



Meeting of the Hawke's Bay Regional Council

Date: Wednesday 27 February 2019
Time: 10.15am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Attachments Excluded From Agenda

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159 Dalton Street , Napier 4110
Private Bag 6006 Napier 4142
Telephone (06) 835 9200
Fax (06) 835 3601
Regional Freephone (06) 0800 108 838

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Transport

Draft Regional Public Transport Plan 2019-29

Attachment 1



Strategic Development Group

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FOREWORD FROM REGIONAL TRANSPORT COMMITTEE CHAIR

Public transport in Hawke's Bay has been transformed over the last ten years. Thanks to increased funding from Hawke's Bay Regional Council and the New Zealand Transport Agency, we now have services which increasingly meet the transport needs of many of our residents. As a result, many more people are using our goBay bus and Total Mobility services than in the early 2000s. However, as for most of regional New Zealand, bus patronage has declined since its peak in 2014, due to lower fuel prices and increased car ownership.

There is much to be done to reverse this trend, broaden our range of passengers, provide services over a wider area and utilise new technologies to improve service provision and information. At present, the private motor vehicle is still the main transport choice for most of the region's residents and if we are to make the best use of our existing transport networks, minimise transport emissions and avoid further costly increases in capacity, we need to convince many more people to choose public transport at least occasionally.

Hawke's Bay Regional Council, in conjunction with its funding partners, intends to meet this challenge with a range of activities spelt out in this draft plan, as well as continuing to provide current levels of bus and Total Mobility services.



Councillor Alan Dick, QSO

Chairman, Regional Transport Committee

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1 Introduction

1.1 About the Regional Public Transport Plan

The Hawke's Bay Regional Public Transport Plan (RPTP), prepared by the Hawkes Bay Regional Council (HBRC), is a strategic document that sets the objectives and policies for public transport, contains details of the public transport network and development plans for the next ten years.

The RPTP provides a means for councils, transport operators, stakeholders and the public to work together to develop and improve the public transport network and supporting infrastructure.

Hawke's Bay Regional Council (HBRC) is responsible for providing public transport services in our region, which largely comprise bus services that operate in and between Napier and Hastings, and the Total Mobility service, which provides discounted transport for people with disabilities which prevent them from using buses. These services are provided under contract to, and are subsidised by, HBRC.

The money to pay for these contracts comes from fares from passengers using the service, the NZ Transport Agency and HBRC ratepayers.

1.2 Timeframe

This RPTP covers the ten year period from 2019 to 2029, but must be reviewed in three years' time. However, the Plan may also be reviewed in the event of any major changes to the funding or planning environment.

1.3 Strategic Context for the RPTP

1.3.1 The Land Transport Management Act 2003

The Land Transport Management Act 2003 (LTMA) was amended in 2013, repealing the Public Transport Management Act and bringing the relevant provisions into the LTMA. The amendments also legislated a new public transport operating model (PTOM) - a new framework for the planning, procurement and delivery of public transport services. There is a strong emphasis on early engagement and collaboration between regional councils, territorial authorities, and public transport operators.

The purpose of the LTMA is to "contribute to an effective, efficient and safe land transport system in the public interest", and requires regional councils to adopt a regional public transport plan (RPTP), which must be reviewed every three years. The LTMA prescribes how plans are to be developed, and sets out the matters that must be contained in a plan. It also describes the purpose of the plan, which is to:

- describe the public transport services that are integral to the public transport network
- define the policies and procedures that apply to those public transport services
- identify the information and infrastructure that supports public transport

Principles of the Public Transport Operating Model (PTOM) have been incorporated into the LTMA. PTOM is a system for planning, procuring and funding public transport. It aims to increase patronage with less reliance on public subsidies, through better collaboration between operators and regional councils. PTOM requires all bus services to be divided into units and provided under exclusive contracts to HBRC. However, services which do not form part of the core public transport network are exempt from operating under contracts.

1.3.2 The Government Policy Statement on Land Transport Funding 2018

The Government Policy Statement on Land Transport Funding sets out the Government's desired outcomes and priorities for the land transport sector, and broad funding allocations over the next decade.

The four strategic priorities are:

- Safety
- Access
- Environment
- Value for money.

Safety and access are the key strategic priorities for the Government and reflect the transport system it is striving for, with environment and value for money as supporting priorities.

Objectives for the access priority are:

A land transport system that

- provides increased access to economic and social opportunities
- enables transport choice and access
- is resilient

Public transport services contribute to all these objectives.

The GPS 2018 contains a significant increase in funding for public transport over the next three years in order to help achieve the strategic priority of providing a land transport system that enables transport choice and access.

1.3.3 The Regional Land Transport Plan 2015-25: 2018 Review

The Regional Land Transport Plan (RLTP) sets out the region's vision, objectives and funding for all modes of land transport for which funding is received from the National Land Transport Fund. It contains objectives relevant to public transport and also sets out the required funding for the provision of public transport services and infrastructure over the next three years.

The RLTP has the following vision:

"A safe, resilient and efficient transport system that supports the development of our economy and contributes to social wellbeing in our community".

Supporting strategic objectives include:

"Access to social, economic and cultural opportunities for all sectors of the community through effective transport links and services"

This is consistent with the vision for public transport contained within this draft RPTP, which is

"To deliver a public transport service which is safe, increasingly used, integrated with other modes and contributes to the economic, social and environmental wellbeing of the people of Hawke's Bay."

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1.3.4 Hawke's Bay Regional Council plans

The HBRC Strategic Plan 2017-21 identifies four areas of focus for this period. One of these is for sustainable services and infrastructure, and the plan sets a strategic goal of a carbon neutral Hawke's Bay by 2040. The public transport services described in this RPTP will contribute to this goal.

The HBRC Long Term Plan sets out public transport activities and funding sources for the next ten years. The plan is reviewed every three years, but significant changes in activities or expenditure are captured in an annual plan.

1.4 Strategic Case

This section provides a summary of the strategic case for the Regional Public Transport Plan. The strategic case forms part of the business case approach to investment in transport.

As part of this process, key stakeholders in public transport have jointly identified regional problems, the benefits of addressing those problems and responses to them, taking into account the feedback received from consultation with bus users and stakeholder organisations.

Problem 1:

The ease of driving in the region and general perception of public transport is leading to reduced usage from those that have their own vehicles.

Hawke's Bay's public transport network is centred on the two urban areas of Napier/Taradale and Hastings, approximately 25 kms apart, with satellite towns of Clive, Havelock North, Flaxmere and Bay View. The level of commuting between the two cities is significant; many people live in Napier and work in Hastings and vice versa. Similarly, school students traverse frequently between towns for secondary or special character schooling.

The Napier-Hastings Expressway is one of the main commuter routes used, and has seen growth in average daily traffic of as much as 36% on certain sections over the last seven years. Similarly, the number of vehicles registered per person in Hawke's Bay has increased significantly over the last three years, meaning that more people now have access to a vehicle.

Parking in both cities is plentiful and cheap; there is plenty of all-day free parking within easy walking distance of the CBD, and district plan rules ensure parking provision for businesses.

Public transport in the regions is traditionally viewed as a mode to be used by people without private transport options. In the absence of significant deterrents to driving like congestion or parking availability/cost, many Hawke's Bay car drivers do not think public transport is for them. The convenience of driving often outweighs any other reasons for using public transport.

However, petrol price increases in the second half of 2018 may start to influence these decisions. Businesses which have taken steps to actively incentivise the use of public transport, have seen an increase in patronage. The Hawke's Bay District Health Board introduced parking charges in the hospital grounds in 2017, but also provides bus subsidies for staff and patients. Both categories have seen a significant increase in use, indicating that pricing factors can over-ride issues of convenience.

