr Rob Vinsen to the meeting as the alternate to Cr A Anderson who was unable to attend. It was noted that Cr Vinsen was unable to vote at the meeting as a formal written notification had not yet been received that he represented Wanganui District Council.

Mrs Redgrave (Manager Transport Services (MTS)) distributed an updated copy of a report to be discussed in Public Excluded, entitled "Levin Urban Services", which now contained details of the recent tender.

#### **CONFLICT OF INTEREST**

Cr Colling noted that he was the Chair of the Horowhenua Health Shuttle Committee, should discussions arise on that matter. There were no other conflicts of interest noted.

#### **MINUTES OF PREVIOUS MEETING**

**PT 08-34** *Moved* **Colling/Bailey**

*that the minutes of the Passenger Transport Subcommittee meeting held on 20 May 2008, as circulated, be received and confirmed as a correct record.*

**CARRIED**

In response to Cr Vinsen's request for an update on the Durie Hill Elevator service, Mrs Redgrave advised she was waiting for information from Wanganui District Council before proceeding further.

## **PUBLIC TRANSPORT MANAGEMENT BILL**

*Report No. 08-142*

This report updated Members on the outcome of select committee hearings on the Public Transport Management Bill. The MTS was pleased to note that some changes recommended through the submissions process, had been incorporated. Cr Colling spoke very positively about the submission to the Transport and Industrial Relations Select Committee.

**PT 08-35**

**Moved**

**Chettleburgh/Bailey**

*that the Subcommittee recommends that the Regional Transport Committee:*

- a. **receives** the update on the Public Transport Management Bill and its implications for the transport sector and the Region.

**CARRIED**

## **REVIEW OF PASSENGER TRANSPORT ACTIVITIES FOR 2007-08**

*Report No. 08-141*

This report informed the Subcommittee about the performance of subsidised services in 2007-08. Mrs Stevens (Transport Officer (TO)) spoke to the report, and referred to the overall success of the free bus travel promotions held in the various districts throughout the year. She also noted the increased price of petrol had generally had a positive impact on passenger numbers.

Members discussed the report and the MTS and TO clarified Members' questions in regard to the Levin commuter service, the bus services operating in Foxton and Foxton Beach, and the decrease in revenue recovery on the Ashhurst bus service. The MTS explained about the current policy that applied for revenue recovery and Members discussed the revenue recovery rates for the commuter services referred to in the report. Cr Colling updated Members on activities of the Health Shuttle in regard to the Levin services.

In regard to the tender for the Feilding to Palmerston North service, the Chair suggested a small committee meet to consider and decide on the tender after it closed on 24 September 2008. This would comprise the Chair, Deputy Chair and two staff members.

**PT 08-36**

**Moved**

**Chettleburgh/Colling**

*that the Chair and Deputy Chair of the Passenger Transport Subcommittee and two Horizons' staff members comprise a committee to consider and decide on the Feilding to Palmerston North bus service tender.*

**CARRIED**

Members then discussed the Total Mobility section of the report, with explanations and clarification provided by the MTS. Cr Colling also clarified questions in regard to the Horowhenua Health Shuttle. The MTS undertook to find out whether the instigation of the

Health Shuttle service between Levin and Palmerston North had lessened the number of people who, in the past, did not attend appointments because of difficulty getting to and from the hospital. The MTS responded to questions about the possibility of a bus service between Wanganui and Palmerston North that could also incorporate Palmerston North hospital visits if required.

**PT 08-37**

**Moved**

**Chettleburgh/Bailey**

*that the Subcommittee recommends that the Regional Transport Committee:*

- a. ***receives** the results of subsidised passenger transport services in the Region.*

**CARRIED**

## **PALMERSTON NORTH URBAN SERVICES REVIEW PHASE II**

*Report No. 08-148*

This report sought Members' approval for the recommendations of Phase II of the Palmerston North Urban Bus Service review. The MTS spoke to the report and referred Members to the common themes that had emerged from the survey feedback.

There was discussion about providing a bus service to/from Palmerston North airport, either by diverting the Feilding to Palmerston North service (or other suitable service), or using a commercial bus service provider who was prepared to deviate to the airport, probably on a pre-booked basis. It was noted that Massey University arranged shuttle services to meet all flights during the weeks when extramural students were on campus.

In response to questions about the implementation of SuperGold Card Free Travel, the MTS advised that although the start date for the scheme would be 1 October 2008, as individual agreements would have to be set up with each region, the New Zealand Transport Agency would prefer that it be introduced to the larger cities in the first instance, followed by other areas. She therefore suggested 1 November 2008 as the implementation date for this Region.

**PT 08-38**

**Moved**

**Colling/Wilson**

*that the Subcommittee **agrees** that the date for the implementation of the SuperGold Card Free Travel scheme will be 1 November 2008 or sooner if possible.*

**CARRIED**

In response to questions, the MTS also spoke of the success of the free bus travel promotion during the July school holidays, and the concept of universal free bus travel as outlined in the Phase II report. She noted that discussions would need to be held with the New Zealand Transport Agency to gauge support for such a concept, before any further investigations could take place. She also noted that Palmerston North City Council (PNCC) had commissioned a report on bus terminals in the City, and that a joint presentation to both PNCC and Horizons would be welcomed.

Cr Wilson referred to paragraph 3.2 of the Phase II report about the structure of the urban routes and believed the current loop system was confusing. He said he would like to see timetable information available at all bus stops.

The MTS referred Members to recommendation (b) which addressed the recommendations from the Phase II report.

