



*caring about you & your environment*

## **Report 02.517**

23 August 2002

File: T/10/1/37

[02.517\_adc]

Report to the Passenger Transport Committee  
From Anthony Cross, Manager Public Transport

### **Hutt Valley Buses – A Fresh Start**

#### **1. Purpose**

To bring the Committee up to date with progress on the Hutt Valley Bus Service Review prior to releasing proposals for public consultation.

#### **2. Timeline**

This project is now working to fairly tight deadlines in order to meet the target date of April 2003, by when new contracts need to be in place in accordance with the contract extensions granted by Transfund New Zealand.

Assuming the Committee is fundamentally happy with the proposals and recommendations accompanying this report, the timing of the final stages of the project are as follows:

September – mid October	Public consultation (media release, presentations to Hutt and Upper Hutt City Councils, letterbox drop, advertising in local newspapers, at bus stops and on buses, displays and clinics at shopping malls).
October	Modification of proposals in response to public submissions, preparation of service specifications.
Early November	Release of Requests for Tender.
Mid December	Tenders close.
January	Analysis of Tenders.
Early February	Contracts awarded.
February – March	Scheduling and Rostering (operators) and Information and Publicity (WRC).

End of March	New services advertised.
Mid April	New services commence.

### **3. Market Research Findings**

NFO New Zealand was engaged to conduct a series of twelve focus groups of regular and occasional users of public transport and people not opposed to using public transport.

Liz Sibbald of NFO made an initial presentation on the focus group findings to the 20 June meeting of the Committee. The written report was distributed to Councillors in the 16 August Bulletin, together with slides from a further presentation by Ms Sibbald to a meeting of operator representatives and Councillors which took place on 16 August.

### **4. Public Submissions**

A brochure about the Bus Service Review was distributed to every household in the Hutt Valley. A variety of other means were employed to ensure that as many people as possible knew about the project. We received nearly 1900 submissions which, considering that there were no proposals for people to react to at that stage 1 was most encouraging.

The submissions were very consistent with the findings of the market research. Councillors are welcome to read any or all of the comments, which have been entered into a database searchable by age, sex, suburb, bus route and bus usage.

### **5. Passenger Survey 2002**

The Council's fifth annual passenger survey, undertaken by BRC Marketing and Social Research, included the questions "What do you think is the best feature of the current service?" and "What single improvement to the current service would most benefit you?". The answers as they relate to Hutt line train passengers and Cityline and Community Coach Services bus passengers, are to be found in Volume 2 of the BRC report "Wellington Regional Council Passenger Survey 2002" which has already been distributed to Councillors. Once again, the comments are consistent with the market research findings.

### **6. What Changes People Want To See**

Through the market research and public submissions, people in the Hutt Valley who use or are interested in using public transport have told us that they are dissatisfied with the following aspects of the current service:

- Lack of simple to understand and "combined" or multi-operator fares
- Lack of through-routing to destinations such as Petone
- Poor evening and weekend frequencies
- Poor bus - train connections
- Uncertainty and poor reliability

- Unfriendliness of drivers
- Vehicles which are difficult to get on and off for older people and parents travelling with small children
- Difficult to access information
- Poor image

## **7. The Proposals**

Bearing in mind the above, we have developed a set of route and service level proposals which we will seek feedback on prior to drawing up service specifications for the tendering process.

The proposed routes and service levels are attached (**attachment 1**).

## **8. Premium Route**

We are proposing that the main Hutt Valley “spine” route linking Petone, Hutt Central and Upper Hutt via High Street and Fergusson Drive should be separately branded (in the manner of the Stagecoach Flyer and City Circular, Christchurch’s Orbiter and Auckland’s Remuera Rider). It should use super low-floor (SLF) buses at all times.

## **9. Easy Access Buses**

Through the tendering process we will seek to introduce SLF buses to other routes over the next several years. This will largely depend on the rate at which New Zealand’s principal bus builder is able to produce new vehicles.

