

Report No.	24-130
<b>Decision Required</b>	

## PASSENGER TRANSPORT SERVICES GENERAL UPDATE

### 1. PURPOSE

- 1.1. To update members on Public Transport services performance and projects across the region.

### 2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 24-130 and Annex.

### 3. FINANCIAL IMPACT

- 3.1. As this report is administrative there is no additional financial impacts associated with this report.
- 3.2. Budgets have been included for many new public transport initiatives in the Horizons Long Term Plan 2024-34. These are outlined further in Section 7 of this report.

### 4. COMMUNITY ENGAGEMENT

- 4.1. As this report is administrative, there is no additional community engagement associated with this report. Any community engagement required or undertaken for the topics discussed below will be done so as a part of the respective work streams.

### 5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. There is no significant business risk impact in this report.

### 6. CLIMATE IMPACT STATEMENT

- 6.1. As this report is administrative, there is no climate impact associated with this report.
- 6.2. Objectives and targets within the Horizons **Regional Public Transport Plan (RPTP)** seek to reduce carbon emissions from transport and improve air quality through increased use of public transport and decarbonising the public transport fleet.

### 7. LTP / NLTP UPDATE

- 7.1. The **National Land Transport Plan (NLTP)** was released by **NZ Transport Agency Waka Kotahi (NZTA)** early September. The NLTP confirms the level of funding provided to transport activities across the country. Key points for Horizons from this funding announcement for our public transport programme are:
  - All existing public transport commitments were funded.
  - This included the Palmerston North bus network.
  - There will be very limited funding for any improvement activities across the next three year period.

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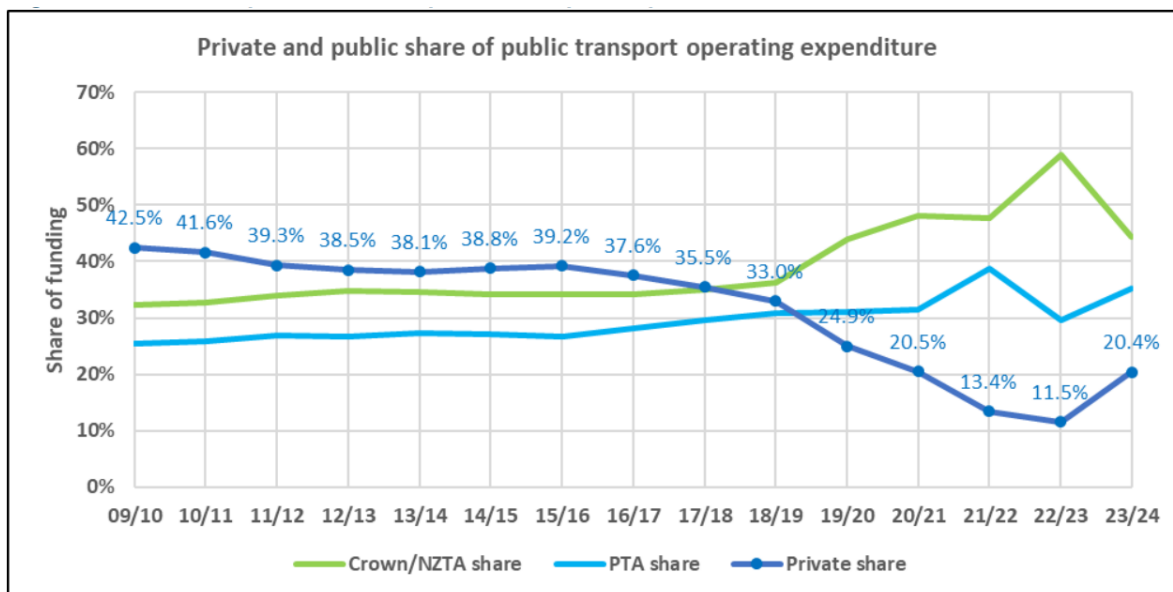
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- Most new public transport investment submitted by Council did not receive NZTA co-funding.
- 7.2. As reported at the June 2024 PTC, Horizons included provision for increased investment in public transport across Horowhenua, Whanganui and regional services. This funding was confirmed within the LTP subject to receiving co-investment from NZTA through the NLTP. The co-investment for these improvement activities was not received.
- 7.3. Horizons Regional Council will consider future funding for public transport as part of their 2025-26 Annual Plan process.
- 7.4. Officers are continuing to provide advice on the level of investment that could occur within existing approved programme budgets. As indicated above, this may allow some modest additional investment across the next three year period. Though this will be very limited when compared to the level of funding requested for improvement activities.
- 7.5. Next steps for these new areas of investment will be informed by direction from Council.
- 7.6. At a national level, there was very limited funding allocated in the NLTP for improvement activities for public transport. This occurred in Auckland, Christchurch and Queenstown only. No other public transport improvements have been allocated funding through the NLTP at this stage.