**PT 08-39**

**Moved**

**Wilson/Colling**

*that the Subcommittee recommends that the Regional Transport Committee:*

- a. **receives** the Phase II report; and
- b. **approves** the following recommendations as outlined in the Phase II report:
  - (i) Information Provision:
    - a. That improved service information is provided throughout the city with more timetable and route information displayed at stops and shelters;
    - b. That investigation into real time information provision continues; and
    - c. That Horizons Regional Council prepares a marketing and promotions strategy ready for implementation in 2009-10 and makes financial provision for this in its draft Long-term Council Community Plan.
  - (ii) Scheduling Changes
    - a. That further work is undertaken on the two options outlined in 4.1.1 and 4.1.2 of the Phase II Report, with cost and timetable details to be presented to the next meeting of the Passenger Transport Subcommittee in November 2008.
    - b. That an economic evaluation of each proposal should be completed to fully quantify the benefits of proposed changes.
  - (iii) Fernlea Heights
    - a. That the Fernlea Heights service is included in the scheduling changes proposed in b(ii) above, with the level of service for Fernlea Heights increased if and when the preferred option is adopted.
  - (iv) Massey Timetable
    - a. That a simplified timetable is available for distribution to the public before commencement of Semester One in late February/early March 2009.
    - b. That the Massey and Urban timetables are combined into one document once major scheduling changes on the urban services are agreed.
  - (v) Universal Free Access
    - a. That initial discussions are held with the New Zealand Transport Agency and if favourable, detailed investigation and evaluation of the viability of a universal free access scheme is undertaken in 2009.

**CARRIED**

## MEMBERS' QUESTIONS

Cr Vinsen asked about the frequency of bus service reviews, and referred to issues with the bus terminals in Wanganui. The MTS advised the last review for Wanganui was undertaken in 2005 and she undertook to forward him the documentation from that review.

## PUBLIC EXCLUDED

**PT 08-40**

**Moved**

**Bailey/Wilson**

*that the public is to 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 Levin Urban Services <i>Report No. 08-143</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.
PX2 Taihape-Palmerston North / Wanganui Bus Service <i>Report No. 08-144</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.
PX3 Raetihi to Ohakune Bus Service <i>Report No. 08-145</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 11.35am and resumed at 11.54am.

The meeting closed at 11.55am.

Confirmed

---

MANAGER TRANSPORT SERVICES

---

CHAIRMAN



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

**Item No: 6**  
**Date: 18/11/2008**  
**Report No: 08-202**  
**File No: TPP 2 03 / GRP 3 06**

## REVIEW OF LINTON/MASSEY LATE NIGHT SERVICE

### PURPOSE

1. This report is to:
  - a. inform Members that the contract for the Linton/Massey late night services is due to expire at the end of March 2009; and
  - b. decide whether, and in what form, the services should continue.

### FINANCIAL IMPACT

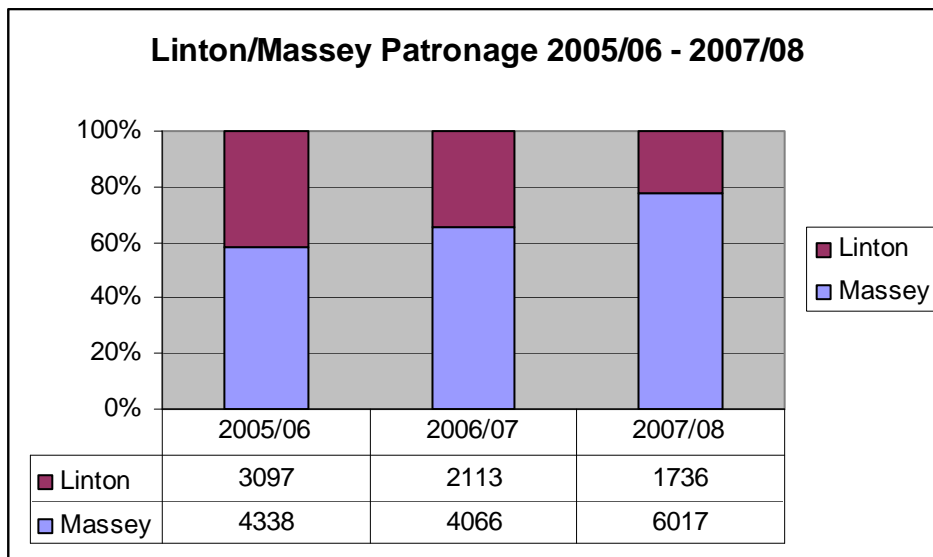
2. Funding for this service has been included in the current Annual Plan and the draft Long-term Council Community Plan (LTCCP) 2009-2019.

### BACKGROUND

3. The Linton/Massey late night service began in 2002 with commuter, shoppers and late night services to and from Linton Military Camp. This service was later combined with a service providing late night free buses for Massey students to and from the hostels on campus, with Massey University funding the local share. The Linton commuter and shoppers services were poorly patronised and were dropped from the service in November 2002.
4. The current contract has late night services to and from Linton on Friday and Saturday nights and to and from the Massey hostels on Thursday and Saturday nights (during term time only). The service is currently operated by Tranzit Travel Ltd.
5. The total cost of the service in 2007-08 was \$24,450 (ex GST, before 50% subsidy from the New Zealand Transport Agency), with \$6,620 contributed by Palmerston North ratepayers to the Linton portion of the service and Massey contributing \$5,678.

### MASSEY/LINTON REVIEW

6. The Massey service has achieved considerable growth over the past two years. In 2006-07 the service carried 4,066 passengers; in 2007-08 the service carried 6,017 passengers. That equates to growth of over 45%. It is estimated that patronage for the 2008-09 year will be similar, if not greater, than patronage for 2007-08.
7. The Linton service has showed considerable decline in patronage since the contract was last tendered. Patronage has almost halved from 3,097 passengers in 2005-06 to 1,736 passengers in 2007-08. Whilst the decrease in numbers on this service may be cyclic depending on exercise and operational deployments, there does appear to be a steady decline in annual numbers. The service is almost 100% patronised by defence force personnel posted at the military camp.