Problem 2

The current car focused investment model in rural and provincial areas is leading to a suboptimal transport system that does not effectively integrate public transport.

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Transport planning and investment has been traditionally targeted at providing ever-improving roads, with public transport filling a secondary role. Added to this is Hawke's Bay's dispersed geography and location of essential services. These factors, coupled with low density housing, makes the provision of traditional public transport difficult and expensive.

Similarly, traditional land use planning means that the provision of public transport has often not been factored into planning decisions, with new residential areas increasingly full of cul-de-sacs and dead-end streets and industrial areas located some distance from the main centres.

Hawke's Bay is experiencing significant demographic change, with the population aging at a much faster rate than previously predicted. While the largest sector of the population is presently of working age, this will decline by about 13% by 2043 and the population over 65 will increase by 91% by 2043. The population under 15 will decrease by 14%. This points to the need for better integration of public transport into the transport system, which will need to play a much greater role in the future. There will be increased demand for off-peak services, better coverage into residential areas and a greater role for specialist services such as Total Mobility and demand-responsive services. This may require a new approach to provision of public transport

Problem 3

Limited accessibility and frequency of bus services is leading to under-utilisation of public transport

While significant improvements have been made to Hawke's Bay's bus network over the last ten years, there are still gaps in the network, and Central Hawke's Bay and Wairoa have limited public services. This problem could easily be resolved by adding new services, but the cost of doing so needs to be very carefully weighed against the potential use. The provision of traditional services is expensive, and even if new services could recoup half their cost in fares¹, this can still add a significant cost to ratepayer and taxpayer through subsidies. Other options, such as demand-responsive services, may need to be explored.

Suburban services in Napier and Hastings, which follow a traditional model of leaving from and returning to the CBD, have shown a consistent steady decline in patronage over the last four years. A new approach to provision of off-peak suburban services may also be needed.

While commuter services between cities have a reasonable frequency (20 minutes at peak times) and are showing some growth as fuel prices increase, the journey time is too long and more direct services are needed at peak times. Options to provide better connections to other modes of transport also need to be explored, so that commuters can use public transport for at least part of their journey.

Strategic Response

The strategic responses we have developed to address these issues are described in Section 5.

2 Background

2.1 Current Services

The current bus and other services supported by HBRC are broadly described below. Details of the services HBRC considers to be integral to the public transport network in Hawke's Bay for the life of this RPTP are described in more detail in Appendix A.

¹ A 50% cost recovery from fares is the national public transport target.

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2.1.1 Bus Services

HBRC currently contracts the provision of bus services in and between Napier and Hastings. This contract, which expires in July 2025, includes the following services:

- Between Napier and Hastings via Taradale and the Eastern Institute of Technology
- The Express between Napier, Hastings and Havelock North (via Clive)
- The Express between Napier and Hastings via the Hawke's Bay Expressway
- Between Havelock North and Hastings
- Between Flaxmere and Hastings
- Within Hastings (covering the suburbs of Camberley, Mahora, Parkvale and Akina)
- Within Napier (covering the suburbs of Tamatea, Taradale, Maraenui, Onekawa, Ahuriri, Westshore and Bayview)

2.1.2 Other services

Total Mobility Scheme

HBRC funds and manages the Total Mobility scheme in Hawke's Bay. Total Mobility is a nationwide scheme which provides discounted taxi travel for people with disabilities who are unable to use buses. The scheme also funds the provision of hoists for vehicles capable of carrying people in wheelchairs. The scheme operates in Napier, Hastings and Central Hawke's Bay.

SuperGold Card free travel scheme

This is a nationwide scheme, which provides free off-peak travel (between 9am and 3pm on weekdays and anytime on Saturday, Sunday and public holidays) on all local buses for SuperGold Card holders. The scheme is funded by central government and administered by HBRC.

HBRC has made many service and infrastructure improvements to bus services over the past few years. These improvements are listed below.

2.1.3 Bus Service Improvements

Since 2008 the following improvements have been made by HBRC to bus services in Hawke's Bay:

SERVICE	ROUTE	IMPROVEMENT
10 EXPRESS	Between Napier and Hastings via the Expressway	New service introduced in September 2008 (cancelled in May 2014 due to low patronage, re-introduced in September 2016 on a different route to coincide with the HBDHB's Workplace Travel Plan).
11 EXPRESS	Between Havelock North and Napier, via Hastings and Clive.	New service introduced in September 2008.
12N	Napier to Hastings, via Taradale, EIT, Hawke's Bay Hospital and Bay Plaza.	Introduced an extra 2.30pm service Monday to Friday in November 2009. Increased the number of Saturday services in November 2009 from 5 to 11. Introduced a new Sunday service in January 2011. Increased services to operate every 20 minutes in peak times and every 30 minutes in off-peak times.

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12H	Hastings to Napier, via, Bay Plaza, Hawke's Bay Hospital, EIT and Taradale.	Introduced an extra 2.30pm service Monday to Friday in November 2009. Increased the number of Saturday services from 5 to 11 in November 2009. Introduced a new Sunday service in January 2011. Increased services to operate every 20 minutes in peak times and every 30 minutes in off-peak times. .
13	Napier-Tamatea-Taradale-Tamatea -Napier	Route extended to include Taradale shopping centre in November 2009. Increased the number of services, Monday to Friday, from 9 to 11, in January 2011. Introduced a new Saturday service in January 2011. Route extended to cover Summerset Retirement Village, five trips Monday to Friday in 2017.
14	Napier-Maraenui-Onekawa-Napier	Changed Saturday services to provide coverage from 5 hours to 7 hours in January 2011.
15	Napier-Ahuriri-Westshore-Ahuriri -Napier	Trial made permanent in September 2012, operates Monday to Saturday. Route extended to cover Bay View, five trips Monday to Friday and all four Saturday trips, in 2016.
16A	Hastings-Camberley-Raureka-Hastings	Added an extra service at the end of the day, Monday to Friday, in November 2009.
16B	Hastings-Mahora-Hastings	Added an extra service at the end of the day, Monday to Friday, in November 2009.
17	Hastings-Parkvale-Akina-Hastings	Changed route to travel via Summerset Retirement Village in November 2012. Extended service coverage from 8 hours to 10 hours in 2016. Changed route to travel via Karamu High School in 2016.
20	Hastings-Flaxmere-Hastings, via The Park, Hastings	Re-timed early morning services in November 2009. Added an extra service in the middle of the day, Monday to Friday in January 2011. Extended Saturday service coverage from 6 hours to 9 hours in January 2011. Added seven extra daily services, Monday to Friday, in October 2012. Introduced a Sunday service consisting of 3 trips, in 2016. Extended the route to give greater coverage.