## **10. Services Which Are Difficult To Justify**

One of the catalysts for this project was the request for a bus service for the Robson Street area of Stokes Valley. Our reluctance to introduce a service to the area was because a number of services to other parts of the Valley were becoming increasingly expensive to provide on a per-passenger basis and, according to the criteria set out in the Regional Passenger Transport Plan (Section C of the Regional Land Transport Strategy) it seemed inevitable that they should be discontinued when the current contracts expire.

The services in this category include Pinehaven, Cottle Block, Belmont and Korokoro. By way of example, for the 2001/02 financial year, the Belmont services cost \$7.68 per passenger and the Pinehaven and Cottle Block services together cost \$5.33 per passenger.

The market research included focus groups specific to both Pinehaven and Belmont. In both these groups the participants were largely non-users. They were asked to comment on the possibility that services might be withdrawn altogether in the light of the high cost per passenger. After the initial shock (in response to the high cost per passenger) the response was that people dependent on bus services should not be left without a service, and that the cost of retaining such services was a direct cost to ratepayers. There was recognition that the issue was very much one of equity and community mindedness.

## **11. The Cost Of Improved Service Levels**

Hutt Valley bus services currently cost the Council about \$3 million (net) per year. We expect that the increased service levels as measured in vehicle kilometres, driver hours and peak vehicles, may cost up to \$1 million extra per year to operate (ie, before allowing for increased revenue).

## **12. Customer Service Issues**

Poor customer service was a recurring theme in the market research and public consultation. In the case of bus drivers it is clear that unrealistically tight timetables are a major stress factor which prevents many drivers from being as customer-focussed as they need to be, especially at busy times. For example, the 2.15 pm Courtenay Place to Eastbourne service is timetabled to take 45 minutes, but took 42 minutes to complete in a car at the same time of day. Clearly insufficient allowance has been made on this particular trip for picking up and setting down passengers. Another example is that trips on the Lower Hutt to Upper Hutt route are allocated 35 minutes at all times of the day, Monday to Saturday, and 38 minutes on Sundays. No allowance has been built into the timetables for heavy passenger loadings and heavy traffic.

This problem will be addressed by specifying running times which are more realistic than the current ones, and by building in more “layover” time between runs. This will increase operational costs by increasing both driver time and the peak bus requirement, but would be expected over time to generate increased revenue by improving reliability and customer focus.

In the review of tendering and contracting procedures and documentation currently underway we are looking to address customer service concerns by recognising customer focus in the tendering process and rewarding superior performance through the contract payment mechanism. (The proposed new tendering and operator performance monitoring system will be the subject of a report to the 30 September 2002 meeting of the Committee).

## **13. Fares**

We are working on a proposal to introduce “low-tech” integrated ticketing travel on buses, trains and the ferry within the Hutt Valley and between the Valley and Wellington. A consultant is preparing a report on how this might be achieved which we hope to present to the next meeting of the Committee. The biggest impediments to such a system will be the reluctance of operators to participate and the allocation of revenue between operators.

## **14. The Cost Of Integrated Fares**

Integrated ticketing is likely, but not certain, to increase the public transport funding requirement.

The cost will be extremely difficult to measure in advance, although we are running various fares scenarios through the Transport Strategy Model to give a rough idea of the likely impact. Concepts and issues for the Committee to consider are:

- Integrated ticketing is Council policy and has been for many years.
- Integrated ticketing has been put on the “backburner” several times because of the high cost of “high tech” smartcard ticketing systems especially in relation to the rail network.
- Integrated ticketing is a high priority for users and potential users. It is an integral part of an up-to-date customer-focussed public transport “product”.
- Existing passengers who transfer, especially between bus and train, will pay less for their journeys if they only need to buy one ticket to travel from Wainuiomata to Wellington, for example. We cannot justify continuing to charge Wainuiomata to Wellington travellers more than Eastbourne to Wellington travellers, especially if we continue to require them to make a journey which involves a bus to train transfer.
- Neither can we justify increasing fares for Eastbourne to Wellington journeys to the level of Wainuiomata to Wellington journeys in order to provide the latter with single ticket travel.
- The reality is that there are fewer and fewer transfer journeys every year, for various reasons including the increasing supply of park and ride facilities, the unreliability and lower service levels of connecting bus services and, most importantly, the lack of through ticketing. In this year’s passenger survey only 6% of Hutt line train passengers used a bus to get to the station and only 10% were transferring to a bus after they got off the train. On the Paraparaumu line the corresponding figures were 9% and 14%. Therefore the revenue loss from existing transfer passengers will be much less than it might have been in past years when bus-train transfer journeys were more common.
- However, if passenger numbers do not change, revenue will go down and net contract payments will increase.
- We cannot accurately predict how many extra journeys will be generated by encouraging existing transfer passengers to stay with the system longer and by encouraging new users.
- Because we cannot predict the number of extra passengers we cannot predict the extra costs arising from the need to provide extra peak capacity.
- Therefore there is a financial risk in moving to integrated ticketing. This risk is one which was always going to be faced; high tech solutions still involve this risk in addition to the high cost of installing and using sophisticated new equipment.
- The risk will be limited by introducing integrated ticketing to the Hutt Valley as a pilot for the rest of the Region.
- If “low tech” integrated ticketing can be made to work there will be an expectation that it will quickly be extended to the rest of the Region.

- The political risk of introducing integrated ticketing is low. Customers expect it and can't understand why it's not available when they've experienced it in other places. They are not interested in arguments about the problems of revenue allocation and commercial versus contracted services.
- There may well be a cost in not introducing some form of integrated ticketing. The market research indicated that some existing users are likely to stay with the system longer if fares and ticketing are made simpler and more convenient.
- Operators may have a vested interest in resisting inter-modal and inter-operator ticketing, especially where they already have their own ticketing "products" such as daily and monthly passes, which Stagecoach/Cityline does. The existence of these products (as opposed to operator-neutral equivalents) may deter other operators from bidding for contracts because their passengers would have less flexibility (and therefore a less attractive product) without them.

## **15. How Will The Increased Service Levels And Integrated Fares Be Funded?**

Since the new services will not commence until April next year, there will be no funding impact until the last quarter of the current financial year. Beyond that, the increased funding requirement will be reflected in the development of the LTCCP.

## **16. Implications Of Agreeing To This Proposal**

Apart from the cost, the main implication of this set of proposals is that it signals a move away from a "minimalist" approach mainly focused on the needs of commuters, to a more generous set of services which are more market-oriented and more consistent with the Council's commitment to environmental, economic and social sustainability.

## **17. Rail Issues**

This project is about bus services. However, the market research and public consultation inevitably touched on many issues to do with the rail service. Public transport in the Hutt Valley will not reach its full potential without substantial upgrading of the rail service.

It is important to acknowledge the positive experiences which many who are otherwise non-users have had with travelling to and from the WestpacTrust Stadium by train. People who have done so have been genuinely impressed with the efficiency with which the crowds are dealt with after events.

The major points of concern about the rail system are:

- The English Electric units – "the old red trains". To some extent their continued use, unrefurbished, negates the effort that has been put into upgrading the main Ganz Mavag fleet.
- Station access and security, especially in and around subways. People will go to some length to avoid subways, especially at night. In some cases this involves

using holes in fencing to cross tracks, in other cases it involves driving past several local stations in order to use Waterloo. The pressure on car-parking at Waterloo is due in part to the people avoiding the use of their local station because of factors such as poor access, lighting and visibility and the perceived safety risk.

## **18. The Harbour Ferry**

In the past the Council has been a reasonably reluctant supporter of the harbour ferry service. The research shows that the ferry is highly valued by Eastbourne residents and would be more heavily patronised if service levels were increased and fares reduced to the level of bus and train fares. We have no specific proposals as yet, but we will be putting the existing service out to contract in the near future and it may well be that we can use the alternative tender or contract variation process to achieve an improved ferry service.