8. As part of the review criteria for both services, Horizons has the option of terminating if:
- The Massey service patronage falls below an average of 100 passengers per night over a period of three months.
  - The Linton service if patronage falls below an average of 25 passengers per night over a period of three months.
9. Massey patronage for all of 2007-08 averaged 128 passengers per night, while Linton patronage for all of 2007-08 averaged 17 passengers per night. Therefore, the Linton service does not meet the evaluation criteria as specified in the contract.
10. Therefore based on the evaluation criteria, there is no reason to alter the Massey service and it should be re-tendered as is. After consulting Massey, they are keen to see the continuation of this service and are happy to continue to cover the local share so that the service remains free. They see no reason to make any changes to the current days of service or the timetable.

## **FUTURE SERVICES**

11. As the Linton service does not meet the evaluation criteria in the contract, Horizons can discontinue its funding for this service. However, as the service is extensively used by personnel stationed at the military camp, it is felt by both the Defence Force and officers at Horizons that there is still a need for a late night service for public safety reasons.
12. The Defence Force has provisionally offered (pending approval from the Camp Commander) to cover the local share of the service in order for the late night service to remain. Therefore this service could be re-tendered as per the current contract with no financial implications for Horizons. (As the service is almost exclusively used by defence force personnel this is consistent with Horizons policy that organisations should contribute to the cost of the service if the principal benefit is to its members).

**TRIAL SERVICES**

13. In October 2008, the Defence Force formally requested a re-establishment of the services that were dropped in 2002. The Defence Force feels that with the rise in fuel costs and an acknowledgement that the Defence Force can also positively contribute to environmental issues, that there is a strong surge of support from residents around re-establishing passenger transport services to and from both the military camp and Linton township itself.
14. Lieutenant Colonel Nick Gillard approached officers at Horizons with results of a survey conducted in September 2008. This survey overwhelmingly supported the reestablishment of services to and from the camp and township.
15. While the Defence Force is keen to re-establish both commuter and shopper's services, the reality is that commuter services will need to be offered five days per week while shopper's services can be offered more infrequently and are therefore cheaper to provide.
16. From the results of the survey, the majority of respondents (43%) would use a service one or two days per week, while only 13% would use it five or six days per week. This indicates there is potentially more demand for a shopper's service than a commuter service.
17. From these results it is recommended that a trial service of two days per week (days to be finalised with the Defence Force before tender documents are finalised) for shoppers be reinstated from the beginning of April 2009 on a one year trial.
18. A shopper's service more closely aligns with Policy 1 of Council's Regional Passenger Transport Plan (RPTP) as the benefit to the community would be greater than the late night services currently in operation. Therefore, there is more justification for the Council to subsidise this service than the current late night service.
19. The trial should be tendered as a gross contract for the term of the trial, as per Policy 23 of the RPTP. Should the trial be successful then the service will be "rolled over" into the remainder of the 3-year contract with the other services. Should a second and third year of the service be needed it will then form a net contract.
20. Funding for this trial would be provided by Horizons and the New Zealand Transport Agency (NZTA). However, this would be conditional on NZTA approving the additional funding that would be required to operate the trial. Based on the current contract for the Linton late night service, this would be approximately \$7,500 per annum. It is unlikely that NZTA would not approve this relatively small amount of funding for a trial service.
21. Following approval from this Committee, tender documents will be issued in order for the contract to commence on 1 April 2009.

**RECOMMENDATIONS**

22. It is recommended that the Subcommittee:
- a. **receives** this update on the review of the Massey/Linton passenger service contract;
  - b. **approves** the re-tendering of the current Massey/Linton Late Night Services, with a final decision on the continuation of the service to be made in light of the tender price;
  - c. **agrees** that the New Zealand Defence Force should provide the local share of funding for the Linton late night service; and
  - d. **approves** tendering a two days per week Linton shopper's service on a one-year trial, subject to New Zealand Transport Agency funding.

W Wallace  
**TRANSPORT PLANNER**

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

**Item No: 7**  
**Date: 18/11/2008**  
**Report No: 08-204**  
**File No: TPP 2 03 / GRP 3 06**

## REVIEW OF ASHHURST SERVICE

### PURPOSE

1. This report is to
  - a. inform Members that the contract for the Ashhurst bus service is due to expire in February 2009; and
  - b. decide whether, and in what form, the services should continue.

### FINANCIAL IMPACT

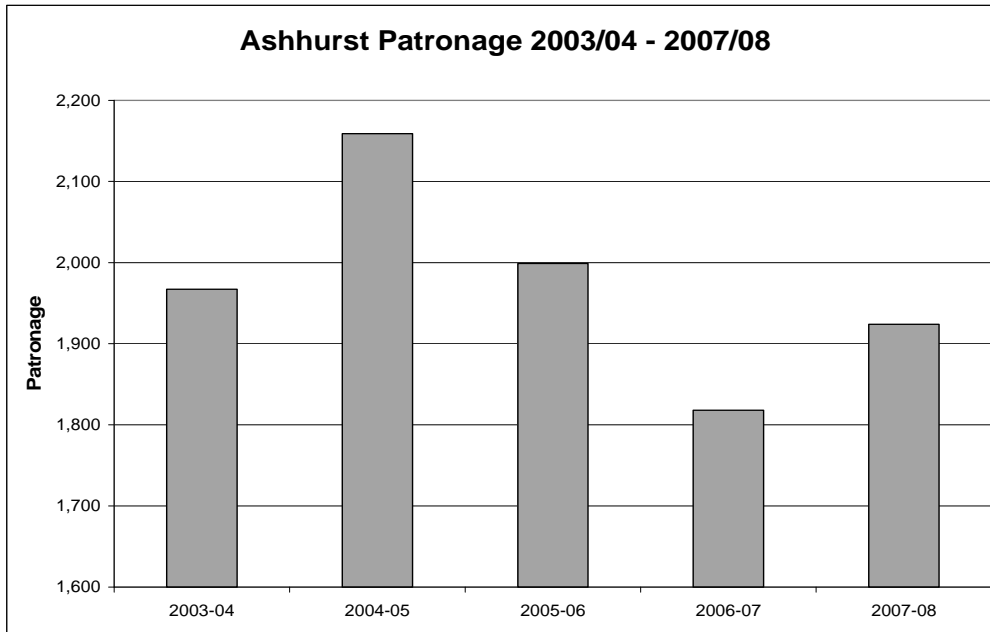
2. Budget provision for the service has been made in the 2008-09 Annual Plan and the draft Long-term Council Community Plan 2009-19.