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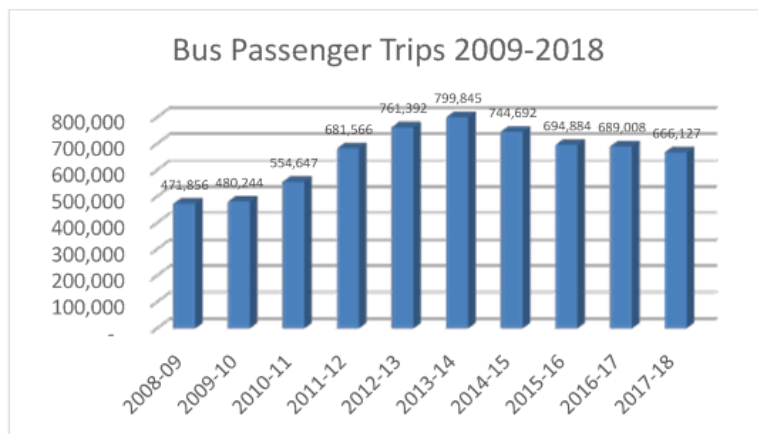
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21	Hastings-Havelock Hastings, via The Park, Hastings	North-	Added an extra service in the middle of the day in January 2011. Extended the route of the Saturday service to follow the same (wider) route as the Monday to Friday service in January 2011. Introduced a Sunday service, consisting of 3 trips, in 2016. Extended the route to cover the Summerset Village on Arataki Road and to better service the Lipscombe Crescent area.
BUSES	All routes		All buses (with the exception of the Express services) wheelchair accessible from 2009. All buses meet the Euro 4 emission standard. Introduced Public Holiday services (Saturday/Sunday timetable applies) in October 2011. Bike racks installed on most of the fleet in October 2012. Bike racks available on all the buses from 2016. All buses wheelchair accessible from 2016.
FARES	All routes		Simplified the fare structure by reducing the number of fare zones from four to two in November 2009. Introduced a "Smartcard" fare payment system in 2009. Introduced a new concessionary fare category – 'Community Services Cardholders' to replace the 'beneficiary' and 'disabled' categories, in June 2010. Set up system whereby passengers and caregivers travelling from Napier to Hawke's Bay Hospital for appointments/treatment can travel free of charge, with fares reimbursed by the Hawke's Bay District Health Board. Fares are reviewed annually each September (though not necessarily increased). Work with NGOs and government agencies to provide bespoke ticketing arrangements. Free travel for hospital patients extended to passengers travelling to both Napier and Hastings for medical appointments (fares reimbursed by the HBDHB) in 2017. Workplace travel plan arrangement established with the HBDHB (fares subsidised by the HBDHB) in 2017.

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The number of bus passengers increased significantly between 2009 and 2015 but has declined since then. In late 2018, this trend started to reverse, with growth on the longer services between Napier and Hastings.



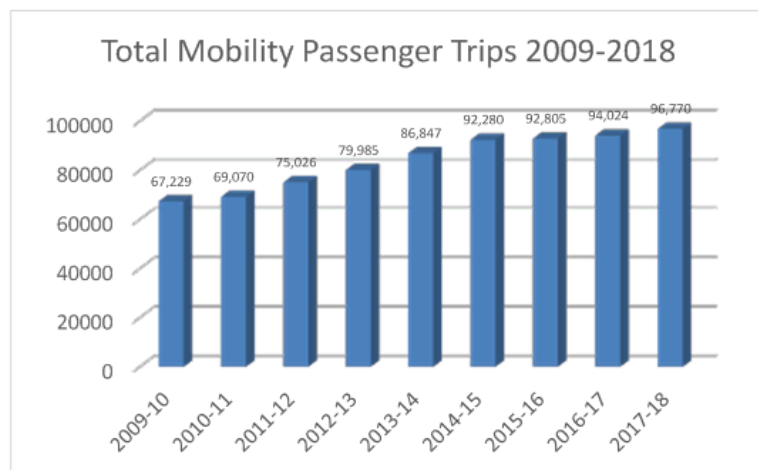
2.1.4 The Total Mobility Scheme

The Total Mobility Scheme is a nationwide scheme that provides discounted taxi transport for people with disabilities which prevent them from using public transport. Eligibility for the scheme is determined by the effect the impairment has on the individual's ability to undertake components of a journey on the public transport network.

Total Mobility services are provided under contract to, and are subsidised by HBRC.

The use of the Total Mobility Scheme continues to increase. In 2017-18 there were approximately 3,598 registered users of the scheme in Hawke's Bay compared to 1,914 in 2008-09 and 2,640 in 2011-12.

As demonstrated in the graph below, Total Mobility trips continue to trend upwards and as Hawke's Bay's population is ageing, this trend is likely to continue.



2.2 Why HBRC subsidises public transport

Passengers do not pay the full cost of the public transport services they use. In Hawke's Bay in 2017-18 the passengers' contribution through fares to the cost of running the bus services was 37%, although HBRC is looking to increase this amount. Total Mobility passengers pay half the cost of their travel.

HBRC and the NZ Transport Agency subsidise public transport because it provides a range of benefits.

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- **Roading and parking:** Public transport helps relieve/prevent road congestion and the need for new roads. It also reduces pressure on car-parking spaces.
- **Economic:** Providing people with access to employment and educational facilities results in economic benefits for the individual and the community. There are also economic benefits from the reduced need for roads.
- **Environmental:** Buses save energy compared to car trips, and result in reductions in vehicle exhaust and noise emissions. Modern buses are extremely fuel efficient and have low emissions.
- **Health:** Public transport has benefits to health, as most journeys involve a walk or bike ride to and from the bus stop. It may also prove less stressful than driving.
- **Access and mobility:** Public transport provides a means of travel to work for those who may not have alternative transport options. It is an essential link for many between residential areas, commercial areas, recreational areas, educational facilities, health services and community events and activities.
- **Safety:** Bus passengers are much safer travelling on a bus than using any other mode of transport.
- **Social:** Many people do not have access to a car, with public transport the only viable option for travel. There is a significant social benefit from reducing community isolation.

2.3 Involvement of Other Parties

There are many parties involved with providing public transport services. While HBRC plans, funds and contracts the required services, other parties also have a role to play. The territorial authorities (in particular Napier City Council and Hastings District Council) play a major role through the provision of supporting infrastructure such as bus-stops. The NZ Transport Agency provides substantial funding for public transport.

The District Health Board funds the provision of free trips for hospital patients on all services and provides incentives to encourage its staff to use the bus. Community organisations also have a role to play as advocates for the needs of the users.

Under PTOM, service providers are critical partners. HBRC works with its service operators in a spirit of collaboration in order to improve the efficiency and effectiveness of services. Practices such as annual business planning, and financial incentive mechanisms will encourage all parties to work together to plan, innovate and improve public transport in Hawke's Bay.

This Plan cannot be successfully implemented without the support of all these parties. HBRC will work closely with these parties to facilitate the provision of the required services.

2.4 Funding

The funding for the services in this Plan comes from three sources:

- Fare revenue from passengers, organisations which purchase tickets on behalf of their members and a crown appropriation (through the Ministry of Transport but administered by the NZ Transport Agency), which pays for the cost of free off-peak travel for SuperGold card holders.
- HBRC, which raises its funds from local ratepayers via a targeted rate; and
- NZTA, which contributes between 50% and 60% of the cost of services.

3 The Transport Disadvantaged

Under Section 120(1) (viii) of the LTMA, the draft Plan is required to describe how the proposed services will assist people who are “transport disadvantaged”. Section 124(d) also requires HBRC to consider the needs of the transport disadvantaged when approving an RPTP.

The term “transport disadvantaged” is defined in the LTMA as those who HBRC has reasonable grounds to believe are the least able to travel to basic community activities such as work, education, health care, welfare and shopping. HBRC believes the following groups are transport disadvantaged:

- Children
- The elderly
- People with disabilities
- Tertiary students
- People on low incomes
- People who are unable to drive or have no access to a vehicle

HBRC believes that the range of services and the associated fare policies proposed in this Plan will assist the needs of these groups.

The services proposed in the Plan are designed to provide wide coverage of residential areas, linking them with commercial and community facilities.

The existing fare system provides fare discounts to children, tertiary students, the elderly and Community Service Card holders. The elderly also benefit from the SuperGold Card free travel scheme.

The buses used on the services in Hawke’s Bay are all wheelchair accessible, which assists people with disabilities, older people and parents with young children.