## **19. The Role Of The City Councils**

We will be making presentations on these proposals to Upper Hutt City Council's Policy Committee on 11 September and to a workshop of Hutt City Councillors (date to be decided).

Whenever there are changes to bus routes there is a major task for territorial authorities in putting in place bus stops and, in some cases, relocating shelters. There is often a conflict between the ideal location for a bus stop – the site which maximises the “ped shed” or pedestrian catchment - and the sensitivities of local residents.

In the case of Lower Hutt, we will be presenting proposals which may avoid the need for buses to use the unpopular Bunny Street facilities altogether, because Hutt Central will, in effect, no longer be a bus terminus. With the exception of buses to and from Wainuiomata, almost all buses will be “through-routed” along Queens Drive, with Petone Station being the southern terminus for most routes. Passengers will have far less need to transfer between buses at Bunny Street because so many more routes will serve places like Petone and the Hutt Hospital. Buses on through routes will serve all stops along Queens Drive so that passengers will have less need to make their way to and from Bunny Street to catch their bus. The result will be that only people for whom Queensgate is their destination will use bus stops in the vicinity. Buses will be scheduled as much as possible to give an even flow past the Queens Drive stops, so that there will be less of a cycle of congested and quiet periods as there is currently at the Bunny Street facility.

This is not an argument for having fewer facilities at the Queensgate stops. They will remain the most important focus of bus services in all the Hutt Valley. They will, however, have far less pressure on them than the current Bunny Street stops because they will not be a terminus or such an important transfer point.

We will be employing a consultant to work with ourselves, Hutt City Council and the operators to develop an operating plan for buses through central Lower Hutt.

We will be talking to Upper Hutt City Council about improving bus access to the Upper Hutt central business district.

## 20. Regional Passenger Transport Plan (RPTP)

These proposals go beyond what was envisaged in the current Regional Passenger Transport Plan (Section C of the Regional Land Transport Strategy). It is recommended therefore that the Committee, in adopting these proposals, should also adopt them as the proposed RPTP as it relates to bus services in the Hutt Valley in order to satisfy Section 47 of Transport Services Licensing Act 1989, which defines “Regional passenger transport plan” as meaning:

*“any plan, identified as such and prepared from time to time by a regional council in consultation with the territorial authorities of the districts in its region and made available to the public, which specifies the passenger services which the Regional Council proposes be provided in its region and which may specify the conditions of those services including routes, capacity, frequency of service, fare structure, and any other matter:”*

## 21. Communications

Communications have been covered in section 2 of this report. A large-format brochure is being prepared for distribution to every Hutt Valley household.

## 22. Recommendations

1. *That the Committee receives the report, noting that both market research and public submissions have highlighted the need for major upgrading of all aspects of the bus services in the Hutt Valley in order to maintain existing customers and attract new users.*
2. *That the second stage of public consultation proceed on the basis of the proposals set out in this report and the accompanying presentation.*
3. *That officers present the proposals to the relevant committees of Upper Hutt and Hutt City Councils.*
4. *That the proposals be adopted as the Proposed Regional Passenger Transport Plan (Hutt Valley Bus Services) for the purposes of Section 47 of the Transport Services Licensing Act 1989 and in the context of the Regional Land Transport Strategy 1999 – 2004.*
5. *That following refinements arising from the public consultation, the officers prepare and release Requests for Tender and report the final service specifications back to the Committee for incorporation into the Regional Passenger Transport Plan and Regional Land Transport Strategy.*
6. *That the Committee notes that approval of any system of integrated fares is likely to generate an expectation for similar simplification and integration of fares throughout the Region.*



7. *That the Committee notes the likely impact of these recommendations on the Council's expenditure.*

Report prepared by:

Report approved by:

ANTHONY CROSS  
Manager, Public Transport

DAVE WATSON  
Division Manager, Transport

**Attachment:**

- 1- **Proposed routes and service levels**