### BACKGROUND

3. The Ashhurst service currently operates on a net contract three days a week (Tuesdays, Thursdays and Saturdays) as a shopper's service. The current operator of the service is Transit Coachlines Ltd.
4. Transit Coachlines operate the service as part of their Masterton-Palmerston North daily service (six days a week). On the contracted days the service operates a loop around Ashhurst picking up passengers. On the non-contracted (commercial) days the service picks up passengers from the Plunket Rooms only. The fares to and from Ashhurst are the same on the contracted and commercial days - \$3 per adult and \$1.50 per child.
5. In 2007-08 the cost of the service was \$11,413 net (ex GST, before New Zealand Transport Agency subsidy of 50%).

### REVIEW OF SERVICE

6. Patronage for the service (contracted days only) has been steady for the past five years averaging 1973 passengers per year. Patronage for 2007-08 was 1924 boardings. This represents a 6% increase from the previous year.
7. Most of the patronage for 2007-08 has been on Tuesdays and Thursdays. In the 2007-08 year, 88% of all boardings were on Tuesdays and Thursdays.
8. Passenger numbers have also been recorded for the commercial days since April 2007. 166 passengers were recorded using the commercial service in the period April 2007 to June 2008. Therefore it is obvious that the majority of users of the service prefer to use the contracted service, as it provides a more convenient service.
9. For the past three years revenue recovery for the service has been 30%. This is below the revenue recovery ratio of 40% that is stipulated in Council's Regional Passenger Transport Plan (RPTP). However, clause 3.3 of the Service Specifications for this contract state that the Council will only consider terminating the contract should revenue recovery fall below 30%.



10. Breaking down the revenue recovery, and therefore use, of the service by each contracted day shows that the Saturday service is performing well below the desired threshold. The Saturday service is generating only 13% revenue recovery, whereas the Tuesday and Thursday services are both achieving 37% revenue recovery.
11. Policy 1 of the RTP outlines the reasons why Horizons financially support passenger transport services. As there is already an existing commercial service operating on the days the contracted services do not run it is highly unlikely that by continuing to subsidise the Saturday service it would have any significant benefits to the community.
12. Policy 8 of the RTP looks at the cost recovery of services. One way of improving the service's revenue recovery is to raise the fares. However, when raising fares Council needs to be mindful that the fare is set at an appropriate level to maintain existing patronage. Setting the fare too high will potentially reduce patronage and therefore affect revenue.
13. The table below shows revenue recovery rates based on increasing the fares to \$4 and \$5 respectively for adult fares. The current Adult fare is \$3. However, it would be naïve to assume the revenue recovery would be increased by as much as what is shown below as there would potentially be a decline in passengers with a higher fare.

	<b>2007-08 Pax</b>	<b>Adult \$3 Child \$1.50</b>	<b>Adult \$4 Child \$2</b>	<b>Adult \$5 Child \$2.50</b>
Adults	1,522	\$4,566	\$6,088	\$7,610
Children	265	\$397.50	\$530	\$662.50
<b>Total Revenue</b>		<b>\$4,963.50</b>	<b>\$6,618</b>	<b>\$8,272.50</b>
<b>Revenue Recovery</b>		<b>30%</b>	<b>37%</b>	<b>42%</b>

14. Another option would be to reduce the level of service provided. In this case as the Saturday service is performing very poorly it would be the most efficient means of improving the service's revenue recovery. If the Saturday service were discontinued the revenue recovery for 2007-08 would have increased from 30% to 37%.

15. Should the Council discontinue the contracted Saturday service this will not mean there is no Saturday service for Ashhurst as Tranzit still operates their commercial service. The only effect of discontinuing the Saturday service is that there will be no town loop service. After consulting Tranzit, they believe most passengers are picked up from the Plunket Rooms anyway so the dropping of the loop should not affect the overall level of service.
16. Should the Saturday service be discontinued there will be no effect on fares as Tranzit have the same fare schedule across the board on contracted and commercial days.
17. The cost of operating the Saturday service for the 2007-08 financial year was \$3,640.

#### **SURVEY OF COMMUTER DEMAND**

18. During September and October 2008, a survey was included in the local Village Voice community newspaper requesting feedback on the potential demand for a commuter bus service between Ashhurst and Palmerston North.
19. A total of 36 responses were received. 27 responses were from Ashhurst residents with the rest primarily from Pohangina Valley residents.
20. All responses indicated a strong demand for a commuter service however there was a range of travel times indicated by respondents. The preferred travel times in the morning were very spread from 7.30 am to 9.30 am, while the majority of preferred travel times in the evening were more consistently spread between 4.30 pm and 5.30 pm.
21. The majority of respondents indicated their preferred destination to be either the Central Business District (CBD) or Massey University's Turitea campus.
22. When asked about the one-way price they were prepared to pay for the service, most responded with between \$2 and \$4. The current one-way Adult fare for the shopper's service is \$3.
23. There was a range of suggestions or comments made by respondents. The following comments were made by multiple respondents:
  - Has to operate five days a week
  - Circuit system, rather than go through the CBD
  - Subsidised service for students
  - Connections with Massey services
24. Thirty six responses is probably not considered to be a strong enough groundswell of support for a commuter service at this point in time, given that many of these would not use the service every day and have differing requirements for timings. However should there be ongoing demand for a service then further investigation could be programmed at a later date.