## 8. NATIONAL PT POLICY UPDATE

### Increasing the private share of public transport expenditure

- 8.1. NZTA have released guidance on how they intend to work with **public transport authorities (PTAs)** to increase the private share of public transport expenditure to meet expectations set out in the **Government Policy Statement on Land Transport 2024 (GPS)**.
- 8.2. The GPS sets an expectation for increased private share funding to:
- Support increased levels of public transport expenditure; and
  - Reduce pressure on ratepayers and taxpayers.
- 8.3. Public transport services are funded from both private and public revenue sources. The ratio between these sources is dynamic and changes over time depending on several factors including policy, passenger demand and network service levels.
- 8.4. The private share of public transport expenditure is made up of passenger fare revenue and third-party funding.
- 8.5. Nationally the private share of public transport operating expenditure has reduced significantly over the last five years and is currently at 20.4% (2023-24) as shown in Figure below. This is up from 11.5% in 2022-23.



8.6. A phased approach has been developed to increase private share funding. The approach will establish nationally consistent definitions and measures, along with regionally agreed targets. It also includes developing tools and an evidence base for setting longer term targets and initiatives.

8.7. Source: [NZTA website](#).

**Bus Driver Fund**

8.8. Through Budget 2024 the Government allocated \$15 million of Crown funding over 2 years to improve working environments for bus drivers and support recruitment and retention (the Bus Driver Fund).

8.9. The Bus Driver Fund will be administered by the NZTA through one-off funding contributions on a co-funding basis towards the cost of agreed initiatives.

8.10. The objective of the Bus Driver Fund is to improve safety and working environments for bus drivers by co-funding initiatives that address a demonstrable need.

8.11. Examples of eligible initiatives include, but are not limited to:

- Toilet and rest facilities at key network locations;
- Installation of driver protection screens on buses; and
- Initiatives that improve driver and passenger safety, such as CCTV enhancements on buses.

8.12. Funding will be allocated as one-off grants towards the establishment costs of agreed initiatives. The Fund will not cover any ongoing costs or cost escalation associated with an initiative.

8.13. Source: [NZTA website](#).

8.14. Horizons officers are considering options for applications to the fund alongside our Territorial Authorities. An update, if available, will be provided to members at the committee meeting.

**Development guidelines for regional public transport plans**

8.15. NZTA have released updated guidelines on the development of RPTPs. Further information on this topic is included in the RPTP update report at this committee meeting.

8.16. Source: [NZTA website](#).

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## 9. PALMERSTON NORTH NETWORK UPDATE