All buses also have bike racks, which enables people to travel a greater distance to or from a bus stop.

The Total Mobility Scheme also provides services for those who are disabled and unable to use public transport.

HBRC has consulted with a range of groups representing those who are transport disadvantaged in the preparation of this draft Plan.

4 Vision, Objectives and Policies

4.1 Vision

HBRC’s vision for public transport is:

“To deliver a public transport system that is safe, increasingly used, integrated with other modes, and contributes to the economic, social, and environmental well-being of the people of Hawke’s Bay”.

4.2 Objectives and Policies for goBay bus services

The following objectives and policies set out how HBRC intends to achieve the vision.

4.2.1 Our Customers

Objectives:

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4.2.1.1. People in the urban areas of Hastings and Napier have access to public transport services to connect them to employment, shopping, medical, entertainment, recreational and educational facilities.

4.2.1.2. Services are environmentally responsible and integrated with other transport modes, particularly walking and cycling.

POLICY AREA	POLICY
Access to services	<p>HBRC will:</p> <ol style="list-style-type: none"> 1. Endeavour to provide services that meet the needs of commuters and people travelling for non-work or education reasons. 2. Aim to provide services so that at least 90% of residences and businesses within the targeted rating areas are within the following walking distance from a bus-stop: <ul style="list-style-type: none"> 500m – normal conditions 600m – low density/outer areas. 3. Subject to available funding, and where sufficient demand exists, look to introduce new services on a trial basis. Any trial should be subject to a minimum trial period of six months before any amendment or cessation. 4. Provide separate buses for services where school students would otherwise overcrowd public buses on scheduled urban services. 5. Consider the provision of extra services for special events <ol style="list-style-type: none"> a. which are non-commercial b. where there is free entry for the general public c. where over 5,000 attendees are expected d. where organisers will contribute one-third of the net cost of additional services.
Transport disadvantaged	<p>HBRC will:</p> <ol style="list-style-type: none"> 6. Consider the needs of those who are transport disadvantaged when providing services. 7. Ensure all services are operated by wheelchair accessible buses.
Health and Safety	<p>HBRC will:</p> <ol style="list-style-type: none"> 8. Ensure vehicles operated under contract to HBRC meet the safety standards required by law, quality standards set out in the New Zealand Transport Agency Requirements for Urban Buses and that safety monitoring is undertaken through the Operator Safety Rating System. 9. Continue the current scheme with the Hawke's Bay District Health Board to facilitate ease of travel for those needing to attend health appointments, while DHB funding allows.
Environmentally responsible	<p>HBRC will:</p> <ol style="list-style-type: none"> 10. Ensure vehicles operated under contract to HBRC meet the environmental standards as set out in the NZ Transport Agency Requirements for Urban Buses.

Integration with other modes HBRC will:

11. Ensure that all buses in the GoBay service have bike racks.
12. Work with local authorities to improve integration of buses with cycling and walking.
13. Work with local authorities to install secure cycle racks at major bus stops.
14. Work with local authorities to add more bus shelters to the network.

4.2.2 Our Service

Objectives:

- 4.2.2.1 A recognisable, branded transport system that is easy to use, which offers a consistent customer experience and generates customer loyalty.
- 4.2.2.2 Information is readily available, utilising the latest technology.
- 4.2.2.3 Fares are competitive with the costs of private cars to encourage the use of the public transport network.
- 4.2.2.4 A funding system for public passenger services that is fair to ratepayers and users, is efficient and effective and recognises the different benefits occurring for each funding partner.

POLICY AREA	POLICY
Service branding	<p>HBRC will:</p> <ol style="list-style-type: none"> 15. Ensure all vehicles providing services under contract are part of the GoBay brand and colour scheme, while allowing reasonable operator branding. 16. Ensure all publications and marketing materials feature the GoBay brand and colour scheme. 17. Permit suitable commercial advertising on the rear of buses only.
Service performance	<p>HBRC will:</p> <ol style="list-style-type: none"> 18. Provide high quality reliable services which create a first class customer experience. 19. Specify high standards for reliability and customer service and incentivise good service performance through bus operator contracts.
Information availability	<p>HBRC will:</p> <ol style="list-style-type: none"> 20. Ensure service information is readily available and easy to understand. 21. Provide up to date information on all services on the goBay network and encourage Hastings District Council and Napier Council to do the same. 22. Make information available through social media (e.g. Facebook). 23. Ensure information for those with sight impairment is available.

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Fares	<p>HBRC will:</p> <ol style="list-style-type: none"> 24. Ensure fare payment systems are easy to use and accurately record passenger trip information. 25. Set fares in accordance with the targets and policies contained in the farebox recovery and fare-setting policy set out in Appendix D. 26. Review fare levels annually in accordance with the policy set out in Appendix D.
Procurement, funding and delivery	<p>HBRC will:</p> <ol style="list-style-type: none"> 27. Consider the following criteria when establishing public transport units: <ol style="list-style-type: none"> 27.1 Does the unit configuration form a marketable whole? 27.2 What customer market would it serve? 27.3 How attractive would it be to tenderers? (to encourage competition) 27.4 Will the unit configuration maximise efficiency and achieve the best value for money possible? 28. Procure bus services using the partnering delivery model and the price quality selection method as set out in NZTA's Procurement Manual 2009. 29. Maximise funding from NZTA. 30. Support the SuperGold Card free travel scheme funded by NZTA.

4.2.3 The Experience

The purpose of this section is to ensure the experience of the customer is enhanced by having appropriate vehicles and infrastructure.

Objectives:

4.2.3.1 Public transport operations provide comfortable and safe travel, minimise adverse environmental effects and improve health outcomes.

4.2.3.2 Provision of a high standard of infrastructure that supports the network of bus services.

POLICY AREA	POLICY
Buses	<p>HBRC will:</p> <ol style="list-style-type: none"> 31. Ensure all vehicles operated under contract will meet the minimum vehicle quality specifications as set out in the NZTA Requirements for Urban Buses. 32. Provide wheelchair accessible vehicles on all services to ensure easy access for wheelchair users, parents with young children and passengers with mobility difficulties. 33. Ensure the appropriate size bus is used on each service by catering for peak loadings at the service peak time.

Bus stops and timetable information

HBRC will:

34. Work with local councils to develop and implement bus-stop service level standards, whereby high use stops will be required to be well marked, with signage, shelters and timetable information; and less frequently used stops will have road markings and signage at a minimum.
35. Liaise with Napier City and Hastings District Councils regarding improved access from bus stops to buses for people in wheelchairs.
36. Ensure printed timetables are readily available, including large-print versions.
37. Provide high quality web timetable and journey planning information.

4.2.4 Looking Forward

The purpose of this section is to ensure that public transport services continue to cater for the changing needs of the population, including changes in residential and commercial areas; makes provision for potential growth in demand for bus services caused by increases in fuel prices; and recognises future developments in infrastructure technology.

Objectives:

4.2.4.1 A flexible network that adapts to changes in demand

POLICY AREA	POLICY
Demand	<p>HBRC will:</p> <ol style="list-style-type: none"> 38. Regularly review all services to ensure they meet the travel needs of the population. 39. Take into account changes in population, land-use and other factors that influence demand, to ensure the supply of services matches the demand. 40. Monitor the demand for rural services. 41. Carry out a two-yearly passenger survey in line with NZTA requirements. 42. Investigate the longer term potential for park and ride facilities and improved terminus facilities.
Technology	<ol style="list-style-type: none"> 43. Use changing technology where possible to provide a better service through improved ticketing systems, real-time information or other improvements.
Integration with other services	<ol style="list-style-type: none"> 44. Discuss any potential improvements for better integration and shared facilities for long-distance bus and/or tourism services with the relevant council.