## RECOMMENDATIONS

25. It is recommended that the Subcommittee:
- a. **receives** the report on the review of the Ashhurst service;
  - b. **approves** the re-tendering of the Ashhurst service as a Tuesday and Thursday shoppers service only, with a final decision on the continuation of the service to be made in light of the tender price; and
  - c. **agrees** not to proceed with further investigation of a commuter service from Ashhurst at this time.

W Wallace  
**Transport Planner**

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

**Item No: 8**  
**Date: 18/11/2008**  
**Report No: 08-203**  
**File No: TPP 2 03 / GRP 3 06**

## PALMERSTON NORTH SERVICE REVIEW

### PURPOSE

1. This report is to decide on service scheduling options for the Palmerston North bus services.

### FINANCIAL IMPACT

2. Allowance for major improvements to the Palmerston North bus services has been provisionally made in 2009-10 budgets for the Long-term Council Community Plan.

### BACKGROUND

3. A back to basics review of Palmerston North bus services was outlined in the 2006 Regional Passenger Transport Plan for action in 2007-08. The review commenced in late 2007 and a number of recommendations have already been approved for implementation. These are as follows:
  - a. that the Fernlea Heights trial service continue;
  - b. that the 2.55 pm Roslyn-Rhodes service be changed to a Rhodes-Roslyn;
  - c. that further promotion of the Massey services is undertaken;
  - d. that there be an increase in the number of timetable displays at stops and shelters throughout the city and that a marketing and promotions strategy be developed by Horizons for implementation in 2009-10;
  - e. that a simplified version of the Massey timetable is prepared for distribution before commencement of Semester One in 2009 and that the Urban and Massey timetables are combined into one document following scheduling changes to the Urban services; and
  - f. Horizons Regional Council implements the SuperGold Card holder free off peak travel scheme following advice from the New Zealand Transport Agency.
4. This Committee recommended at the August meeting that further work be undertaken on the two scheduling options presented in the Palmerston North Urban Bus Services Phase II Report, with cost, timetable details and an economic evaluation of options to be presented at the November meeting.

### RATIONALE FOR PROPOSED SCHEDULING IMPROVEMENTS

#### Public Feedback

5. Thirty thousand surveys were sent out to urban residences within the Palmerston North city boundary. Over 1,000 responses were received, with 58% of respondents being people who do not currently use passenger transport. Respondents provided information on why they currently do or do not use the services and what would encourage them to utilise the services.

6. The most requested improvement from the passenger surveys was for more frequent services. 32% of the respondents who do not currently use public transport either do not use the services due to lack of frequency or would be encouraged to try the buses if they ran more often. Moving to a more frequent service also allows the development of a timetable with regular clock face departures, making the timetable easier to understand for passengers.

### **Main Street Terminal Congestion, Vehicle Size and Current Scheduling**

7. A number of issues have been identified with the Urban services terminal in Main Street. Since the terminal was designed, the Massey University Unlimited Access Scheme and the Fernlea Heights service have been implemented and the bus upgrade programme has also meant that larger buses are now part of the fleet.
8. The structure of the current timetable means that the terminal is now at capacity and does not provide for a larger, expanded bus network. The current schedule works on a "pulse" system, whereby all buses on the Urban loops come into the terminal and depart again at the same time. This, along with the size of the buses now needed, creates congestion and safety issues in the terminal.
9. Palmerston North City Council (PNCC) has commissioned Parsons Brinckerhoff (PB) Consultants to undertake an investigation into future options for terminal improvements; an update on the progress of this is provided elsewhere in the agenda.
10. The current Urban services timetable allows 35 minutes for each vehicle to complete a loop and drop off and pick up passengers in the Main Street terminal before beginning the next service. There is no provision for layover time upon arrival at the terminal.
11. Some of the Urban routes experience delays during peak times due to traffic, which can affect arrival times and connectivity with other services (particularly Massey routes) meaning that passengers can be inconvenienced by missed connections. As the current service scheduling is so tight, any delays in services have a flow on effect to subsequent services and reduce the quality of the service provided.
12. Passenger numbers, traffic congestion and the size of buses now used therefore all contribute to the need for a new schedule which allows time for a layover function in the terminal, extends the time allowed for each loop to be completed and staggers the arrival and departure times of the urban buses.

### **Regional and National Targets**

13. The Horizons Regional Land Transport Strategy (RLTS) targets an increase in annual passenger transport trips across the Region from 1.03 million in 2004-05 to 1.7 million by 2016.
14. The Ministry of Transport also recently released the New Zealand Transport Strategy (NZTS) and the Government Policy Statement (GPS), documents which outline what the Government wants to achieve in the land transport sector by setting a number of targets. The NZTS sets the direction for the sector until 2040 and contains a number of high level targets, while the GPS has a shorter span to 2018-19 and contains short term targets for the sector to meet.

15. The targets relating to public transport for each document are listed below:

#### **New Zealand Transport Strategy**

- Increase use of public transport to seven percent of all trips by 2040 (i.e. from 111 million boardings in 2006-07 to more than 525 million boardings in 2040).
- Halve per capita greenhouse gas emissions from domestic transport by 2040.
- Reduce the kilometres travelled by single occupancy vehicles, in major urban areas on weekdays, by ten percent per capita by 2015 compared to 2007.

#### **Government Policy Statement**

- Increase patronage on public transport by three percent per year through to 2015.
- Reduce kilometres travelled by single occupancy vehicles, in major urban areas on weekdays, by ten percent per capita by 2015.

16. In order for these targets to be met, the Government has indicated that increased priority will be applied to key components such as increasing the availability and use of public transport, cycling, walking and other shared and active modes. In recent years central and local government have increased the level of funding for public transport and in order to meet the targets will need to continue to prioritise investment, particularly in urban areas, for:

- Public transport services and infrastructure, for example, increased frequency of bus, rail and ferry services, higher quality services, and provision of park and ride facilities;
- Public transport priority measures;
- Other measures such as integrated ticketing and real-time information.