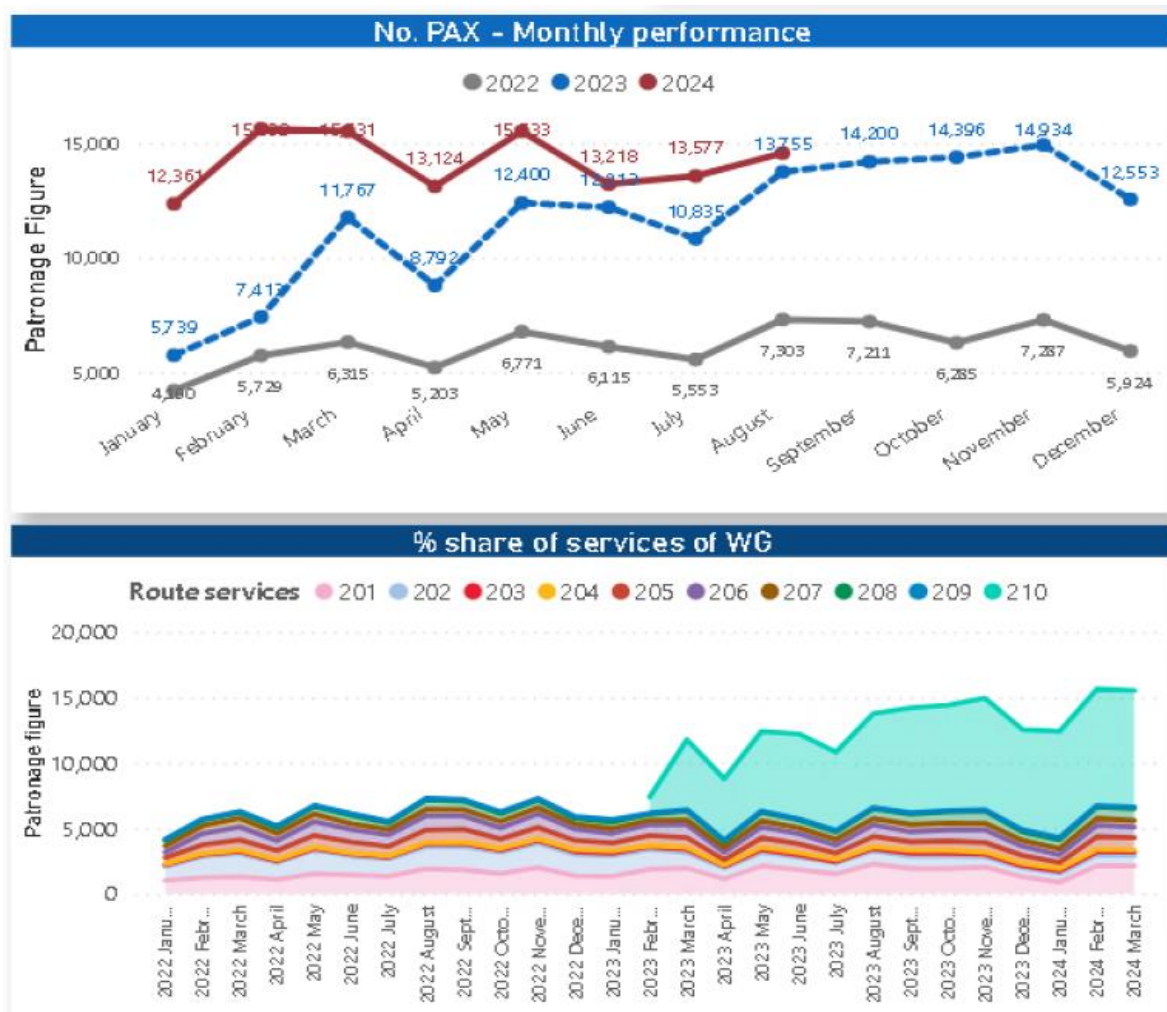
- 9.1. The new bus network has been in operation for six months as of the time of writing this report. In total, there has been over 510,000+ passenger trips carried on the new bus routes. In the same reporting period last year, there was 385,000 passenger trips, resulting in a 32% increase in trips on the new network. Patronage is continuing to trend upward, and we are excited to continue reporting the success of the new network. A more complex breakdown of usage and patronage has been reported in Annex A.
- 9.2. The feedback we have received on the network has been mostly positive. One of the re-occurring queries our team is responding to is the start and end locations of bus routes. The old network had buses start and end in the centre of town. Now bus routes start out in the suburbs and come into the CBD. This results in buses waiting in suburban areas, sometimes in front of people's homes.
- 9.3. Officers are working with the bus operator Tranzit, to improve toilet access for drivers along the bus routes. Currently, access to toilets is limited to drivers for their breaks. Officers are reviewing our start and end points of the bus routes to ensure that drivers can have access to a toilet facility at either the start or end of all bus routes. Because most public parks have public toilet access already, this is a natural place for our buses to start and end their runs.
- 9.4. In addition, officers are working to ensure that the network is running as efficiently as possible, whilst being cost neutral. Any proposed tweaks to the network will be brought to the next Palmerston North public transport governance group in November 2024.