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4.3 Objectives and Policies for Total Mobility

4.3.1 Our Customers

Objective:

- 4.3.1.1 The mobility impaired who are unable to use conventional bus services have specific services to cater for their needs.

POLICY AREA	POLICY
Transport for people with a disability	<p>HBRC will:</p> <p>45. Continue to provide the Total Mobility Scheme in Napier, Hastings and Waipukurau in line with the policy set out by NZTA, while reserving the right to limit resources subject to funding and in order to operate within budget.</p> <p>46. Subject to NZTA funding, make wheelchair payments for each wheelchair transported in a vehicle.</p>

4.3.2 Your Service

Objective:

- 4.3.2.1 A funding system for Total Mobility services that is fair to ratepayers and users of the service, is efficient and effective, and recognises the different benefits occurring to each funding party.

POLICY AREA	POLICY
Information availability	<p>HBRC will:</p> <p>47. Ensure information on the Total Mobility Scheme is readily available and easy to understand.</p>
Fares	<p>HBRC will:</p> <p>48. Ensure fare transaction systems are easy to use and accurately record passenger trip information.</p>
Funding and delivery	<p>HBRC will:</p> <p>45. Maximise funding from NZ Transport Agency.</p> <p>46. Consider applications from transport operators for the provision of Total Mobility transport services, while reserving the right to decline applications where:</p> <p>46.1 Demand cannot be demonstrated</p> <p>46.2 Adequate services are in operation</p> <p>46.3 Value for money cannot be demonstrated.</p>

4.3.3 The Experience

Objective:

- 4.3.3.1 A Total Mobility service that provides comfortable and safe travel.

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POLICY AREA	POLICY
Accessible vehicles	HBRC will: 47. Subject to NZTA funding, provide grants for the installation of wheelchair hoists.
Health and Safety	48. Ensure vehicles operated under contract to HBRC meet the safety standards required by law. 49. Ensure Total Mobility providers have health and safety policies and procedures in place which meet the requirements of the Health and Safety at Work Act 2015.

4.3.4 Looking Forward

Objective:

4.3.4.1 A flexible service that adapts to changes in demand.

POLICY AREA	POLICY
Demand	HBRC will: 48. Take into account changes in population demographics, land use and other factors that influence demand, to ensure the supply of services matches the demand.
Technology	49. Use changing technology where possible to provide a better service. 50. Implement smartcard transaction technology for Total Mobility in the region, when available.

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5 What We Plan to Do

5.1 Strategic Response

In order to address the issues identified through our consultation and business case processes (refer Section 1), we have developed several strategic responses, and from these, a number of action points to be implemented over the next three years, in addition to the provision of our existing services.

Our strategic responses are:

1. To improve end-to-end journey experiences on the public transport system, including mode transfer

Although substantial improvements have been made to the bus service over the last ten years, there are a number of factors which hinder greater use. Examples include journey time and journey time reliability on some routes, lack of connectivity with other routes and other modes, limited ticketing options and journey planning facilities, and lack of real-time bus information.

2. Partner with organisations and employers to increase public transport commuting and change perceptions of public transport.

The perception that commuting by bus is a last-resort option needs to be challenged. Incentives to try the bus (such as cheaper fares) or deterrents to driving (such as higher fuel or parking prices) are often needed. HBRC intends to work with organisations to implement incentive schemes where appropriate.

3. Investigate innovative ways to provide better transport options in small towns and suburban areas, and to extend hours of operation.

HBRC would like to further improve access for residents in accordance with the objectives of the Government Policy Statement for Land Transport and intends exploring more flexible ways in which this could be achieved in a cost-effective manner. This will involve looking wider than conventional bus services and exploring options such as community van services, ride-sharing applications and on-demand services.

5.2 Planned Activities

The following activities are planned for the next three years. These are not listed in any particular order, as programming will depend on resources available and external factors. However, the items 'in bold' are high priority.

DESCRIPTION

In partnership with the city and district councils, investigate the provision of improved secure cycle parking facilities at key bus stops.

Bus services between Napier and Hastings – investigate and implement ways to improve journey time and journey time reliability. To include consideration of

- a direct service from Flaxmere to EIT
- streamlining routes to reduce dead-running
- timetable revision to more accurately reflect running times

Introduce a standalone goBay website for bus information, including journey planning facilities.

Investigate options to partner with organisations and businesses in order to promote commuter bus use through concession fare schemes.

Investigate trialing the Choice app in Hawke's Bay, in partnership with NZTA.

Introduce a new improved tag-on, tag-off ticketing system for the goBay service, including online top-ups and inter-operability with 8 other regions.

Investigate transport needs and possible solutions for Central Hawke's Bay and Wairoa. To include consideration of services for EIT students travelling from Central Hawke's Bay.

Investigate and possible trial of on-demand services to supplement existing goBay services – low density housing areas and destinations not currently serviced (e.g. Hawke's Bay Airport), extended hours, weekends.

In partnership with the Regional Ticketing Consortium, implement real-time information on goBay services when available.

Introduce the Ridewise system, an electronic management system for Total Mobility.

6 Review and Monitoring

6.1 Monitoring

The purpose of monitoring the implementation of the Plan is:

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- to measure whether the Plan has been successful in meeting regional public transport objectives; and
- to measure the quality of the services provided.

The region's objectives for public transport are set out in the Regional Land Transport Plan 2015-25: 2018 Review (RLTP).

The RLTP has the following vision:

"A safe, resilient and efficient transport system that supports the development of our economy and contributes to social wellbeing in our community".

Supporting strategic objectives include:

"Access to social, economic and cultural opportunities for all sectors of the community through effective transport links and services"

Policies to achieve the objective:

The region will:

- Plan and provide public transport services that facilitate mobility for the transport disadvantaged
- Encourage the use of public transport for commuting to education or work by providing efficient, reliable services and infrastructure
- Promote the use of public transport by all sectors of the community

This draft RPTP contains HBRC's specific vision for public transport in Hawke's Bay which is:

"To deliver a public transport service that is safe, increasingly used, integrated with other modes and contributes to the economic, social and environmental wellbeing of the people of Hawke's Bay".

With respect to the RLTP objective and methods and the vision statement of this Plan, we aim to:

- Achieve an annual increase in the number of passengers carried on the Napier Hastings bus services. (Baseline – 666,127 passengers in 2017-18)
- Achieve an increase in the public transport 'journey' to work mode share as measured by Census data. (Baseline – 0.7% in 2013 Census)
- Achieve an annual improvement in the fare recovery rate (Baseline – 37% in 2017-18)

HBRC will also closely manage, monitor and evaluate the performance of its bus units. Successful management of services under the PTOM model requires a cooperative approach between HBRC and its contractors, who will jointly develop an annual business plan which sets out key goals and improvements for the year ahead. Regular meetings will be held to evaluate progress against the goals set out in the annual business plan, and against the key performance indicators for the service. Overall service quality will be measured using the following Key Performance Indicators:

- Patronage
- Farebox revenue
- Service reliability and punctuality
- Customer satisfaction
- Complaints – number received and quality of resolution

- f) Incidents – the number and type of incidents occurring on the services
- g) Fleet quality – compliance with national Requirements for Urban Buses standards, age of fleet.
- h) Operator safety ratings provided by the NZ Transport Agency

6.2 Information Requirements

HBRC will require information from public transport operators in accordance with LTMA requirements for information disclosure. The LTMA permits councils to require the operator of a public transport unit to supply fare revenue and patronage data. HBRC must publicise the patronage data and the extent to which a unit is subsidised.