17. The national targets set out in the GPS have been broken down into regional targets and the provisional allocation for the Horizons Region is as follows:

- 3.9% per annum trips per capita increase in public transport catchment areas;
- 46.4 million walking and cycling trips (an increase of 2% on our baseline figure);
- 2,268 km per capita per annum travelled in single occupancy vehicles (a decrease of 4% from our baseline).

18. Palmerston North public transport services grew by 1.3% in 2007-08 over 2006-07. While the 2008-09 year has seen a significant surge in patronage (see Section 6.1) this is likely to level off and further growth may be difficult to achieve, particularly if bus loadings lead to deterioration in the quality of the service.

19. Improvements to the level of service need to be made in order to achieve both the regional and national targets determined by Horizons and the Ministry of Transport on a consistent basis. Based on patronage for 2007-08 of 813,014 passengers in Palmerston North (and assuming that the population remained static at 78,000 approx<sup>1</sup>) patronage would need to be 1,104,000 in 2015-16 to achieve the target (or higher if the population continues to grow).

20. It is clear that this cannot be achieved by external influences alone (such as increasing fuel costs), particularly when increased bus loadings on the current timetable will in fact have a negative effect on service quality and ultimately on patronage.

## Comparison with Other Regions

21. The Horizons Region has been allocated \$2,088,800 in the 2008-09 National Land Transport Programme for bus services in 2008-09. This equates to a per capita spend of \$9. The Bay of Plenty, a region of similar size to the Horizons Region, currently spends \$23 per capita on bus services.
22. Environment Waikato has recently substantially increased the provision of services in Hamilton and this has brought about record passenger growth on its services. In 2007-8 3.5 million passengers used Hamilton bus services, a 133% increase in patronage since 2002-03, when 1.5 million passengers were carried. Almost all of this increase occurred in 2006-07 and 2007-08 after major service improvements were made.
23. Figure 1 below compares bus boardings per capita in major centres and demonstrates that once Environment Waikato increased its investment in passenger transport from 2005-06, it achieved a substantial increase in the number of boardings per capita. (The increase shown in 2005-06 for Palmerston North followed the introduction of the Massey University Unlimited Access Scheme.)

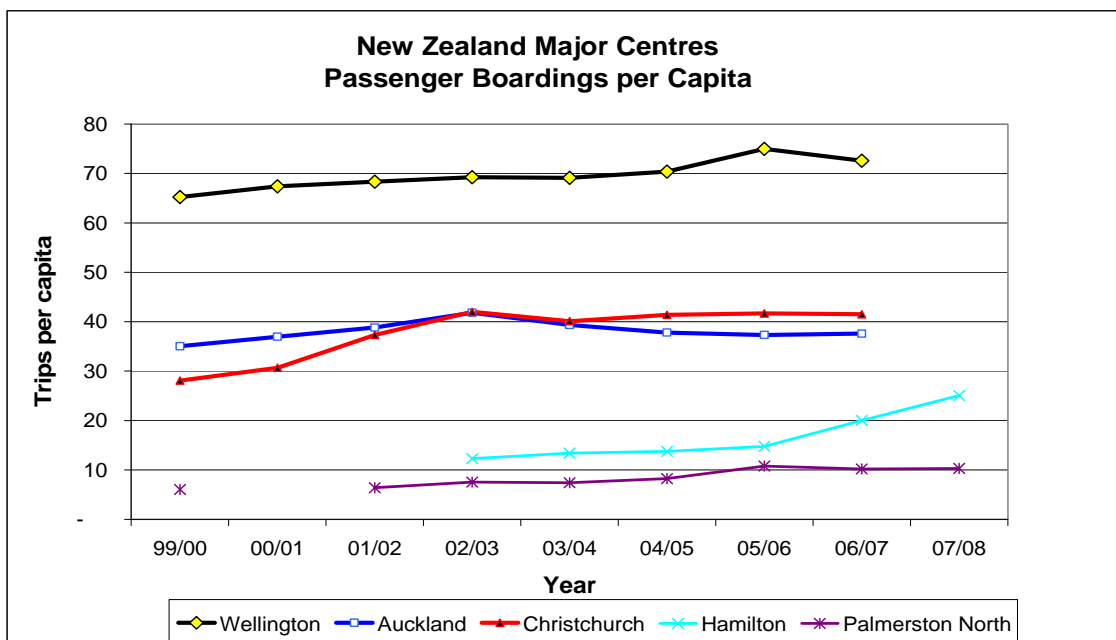


Figure 1

## PROPOSED OPTIONS FOR SERVICE IMPROVEMENTS

### Do Minimum Option

24. This option involves retaining the current level of service on all routes. Passenger numbers on both the Urban and Massey services have grown significantly since January 2008. For the period 1 July 2008 to 30 September 2008, 275,676 passengers have travelled on the Palmerston North network, compared to 224,293 for the same period in 2007-08, which equates to an increase of 23%. While some of this growth may be attributed to a free travel week held in early July 2008, the growth has now been sustained over several months.

25. The increase in patronage is particularly noticeable on peak services, where several Massey and Urban routes are consistently at capacity or overloaded. If no increase in the frequency of the Urban timetable were to be made, then a shift to larger buses would be necessary. The buses currently used on the Urban routes are Super Low Floor (SLF) wheelchair accessible vehicles capable of carrying 28 seated and 6 standing passengers. Transit Coachlines have the opportunity to purchase SLF vehicles which carry 33 seated and up to 19 standing passengers (a 53% increase in loading over current vehicles). The required number of larger vehicles to cover all of the Urban routes, with the exception of Fernlea Heights which currently operates at a reduced level of service, is eight.
26. Increasing the bus capacity by using larger vehicles may also add to the passenger loading time of the service, thus adding to the route travel time. This would also exacerbate the terminal congestion and safety issues. In addition, maintaining the current level of service will not enable us to reach the GPS targets as discussed above.
27. The total cost for this would be an increase of \$73, 500 over the current contract cost. After national subsidy, the cost to ratepayers would be \$36,750.