## 108 Trial – 6 Month Update

- 9.5. The 108 bus route, currently being trialed, has an average of around 35-40 passengers per day. The 108 bus services has 4 total trips in each direction from Clyde Cres to Rugby St, 2 in the morning, and 2 in the afternoon between the hours of 9:00am and 3:00pm
- 9.6. While originally targeted to SuperGold card users, the service is utilized by other user demographics as well. SuperGold users only make up 31.4% of ridership on this service. Adults (25.5%), Tertiary students (18.8%) and community services cardholders (16.3%) are also regular users of this service. Additionally, officers have received feedback from health centres, refugee support agencies, and Age Concern that these services, while appreciated, need to have higher frequency. The demographic breakdown of user types on this service indicates that there are a greater range of users than what was originally intended for this service. This indicates to officers that a higher frequency on this service could be successful.
- 9.7. However, one consideration is the **Peak Vehicle Requirement (PVR)**, the number of vehicles required to deliver Palmerston North network at peak frequency. While our fleet total is 43, and our PVR is 38, the remaining vehicles are spare, used for breakdowns, late running, and replacements when vehicles are off-road for maintenance/repairs. Increasing off-peak frequency could be realistically accomplishable. However, increasing peak frequency is not viable within current budgets.
- 9.8. Officers encourage the trial to continue as planned for the next six-months.

## 10. WHANGANUI NETWORK UPDATE

- 10.1. Te Ngaru the Tide, Whanganui's high frequency bus route has now been operating for 18 months. This was a co-funding venture with **Whanganui District Council (WDC)**, Horizons and NZTA. The WDC portion of this is now funded by Horizons and the service is performing well. Since the beginning of this service in February 2023, patronage across the network has doubled, as you can see from the graphs below. This service runs 7am-7pm, Monday–Thursday, every 20 minutes. On a Friday it runs 7am-7pm, and hourly until midnight thereafter. On a Saturday it runs 9am – 3pm, every 20 minutes.



10.2. The network contract expires in 2028, which means we are due to review the service in the next 12 months. This is so we have enough time to prepare what we would like, and the public would like their network to look like in the future for Whanganui. We are working with the Whanganui Public Transport Governance Group to develop a plan on approach to the Whanganui service network review. The review will take place in early 2025.

**11. FEILDING NETWORK REVIEW**

11.1. The contract to provide bus services traveling around Aorangi Feilding and between there and Papaioea Palmerston North was last updated in 2020, and is set to expire next year. A lot has changed in that time, so we are reviewing services to see if we can optimise them for the needs of the community.

11.2. Consultation for the review has already commenced. The Part 1 survey asked people to give their broad thoughts about public transport in Manawatū so we can figure out what people travelling to, from and within the district want from our bus services.

11.3. Throughout Part 1 we heard the services generally work well, with use growing over time. However, there is always room for improvement. We’ve heard:

- Residential growth is happening to the north-east of Feilding and those households will need public transport options;
- There are not enough weekend or late-night services; and
- Some people want tweaks made to routes to get greater efficiency.

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- 11.4. There are some things we think should happen to the services no matter what:
- Operate seven days a week;
  - Operate 6.30am – 7.30pm weekdays and 8am – 7pm weekends; and
  - Services running at least every hour on weekdays, with additional frequency at peak times, and every 90 minutes on weekends.
- 11.5. Part 2 is upcoming and will seek feedback on specific options for the future network.
- 11.6. A new service and contract will come into effect from mid-2026.

## 12. TRANSPORT CHOICES

### Palmerston North

- 12.1. The scheme has been funded through the **Climate Emergency Response Fund (CERF)**, with Central Government contributing 90% towards the projects overall budget.
- 12.2. The new Palmerston North urban bus network has over 80 new bus stops. These have been a priority for upgrades, to ensure a high level of service. During the installation of the new eFlag real time displays, contractors upgraded retained bus stops with poles, ground sockets, and concrete in early September, to ensure a high quality of infrastructure was supporting the eFlags.
- 12.3. A total of 12 new eModules have been installed in Palmerston North's newly upgraded bus shelters. These were used as a test throughout the city, to assess devices and their backend capability. It was determined for better efficiencies, a larger antenna for signals needed to be retrofitted to the devices. This will be completed with no additional cost to Council or the Transport Choices allocated budget.
- 12.4. With the current eModules and newly installed eFlags, a total of 36 locations at time of writing have real time tracking abilities. Key sites and areas of transfer points were highlighted for the upgrades. Sites were also selected to ensure the entire city was able to enjoy the new infrastructure on their journeys. More eFlags and eModules are scheduled to be installed at later dates.
- 12.5. Additional sites to be upgraded are the Massey University terminal and Main Street Bus Hub. These sites will have large 32 inch real time tracking displays installed.
- 12.6. The airport will be fitted with a new eFlag unit once the new airport shelter placement and design has been confirmed.
- 12.7. The screens of the real time displays allow for campaigns to be displayed. A trial run of this feature has been used in conjunction with the Horizons Communication Team, advertising the Totara Reserve Open Day. This opens opportunities for engaging with our communities via campaigns and important information. The trial allowed both teams to test sizing and readability of any campaign banners. Potential advertising revenue is currently being investigated.