6.3 Review

The RPTP must be reviewed every three years. At that time, HBRC will consider whether a formal renewal of the Plan should be undertaken. If changes are warranted, the significance policy for variations to the Plan may be triggered (Refer Appendix E for our significance policy) and this will tell HBRC how widely it must consult affected parties and the community about the variation. However, in all cases HBRC will consult with persons who will or may be affected by or have an interest in the proposed variation in accordance with Sections 126(4) and 125(2) (a) of the LTMA and Section 82 of the LGA.

Reviews will be undertaken to coincide with the review of the Regional Land Transport Plan (RLTP). This will help to ensure that the RPTP is consistent with the public transport objectives of the RLTP.

7 Legislative Requirements

An RPTP must contribute to the purpose of the LTMA and meet certain other requirements. A description of how this draft Plan complies with those requirements is set out in Appendix B.

8 Farebox Recovery Policy

The NZ Transport Agency requires, as a condition of its funding, that regional councils include a farebox recovery policy in their regional public transport plans. Farebox recovery measures the percentage of the costs of providing public transport that is covered by passenger fares.

The farebox recovery policy for this region may be found in Appendix D.

The policy proposes that the farebox recovery be maintained at no less than 37% and if possible, increased by improving the efficiency of the services and increasing the number of passengers. Fare increases are expected to mirror operating cost increases only.

9 Significance Policy

The LTMA requires councils to include a policy in the RPTP that determines whether any proposed variation to the Plan is significant. This determines whether consultation on the variation is required. The significance policy for this Plan is in Appendix E.

10 Consultation Undertaken

Consultation has been undertaken in the review of this plan, in accordance with the requirements of Section 125(1) of the LTMA.

- An early consultation round with approximately 50 stakeholders seeking initial ideas for service improvements and policy changes to the Plan. (May 2018).

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- A review of HBRC's database of service improvement suggestions, received since 2015.
- A review of the biannual bus service surveys, containing suggestions for improvements to the service.
- An investment logic mapping session with key stakeholders, which has refined suggestions and issues into three key problem statements.

After the draft Plan has been approved, a full public consultation submission and hearing process will be undertaken.

11 Glossary and Abbreviations

TERM / ACRONYM	MEANING
DHB	District Health Board
HBRC	Hawke's Bay Regional Council
GPS	Government Policy Statement
LTMA	Land Transport Management Act
LTP/Long Term Plan	A plan prepared by all local authorities under the Local Government Act which covers a period of at least ten years (also known as the Ten Year Plan)
MoE	Ministry of Education
NGO	Non-governmental agency
NLTF	National Land Transport Fund
NLTP	National Land Transport Programme
NZTA/ Transport Agency/ Transport Agency	New Zealand Transport Agency
PTOM	Public transport operating model
RLTP	Hawke's Bay Regional Land Transport Plan
RLTS	Hawke's Bay Regional Land Transport Strategy
RUB/Requirements for Urban Buses	The RUB is New Zealand's common standard for urban bus quality
SuperGold Card	A discount and concessions card issued free to all NZ residents aged 65 and over and those under 65 receiving a Veteran's Pension or NZ Superannuation. SuperGold Card holders can travel free of charge on public transport between 9am and 3pm on weekdays and anytime at the weekend or on Public Holidays
Ten Year Plan	A plan prepared by all local authorities under the Local Government Act which covers a period of at least ten years (also known as the Long Term Plan)
The Plan, RPTP	Hawke's Bay Regional Public Transport Plan
Total Mobility Scheme	A nationwide scheme which provides discounted taxi travel for people with disabilities which prevent them from using buses

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12 Appendices

- A. STRATEGIC CONTEXT FOR THE REGIONAL PUBLIC TRANSPORT PLAN
- B. DESCRIPTION OF SERVICES TO BE PROVIDED
- C. LEGISLATIVE REQUIREMENTS
- D. FAREBOX RECOVERY AND FARE-SETTING POLICY
- E. SIGNIFICANCE POLICY

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APPENDIX A – DESCRIPTION OF SERVICES INTEGRAL TO THE HAWKE'S BAY PUBLIC TRANSPORT NETWORK AND UNIT DELINEATION

The following bus services form the Napier Hastings Bus Unit.

10 Express	Between Napier and Hastings	Peak time weekday service, 2 in the morning and 1 in the late afternoon between Napier and Hastings. Two in the late afternoon between Hastings and Napier
11 Express	Between Havelock North and Napier, via Hastings and Clive	Peak time weekday service, 4 in the morning and 4 in the late afternoon.
12N	Napier to Hastings, via Taradale, EIT, Hawke's Bay Hospital and Bay Plaza	Every 20 minutes in peak time and 30 minutes in off-peak times, 6.30am to 6.30pm weekdays. Every hour on Saturdays/Public Holidays between 8.00am and 6.30pm. Every 2 hours on Sundays/Public Holidays between 9.00am and 5.40pm.
12H	Hastings to Napier, via Bay Plaza, Hawke's Bay Hospital, EIT and Taradale	Every 20 minutes in peak times and 30 minutes in off-peak times, 6.30am to 6.30pm. Every hour on Saturdays/Public Holidays between 8.00am and 6.30pm. Every 2 hours on Sundays/Public Holidays between 8am and 4.55pm.
13	Napier-Tamatea-Taradale-Tamatea -Napier	Every hour between 7.00am and 6.00pm, weekdays. Approximately every 1 3/4 hours on Saturdays/Public Holidays, between 8.00am and 5.20pm.
14	Napier-Maraenui-Onekawa-Napier	Every 40 minutes in peak times and hourly in off-peak times, between 6.50am and 5.55pm, weekdays. Every 1 3/4 hours, between 9.00am and 4.25pm on Saturdays/ Public Holidays.
15	Napier-Ahuriri-Westshore-Bay View, Westshore, Ahuriri -Napier	Every hour between 6:45am and 6.20pm, weekdays (5 trips per day to Bay View) Every two hours between 10.00am and 2.00pm on Saturdays/ Public Holidays.
16A	Hastings-Camberley-Raureka -Hastings	Every hour between 7.25am and 5.15pm, weekdays.
16B	Hastings-Mahora-Hastings	Every 2 hours between 8am and 5.15pm, weekdays.
17	Hastings-Parkvale-Akina-Hastings	Approx every hour between 7:30am and 5.15pm, weekdays.
20	Hastings-Flaxmere-Hastings.	Every 30 minutes in peak times and every 40-60 minutes in off-peak times, between 6:20am and 6:15pm on weekdays. Every 1-2 hours between 8.00am and 5.50pm on Saturdays/ Public Holidays. Three trips on Sundays.
21	Hastings-Havelock North-Hastings.	Every 30 minutes in peak times and hourly in off-peak times between 6.00am and 6:05pm, weekdays. Every 2 hours between 9.00am and 4.50pm on Saturdays/ Public Holidays. Three trips on Sundays.

NAPIER HASTINGS UNIT
Commences 1 July 2016

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In forming the Napier-Hastings bus services into units, HBRC took into consideration the principles set out in Policy 27. We considered that there were two possible options for the GoBay public transport operation:

One Unit: This would include all the services deemed integral to the Napier-Hastings network - suburban services in Napier, suburban services in Hastings, and inter-city services between Napier and Hastings (Routes 10, 11, 12, 13, 14, 15, 16a, 16b, 17, 20 and 21); or

Three Units:

Napier suburban services (Routes 13, 14 and 15)

Hastings suburban services (Routes 16a, 16b, 17, 20 and 21); and

Inter-city services between Napier and Hastings (Routes 11 and 12).