### **Option A**

28. PB Consultants were asked by Horizons to consider if there were a more cost effective way service levels could be improved while achieving a clock face frequency (which means that services on each route depart at consistent times each hour and are therefore easily remembered).
29. PB looked at several routes together (rather than in isolation) which allows improved scheduling in conjunction with an increase in the number of buses and vehicle kilometres travelled.
30. A proposed timetable was presented in the Phase II service report. The timetable works by offsetting bus arrival and departure times, thereby reducing the space required in the Main Street terminal. Offsetting the schedule also means that rather than all buses arriving and departing at once, followed by periods of inactivity in the terminal, there would constant activity around the terminal.
31. The proposed timetable is very efficient in terms of utilisation of vehicles and allows each route departures every 30 minutes on a clock face schedule; however it only offers a net increase of four services per route per day. Experience in New Zealand and overseas suggests a half hourly frequency to be the minimum service level required for urban public transport to attract and retain passengers, however this small increase in the overall number of services may be insufficient to meet the GPS and NZTS targets.
32. The proposed timetable does not allow for any future increases to the level of frequency unless the entire timetable was to be altered again at a later date. This is not only difficult to coordinate in an operational sense, it has the potential to inconvenience a number of passengers and cause confusion.
33. In addition, the timetable has three different schedules operating 10 minutes apart and these differences in service departure times may mean that a proportion of passengers would experience longer waits when transferring between services. In September Horizons introduced free transfers within an hour of purchasing a single ticket, and patronage reports show that the number of recorded transfers has increased. This option would make transferring between services less convenient for many passengers.
34. The cost of this option is estimated at an increase of \$213,000 to \$250,000 (depending on patronage growth) over the current contract price. After national subsidy the cost to ratepayers would be \$106,500 to \$125,000.

## Option B

35. A further option has been developed by Horizons, in conjunction with the operator. This results in an overall increase of seven services per route per day. An example of this timetable is attached at Appendix A.
36. This provides 20 minute departures in peak times (before 9 am and between 3 pm and 6 pm weekdays) with 40 minute departures during the off peak on all urban services except the Fernlea Heights route. (While patronage on the Fernlea Heights continues to increase, it is proposed that the number of services increase from 11 per day to 17 giving a 40 minute frequency throughout the day, with a view to bring the level of service up to match the remaining Urban routes in later years.)
37. This option allows for future growth of the network by enabling extra services to be slotted in during the off peak times if necessary. An allowance of 40 minutes per loop has also been made to account for any delays caused by traffic or loadings. The timetable can be coordinated so that departure times are slightly offset; resulting in two different schedules set 10 minutes apart. This still enables transfers between services with minimal wait times for passengers while reducing the demand for space within the terminal. Increasing the service frequency would also remove the need to move towards larger vehicles.
38. When altering the frequency of a service, the normal range of patronage movement is from 0.3 to 0.8. In other words, for a 100% increase in service frequency you would expect to see a 30% to 80% increase in patronage. This option results in an overall 23% increase in service frequency. Therefore we would expect to see patronage growth of between 6.9% and 18.4% following the changes. However, it has been demonstrated in other parts of the country that, over time, patronage growth can be significantly higher than this when significant improvements are made from a low service baseline.
39. This option would cost an additional \$340,000 to \$390,000 (depending on the number of additional passengers carried) per year above the current cost of the service. After national subsidy, the cost to ratepayers would be \$170,000 to \$195,000.

## ECONOMIC EVALUATION OF OPTIONS

40. Horizons undertook economic evaluations of Options A and B following guidelines set out in the New Zealand Transport Agency Economic Evaluation Manual. Both options resulted in a positive Benefit Cost Ratio (BCR) of 2.87 and 2.78, respectively.
41. As the two BCRs are very similar, consideration must be given to other factors such as
  - Allowing for future growth of the services.
  - Extending the route time to 40 minutes to allow for delays and traffic congestion.
  - Meeting the GPS and NZTA targets.
  - Transferability between services
  - Reduction in terminal space requirements.
  - Reduction in bus size, which allows for better manoeuvrability on urban streets.
42. As demonstrated in the discussions above, Option B scores much more highly on all these factors and is therefore the preferred option when all factors are taken into consideration.

43. The table below provides a summary of the options and the costs involved.

Option	Increase in services per route per day	% increase in services	Increase in cost
Do minimum	Zero, however would require investment in larger buses	0	\$73, 500
Option A	Four	18	\$250,000
Option B	Seven	23	\$390,000

44. It should be noted that these cost increases would receive a 50% subsidy from the New Zealand Transport Agency.
45. Allowances for the most costly option have been provisionally placed in the 2009-10 budgets subject to approval by this Committee and the Long-term Council Community Plan process. As the contract is gross and fare revenue received is credited to Horizons, any increase in patronage over and above the estimated level would in effect reduce the cost to Horizons.

## RECOMMENDATION

46. It is recommended that the Subcommittee:
- a. **approves** the implementation of Option B service improvements on the Palmerston North Urban Bus Service commencing after July 2009, subject to approval of funding by the New Zealand Transport Agency and Horizons Regional Council.