Route	Destination	Next	Later
101	To Massey	9 min	24 min
311	Palmerston North via Airport	20 min	4:47 PM

1120	Milson Shops - 75 Milson Line	3:46 PM
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## Whanganui

- 12.8. 19 upgraded bus stops in Whanganui have been completed as part of the Transport Choices package. These upgrades include shelter installation, digital timetable information boards, lighting, bike racks and accessibility improvements for visibly impaired community members.
- 12.9. As part of monitoring and evaluation for this project, a survey has been completed within the community which received 400 responses. While the final report is still to come, response form the upgrades, especially for disabled members of our community were overwhelmingly positive. This outcome demonstrates that the overall purpose of these upgrades, being removing barriers to public transport in Whanganui, was achieved. A comprehensive update on survey findings will be provided at the next meeting. This project received a letter from NZTA noting the positive impact our project and ongoing collaboration with WDC has had on the Whanganui community.

## 13. RURAL BUS MANAWATŪ

- 13.1. The Rural Bus Manawatū scheme is an on-demand service connecting Manawatū's rural communities to Feilding. The service was first supported by Horizons and this Committee through its inclusion in the Regional Public Transport Plan 2022-32.
- 13.2. Horizons is happy to be able to support the Manawatū Rural Bus service. It's exciting to see this initiative and provide transport options to some of our rural communities.
- 13.3. Horizons included funding support within its **Long Term Plan (LTP)**. Horizons funding support is in line with approvals through the LTP, approximately \$130k per annum. As the service will form part of the Horizons overall public transport programme, Horizons is eligible for 51% co-funding from NZTA. The Horizons funding support is for an initial three year period.
- 13.4. More information can be found at <https://ruralbusmanawatu.org.nz/>

## 14. PASSENGER RAIL

### Lower North Island Passenger Rail Project

- 14.1. A co-funding agreement to purchase 18 four-car trains and associated infrastructure for the Lower North Island has been finalised by funding partners for the project including Government. The new rolling stock, which will see improvements from 2029, will increase the number of passenger rail services on the Manawatū line from one return service on weekdays to four. It will also see weekend services for the first time with two return services each Saturday and Sunday.
- 14.2. Procurement of the new trains is being managed by Greater Wellington, who has approved a short-list of three suppliers. Each company has been requested to submit a proposal to design, build and maintain the trains over 35 years. The contract to build and maintain the trains is due to be awarded in early 2025. The short-listed companies are:
- Alstom Rail Transportation New Zealand Limited
  - Construcciones y Auxiliar de Ferrocarriles S.A.
  - Stadler Bussnang AG
- 14.3. Hybrid trains, or Independently Powered Electric Multiple Unit vehicles, charge their batteries while running on electrified track. The batteries start powering the trains when overhead power lines stop and can be topped-up by diesel generators onboard.



*An AI generated impression of a hybrid train*

### Capital Connection

- 14.4. The Capital Connection continues to operate daily between Palmerston North and Wellington. KiwiRail run the daily service. The Capital Connection stops at Shannon, Levin, Ōtaki, and Waikanae before reaching its final destination at Wellington Railway Station.

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The service has one of the highest farebox recovery rates (38% for the 2023-24 FY) for public transport services in the country.

- 14.5. The NZTA Board have recently confirmed a transitional **Funding Assistance Rate (FAR)** for the Capital Connection service. An 85% FAR will be applied for the 2024-25. NZTA are proposing to transition this towards 51% over a number of years. Horizons and Greater Wellington Regional Councils will need to confirm their funding contributions through future Annual Plan processes.

**15. SIGNIFICANCE**

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

Quang Duong

**TRANSPORT SYSTEMS ADVISOR**

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**TRANSPORT PLANNER**

Isaac Mills

**SENIOR TRANSPORT PLANNER**

Manvir Edwards

**TRANSPORT PLANNER**

Jayme Thorby

**SENIOR TRANSPORT PLANNER**

Mark Read

**MANAGER TRANSPORT SERVICES**

**ANNEXES**

- A Passenger Transport Performance Report