Taking into consideration the principles of Policy 27 and given the size of the public transport operation, HBRC's preference was for one unit. It was felt that the service:

- Forms one marketable whole as, although it has two main customer markets (commuters/school children, and off-peak passengers), these can be successfully catered for in one unit with a mix of commuter and suburban routes and free transfers available for all passengers
- Is of sufficient size to attract competition while also allowing smaller operators a step into the urban transport market
- Maximises the efficient use of operator and council resources and therefore promotes value for money.

Total Mobility

The Total Mobility Scheme caters for those people with disabilities who are unable to use buses. HBRC intends to continue to operate the scheme in:

Napier (24 hours a day, 7 days a week, Napier city and suburbs, and between Napier and Hastings)

Hastings (24 hours a day, 7 days a week, Hastings city and suburbs, and between Hastings and Napier)

Central Hawke's Bay (14 hours a day, 6 days a week)

Exempt Services

The LTMA requires all exempt services in a region to be registered before operation. The following services are exempt:

- inter-regional public transport services,
- a public transport service, that:
 - a. begins, or is to begin, operating after the Plan is adopted
 - b. is not identified in the Plan as integral to the public transport network, and operates without a subsidy for the provision of the service
 - c. ferry services, registered with council as a commercial public transport service before 30 June 2011
 - d. bus services, registered with council as a commercial public transport service before 30 June 2011 that did not offer fares in accordance with the fare schedule published by HBRC
 - e. a public transport service that began operating after 30 June 2011 that is not identified in the Plan and operates without a subsidy, and
 - f. a public transport service that is specified as exempt by an Order in Council.

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Exempt services are not included in this Plan. Potential operators of exempt services should contact HBRC for details or refer to Section 133 of the Land Transport Management Act 2003 for details of registration requirements. Registration is free but must be completed at least fifteen working days before the commencement of the service

In Hawke's Bay there are some exempt services that operate without any financial support from HBRC. As these services operate independently, operators are able to set fares, timetables and routes as they see appropriate. HBRC's general approach is that there is no need to intervene in the provision of an exempt public transport service.

The LTMA does however, enable regional councils to require information from operators of commercial units, where these are included in the Plan for public transport planning, contracting, and monitoring purposes. If HBRC considers that a contracted commercial public transport unit does not meet the needs of the community, HBRC and the operator will review the service. Following the review, if improvements cannot be made commercially, HBRC may choose to intervene by

- a. developing a unit and providing a concessionary fare scheme or
- b. offering improved services by way of competitive tender and securing a contracted operator.

There are currently no contracted commercial units in Hawke's Bay.

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APPENDIX B – LEGISLATIVE REQUIREMENTS

D The Land Transport Management Act 2003 (LTMA) requires a council to consider certain matters when preparing its plan.

Section 124 requires councils to:

- R** a. Be satisfied that the plan
 - i. Contributes to the purpose of the LTMA
 - ii. Has been prepared in accordance with any relevant guidelines that the Agency has issued
 - iii. Is, if it includes a matter that is not within the scope of the RLTP, otherwise consistent with that plan.
- A** b. Be satisfied that it has applied the principles specified within Section 115(1).
- F** c. Take into account
 - i. Any national energy efficiency and conservation strategy
 - ii. Any relevant regional policy statement, regional plan, district plan or proposed regional plan or district plan prepared under the RMA
 - iii. The public transport funding likely to be available within the region
 - iv. The need to obtain the best value for money, having regard to the desirability of encouraging a competitive and efficient market for public transport services; and
 - v. The views of public transport operators in the region.
- T** d. Consider the needs of persons who are transport disadvantaged.

HBRC is satisfied that this draft Plan contributes to the LTMA requirements, as set out in the table below.

LTMA REQUIREMENT	CONTRIBUTION OF THIS PLAN
Contributes to the purpose of the LTMA which is to contribute to an effective, efficient and safe land transport system in the public interest.	The draft Plan sets out policies that will improve access and mobility, efficiently use existing capacity and resources and encourage use of the Hawke's Bay public transport network. Safety is improved through high vehicle standards. Increased public transport use reduces the personal risk of car crashes.
Has been prepared in accordance with any relevant guidelines that the Agency has issued.	NZTA's 2013 "Guidelines for Preparing Regional Public Transport Plans" have been followed when preparing this plan.
Is, if it includes a matter that is not within the scope of the RLTP, otherwise consistent with that plan	Matters considered within this draft Plan are within the scope of the Regional Land Transport Plan.

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Be satisfied that it has applied the principles specified within section 115 (1), namely

- a. HBRC and public transport operators should work in partnership and collaborate with territorial authorities to deliver the regional public transport services and infrastructure necessary to meet the needs of passengers
- b. The provision of public transport services should be coordinated with the aim of achieving the levels of integration, reliability, frequency, and coverage necessary to encourage passenger growth
- c. Competitors should have access to regional public transport markets to increase confidence that public transport services are priced efficiently
- d. Incentives should exist to reduce reliance on public subsidies to cover the cost of providing public transport services
- e. The planning and procurement of public transport services should be transparent

Section 2.3 outlines how HBRC will work with public transport operators and territorial authorities.

The definition of one unit for the Hawke's Bay bus network will ensure full integration of services. Frequency and coverage have been given consideration in the network review undertaken prior to the development of the draft Plan. Reliability is addressed through the policies contained in this plan on the performance of the bus service.

The definition of one unit for the Hawke's Bay bus network encourages competition, being large enough to achieve economies of scale but not too large to discourage smaller operators. The procurement policies in this draft Plan will also encourage competition.

Incentives such as the Financial Incentive Mechanism and performance monitoring (key principles of PTOM) should help to encourage high quality performance and innovation, leading to increased patronage and reduced reliance on public subsidy.

The draft Plan describes how HBRC plans and procures services.

Take into account

- i. Any national energy efficiency and conservation strategy; and
- ii. Any relevant regional policy statement, regional plan, district plan or proposed regional plan or district plan prepared under the RMA
- iii. The public transport funding likely to be available within the region
- iv. The need to obtain the best value for money, having regard to the desirability of encouraging a competitive and efficient market for public transport services; and
- v. The views of public transport operators in the region

One of the priority focus areas of the New Zealand Energy Efficiency and Conservation Strategy 2017 is efficient, low emissions transport. Provision of commuter bus services will contribute to this priority. The high vehicle standards required by the plan are consistent with the objectives of the 2017 strategy.

These plans are supportive of the integration of public transport network planning and land use planning. The planning of commuter bus routes and neighborhood access routes takes land use into consideration.

The services listed in this plan take available funding into account and are deemed affordable. Proposed future developments will be evaluated in terms of affordability and available funding when investigated.

Policies in Section 4 of the Plan set out how HBRC will procure its services to encourage competition and achieve value for money. These principles are further elaborated in HBRC's procurement strategy.

All public transport operators in Hawke's Bay and neighboring regions were invited to provide their views on a range of matters during the development of the draft Plan.

Consider the needs of persons who are transport disadvantaged

Section 3 of the draft Plan sets out how the needs of the transport disadvantaged have been considered.

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APPENDIX C – FAREBOX RECOVERY AND FARE-SETTING POLICY

Introduction

In accordance with New Zealand Transport Agency (NZTA) requirements, HBRC has adopted a farebox recovery policy. Farebox recovery measures the percentage of the costs of providing bus services that is covered by passenger fares (the balance of the costs is met in equal proportions by local ratepayers and NZTA).

The farebox recovery ratio for Hawke's Bay bus services for the 2017/18 financial year was 37%.

HBRC policy aims to increase this for the next three years and achieve a target of 40%.

NZTA requires that all regional councils prepare a "farebox recovery policy", and include that policy in the Regional Public Transport Plan. NZTA prescribes the formula for establishing the farebox recovery rate.