K Lowe  
**TRANSPORT PLANNER**

## ANNEX

- A Option B: Proposed Timetable

**OPTION B: PROPOSED TIMETABLE**

Depart Main St Terminal	Route to Outer Terminal (OT)	Depart OT	Route to Main St Terminal	Arrive Main St Terminal	Depart Main St Terminal	Route to Outer Terminal (OT)	Depart OT	Route to Main St Terminal	Arrive Main St Terminal
0640	Awapuni	0700	Rugby	0720	0630	Milson	0650	Cloverlea	0710
0700	Rugby	0720	Awapuni	0740	0650	Cloverlea	0710	Milson	0740
0720	Awapuni	0740	Rugby	0800	0710	Milson	0730	Cloverlea	0750
0740	Rugby	0800	Awapuni	0820	0730	Cloverlea	0750	Milson	0810
0800	Awapuni	0820	Rugby	0840	0750	Milson	0810	Cloverlea	0830
0820	Rugby	0840	Awapuni	0900	0810	Cloverlea	0830	Milson	0850
0840	Awapuni	0900	Rugby	0920	0830	Milson	0850	Cloverlea	0910
0900	Rugby	0920	Awapuni	0940	0850	Cloverlea	0910	Milson	0930
0940	Awapuni	1000	Rugby	1020	0930	Milson	0950	Cloverlea	1010
1020	Rugby	1040	Awapuni	1100	1010	Cloverlea	1030	Milson	1050
1100	Awapuni	1120	Rugby	1140	1050	Milson	1110	Cloverlea	1130
1140	Rugby	1200	Awapuni	1220	1130	Cloverlea	1150	Milson	1210
1220	Awapuni	1240	Rugby	1300	1210	Milson	1230	Cloverlea	1250
1300	Rugby	1320	Awapuni	1340	1250	Cloverlea	1310	Milson	1330
1340	Awapuni	1400	Rugby	1420	1330	Milson	1350	Cloverlea	1410
1420	Rugby	1440	Awapuni	1500	1410	Cloverlea	1430	Milson	1450
1500	Awapuni	1520	Rugby	1540	1430	Milson	1450	Cloverlea	1510
1520	Rugby	1540	Awapuni	1600	1510	Cloverlea	1530	Milson	1550
1540	Awapuni	1600	Rugby	1620	1530	Milson	1550	Cloverlea	1610
1600	Rugby	1620	Awapuni	1640	1550	Cloverlea	1610	Milson	1630
1620	Awapuni	1640	Rugby	1700	1610	Milson	1630	Cloverlea	1650
1640	Rugby	1700	Awapuni	1720	1630	Cloverlea	1650	Milson	1710
1700	Awapuni	1720	Rugby	1740	1650	Milson	1710	Cloverlea	1730
1720	Rugby	1740	Awapuni	1800	1710	Cloverlea	1730	Milson	1750
1740	Awapuni	1800	Rugby	1820	1730	Milson	1750	Cloverlea	1810
1800	Rugby	1820	Awapuni	1840	1750	Cloverlea	1810	Milson	1830
					1810	Milson	1830	Cloverlea	1850

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

**Item No: 9**  
**Date: 18/11/2008**  
**Report No: 08-206**  
**File No: TPP 1 01 / GRP 3 06**

## **GOVERNMENT POLICY STATEMENT TARGETS FOR THE REGION**

### **PURPOSE**

1. This report is to update Members on the Government Policy Statement targets for the Horizons region. .

### **FINANCIAL IMPACT**

2. None.

### **GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT FUNDING**

3. The recently amended Land Transport Management Act 2003 included provision for the government to produce a Government Policy Statement (GPS) on Land Transport Funding. This GPS was released in August 2008 and sets guidance for the period 2009-10 to 2018-9.
4. The GPS describes what the government wants to achieve through funding in the land transport sector, how much funding will be provided to the sector, what area of transport will be funded and how funding will be raised over the period of the GPS.
5. The GPS provides shorter term targets and focuses on providing direction for the allocation of land transport funding that assists with the longer term vision for the New Zealand Transport Strategy.
6. There are six national GPS targets that have been selected where funding will be focused. These targets are:
  - a. Reducing greenhouse gas emissions;
  - b. Increase the mode share of transporting freight by coastal shipping and rail by 2015;
  - c. No overall deterioration in travel times and reliability on critical routes by 2015;
  - d. Reduce fatalities and hospitalisations from road crashes by 2015;
  - e. Increase patronage on passenger transport by 3% per year through to 2015; and
  - f. Increase the number of walking and cycling trips by 1% per year through to 2015
7. Through the funding provided for in the GPS it is envisioned that public transport will make a key contribution to achieving targets a) and e) and will make a contribution to c) and f).

8. Trickle down from these national targets are regional targets to be set by the New Zealand Transport Authority (NZTA), the Ministry of Transport and local government. At the time of preparing this report the regionalised targets had yet to be finalised, however the provisional target for public transport patronage in the Manawatu Wanganui region is:
- 3.9% per annum trips per capita increase - in public transport catchment areas.
9. Based on patronage for 2007-8 of 813,014 passengers in Palmerston North, patronage would need to be 1,104,136 in 2015-16 to reach the target. In Wanganui, patronage would need to grow from 114,530 in 2007-08 to 155,624 in 2015-16 to reach the target.
10. There are two other regional GPS targets:
- Single Occupancy Vehicles 2.268 km per capita (4% decrease from baseline) - in major urban areas; and
  - Walking and Cycling - 46.4 million trips (as measured by the National Household Travel Survey) - increase of 2% on baseline.
11. The GPS proposes that a sum of \$2.7 billion will be allocated nationwide for 2009-10, rising to \$3.6 billion in 2018-19. Funding will continue to be shared between central and local government. The GPS proposes allocating funds based on ranges so that the NZTA has flexibility when allocating funds to each region based on their Regional Land Transport Programme (RLTP). The funding is allocated in three year bands consistent with the timeframes of RLTPs.
12. Indicative funding has only been allocated for public transport services and operations for the region. No funding has been allocated for public transport infrastructure. The funding allocated for services and operations for 2009-12 is between \$5 m (minimum allocation) and \$10 m (maximum allocation) rising to \$5-15 m in 2015-19.

## RECOMMENDATION

13. It is recommended that the Subcommittee:
- a. **receives** the update on the Government Policy Statement targets and the regionalised targets for this region.

W Wallace  
**TRANSPORT PLANNER**





11-15 Victoria Avenue  
Private Bag 11 025  
Manawatu Mail Centre  
Palmerston North 4442

T 0508 800 800  
F 06 952 2929  
help@horizons.govt.nz  
www.horizons.govt.nz