Services included

The public transport services to be included in the calculation of the fare recovery are all HBRC contracted services operating in the region. Long-distance (e.g. inter-city services) services, privately funded school services, Ministry of Education funded school services; tourist and charter services are not included.

The farebox recovery target

In applying its farebox recovery policy, HBRC has decided to measure farebox recovery of the system as a whole rather than measuring individual routes or trips. Individual routes or services, particularly those that might be regarded as 'social' services, are not necessarily expected to achieve the target set out in this policy.

The table below shows the actual farebox recovery level for the latest full financial year (1 July 2017 to 30 June 2018), and the target range set by HBRC for the three years to 2018. All figures have been calculated using the NZTA farebox recovery formula.

Actual farebox recovery (2017/18)	Target (2018/19)	Target (2019/20)	Target (2020/21)
37%	38%	39%	40%

Historical farebox recovery rates are set out below.

Year	Farebox Recovery Rate
2011-12	33.00%
2012-13	32.50%
2013-14	37.53%
2014-15	38.94
2015-16	37.80%
2016-17	38.50%
2017-18	37.00%

Patronage on the bus service has fallen since 2015, a trend which has been seen throughout regional New Zealand. Stable costs helped to reduce the effect of this on the fare recovery rate until 2017-18 when inflationary

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pressures, related to fuel and wage increases, began to have an effect. A higher target was therefore not considered appropriate.

A lower target was also not considered appropriate – HBRC believes that passengers should pay a reasonable share of the costs, particularly given the level of investment HBRC is making in public transport. HBRC considers that a slightly higher passenger contribution will provide a suitable balance between the contributions of ratepayers/ taxpayers and passengers.

Method of Calculation

The formula used to calculate farebox recovery is prescribed by NZTA and is set out in detail on its website. In essence the formula is total fare revenue divided by total costs.

HBRC may need to intervene if progress is not made towards farebox recovery targets. Four intervention strategies are set out below. These strategies will require HBRC to work with transport providers to achieve the targets. The needs of the transport disadvantaged will need to be considered in any intervention.

Strategy 1: Improve operating efficiencies

Improvements to operating efficiencies will reduce costs and therefore improve farebox recovery.

HBRC in association with the transport provider is constantly monitoring the costs and revenues of services, and investigating how to improve efficiency. Services with poor farebox recovery will be identified, and efforts made to improve the performance of those services. Changes may include better coordination and integration of services, which may for example be achieved through small timetable changes and/or route optimization.

Strategy 2: Increase patronage

Increasing patronage will increase revenues, and thus improve farebox recovery.

HBRC will look to increase patronage by

- undertaking general and targeted marketing
- improving service quality through improving infrastructure, maintaining high vehicle quality standards, and optimizing routes and service levels to increase accessibility, while optimising integration with walking and cycling initiatives.
- working with employers and education providers to implement travel plans

Strategy 3: Reduce poor performing services

Reducing poorly performing services will have the effect of reducing costs and thus increasing farebox recovery.

Poor performing services (i.e. those services with high costs and/or low patronage) can be improved by reductions to frequencies and routes, and assessing vehicle size/suitability. HBRC will also consider alternative ways of providing services, such as on-demand and dial-a-ride options, in order to ensure transport needs continue to be met but in a more cost-effective manner.

Strategy 4: Review of fare products and fare levels

Increasing fares will lead to increases in revenue and thus improve farebox recovery.

Small increases in fares are likely to be required occasionally to cover the increases in costs of providing bus services.

Other options may include reviewing the availability and eligibility criteria for concession fares, reviewing the levels of discount available and seeking supplementary sources of funding.

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How the policy will be applied

Revenue recovery is able to be easily monitored on a monthly basis, and thus any reduction in farebox recovery will be quickly identified. If the recovery rate is dropping, HBRC will then decide which of the intervention strategies will be applied.

R

Implementation date

This policy will apply once the Regional Public Transport Plan is approved.

A

Fare-setting

An annual fare level review will be undertaken at the conclusion of each financial year. This review will take into consideration the farebox recovery levels but may also include any other factors HBRC considers relevant. As a general principle, fare levels should remain competitive with the price of private car travel to encourage patronage growth, particularly for commuting. However, this will need to be balanced with ensuring that passengers contribute sufficiently to the cost of operating the service.

F

The review will also address the level of discounts and concessions within the existing fare structure.

T

Fare structure review

The fare structure on the GoBay service currently provides for a 33% discount on fares for tertiary students and community service card holders and up to 50% for school students and seniors. Current fare levels are available on the HBRC website.

HBRC will review fare structures at least every six years. The fare structure review will address all aspects of the fare system, including

- the appropriateness of zones as the base for the system, and
- the availability of (and discount to be applied to) concession fares
- the availability of discounts for bulk purchases of fares through the use of GoBay smartcards

Policy review

This policy (including the targets) will be reviewed at least every three years or when the Regional Public Transport Plan is reviewed. It may also be reviewed immediately if NZTA policy or practices affecting farebox recovery change.

D APPENDIX D – SIGNIFICANCE POLICY

This policy sets out how to determine the significance of variations to this Plan, in accordance with the requirements of Section 120(4) of the Land Transport Management Act.

R Application

This Plan can be varied at any time. However, public consultation as set out in Sections 125(1) and 125(2) will be required if the variation is found to be significant under this policy.

A The approach to consultation will reflect the level of significance of any proposed variation. Consideration will be given to the costs and benefits of any consultative process or procedure, and the extent to which consultation has already taken place.

F However, HBRC may undertake targeted consultation on matters affecting specific communities and stakeholders, even if the significance threshold outlined in this policy is not invoked.

General determination of significance

T The significance of variations to this Plan will be determined on a case by case basis. When determining the significance of a variation, consideration must be given to the extent to which the variation:

- Signals a material change to the planned level of investment in the public transport network
- Affects the consistency of this Plan with the RLTP or any of HBRCs' long term plans
- Affects residents (variations with a moderate impact on a large number of residents, or variations with a major impact on a small number of residents will have greater significance than those with a minor impact); and
- Affects the integrity of this Plan, including its overall affordability.

Significant and non-significant matters

Matters that will always be considered 'significant' are:

- Any variation that amends this policy on significance; and
- Any variation that introduces a new public transport unit
- Any variation that alters the cost of the provision of public transport services by more than 10% in one financial year.

Matters that will always be considered 'not significant' are:

- Minor editorial and typographical amendments to this Plan; and
- Minor changes to fare levels in accordance with current policy and funding levels

Matters that will usually be considered 'not significant' are:

- A matter that has already been consulted on
- Minor changes to the description of services following a service review, e.g. changes to the route, frequency and hours of a service that may include a reduction in service levels on a route or routes, but which result in the same, or better, overall level of service across the network
- Changes to the description of services or grouping of services as a result of an area wide service review, provided that there is no significant increase in cost

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- Any variation that alters the cost of the provision of public transport services in one financial year by less than 10%.

Targeted consultation on non-significant variations

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Where HBRC determines that a proposed variation is not significant, HBRC may still undertake targeted consultation as follows:

A

- Consultation for minor changes in the delivery of public transport services
- Minor changes in service delivery that are required to improve efficiency, such as the addition or deletion of trips and minor route changes that have only a local impact.

In these cases, consultation will generally be undertaken at a local level with the operator/s involved, the relevant territorial authority and passengers who use the services.

F

Other non-significant variations

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Any proposals for changes that affect only a sector of the community or the industry (e.g. a change in Total Mobility provision, or a change to specific vehicle quality standards) will be worked through with those most

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