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Committee Passenger Transport
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Kapiti Integrated Ticket

1. Purpose

To consider the introduction of an integrated rail/bus ticket in Kapiti.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The Regional Passenger Transport Plan (policy 3.3) states that the Council will:

Develop integrated fares based on the fare zone system where journeys are charged on the basis of how many zones are travelled through, with no additional cost for transfers between passengers transport services or operators.

Council staff have been investigating the introduction of an integrated train/bus ticket in Kapiti not only because such a ticket would be consistent with Council policies, but also because the park and ride facility at Paraparaumu (521 parks) is full and cannot easily be expanded. Alternative means of encouraging train travellers need to be investigated.

A survey of Kapiti train users conducted by this Council in 2007 indicated that:

- 77% live in the Paraparaumu/Raumati area, and on or near a bus route
- 49% drive to, and park at, Paraparaumu station (a further 6% park elsewhere)
- 13% take the bus to the station

- When asked what would encourage them to use the bus, 59% of car users said they were very likely to use the bus if it was free.

This indicates that if an integrated train/bus ticket (and an integrated fare, which essentially would mean the bus is free for train users) was introduced, some current car-users who use the park and ride facility would swap to using the bus. This would allow new users to use the park and ride, meaning more people would be likely to use the train.

The feature of an integrated ticket and fare is that it assumes a single journey, and does not penalise passengers who transfer between services. It is consistent with the Council fare zone policy meaning so long as the feeder bus service operates within the same zone as the train start/end point, the bus journey is “free”.

Thus someone travelling from Paraparaumu to Wellington (a 9 zone trip) should pay for only 9 zones. Currently, if that person uses a bus to get to the train station, they pay for a 1 zone bus journey, and then a 9 zone train fare. The integrated ticket and fare would save the passenger \$1.50 each trip (based on an adult cash fare).

Integrated tickets (and associated integrated fares) have been introduced on a limited basis in the region e.g. the Wairarapa Plus allows Wairarapa train users to travel by bus from Martinborough and Greytown to and from their train stations without penalising them for the transfer.

A proposal to introduce such a combined train/bus ticket in Kapiti was investigated in 2007 (see **Report 07.747**). However at that time the local bus operator indicated that it did not wish to participate in the proposed scheme, effectively meaning it could not proceed. However the bus operator has now indicated that, subject to suitable financial arrangements, it is prepared to reconsider the current proposal.

4. Possible Trial

This paper proposes that an integrated ticket be introduced in Kapiti on a trial basis. Passengers with a 9 zone monthly train ticket (Paraparaumu to Wellington) would be able to travel at no extra cost on any of the four bus services within Paraparaumu/Raumati (all of which begin and end at the train station).

The trial would assess usage, the impact on the buses and on the park and ride, and costs.

The bus operator (Mana Coachlines) has agreed to the trial, and a revenue reimbursement process has been agreed.

The option of including Waikanae users in the trial was considered, but this will be more complicated because Waikanae is in fare zone 10 (meaning a different ticket is needed). A Waikanae ticket can be considered at a later stage if the Paraparaumu trial is successful.

A trial could start relatively quickly – once agreement is reached with the transport operators, it is only a matter of publicising the new ticket.

Consideration needs to be given to what happens at the end of the trial, and what constitutes a “successful” trial i.e. on what grounds would it be continued. The impact on the use of the park and ride, and on train patronage, would need to be monitored and assessed. A survey of bus users could also be undertaken to assess if any were previously users of the park and ride.

5. Funding Implications

Introducing an integrated ticket has funding implications. The bus operator will lose revenue from those passengers who previously paid to use the bus, but who now use the new “free” ticket. Thus some reimbursement is required.

The estimated cost of this reimbursement is obviously dependent on usage. It can be assumed that all current bus users (approximately 140) will travel free, meaning the minimum reimbursement will be about \$15,000 for the three month trial.

The maximum cost will occur if all the car users who indicated they would use the bus (270) also used the new ticket. The estimated cost under this scenario would be \$40,000 for the trial period. It is unlikely however that all those car-users who said they would use the new ticket, would actually do so. So the cost is likely to be between \$15,000 and \$40,000, with \$25,000 considered to be the likely cost.

In the event that the costs of the trial exceeded expectations then both the Council and Mana Coachlines would have the right to end the trial (which could only occur at the end of a month).

Funding for beyond the trial period also needs to be considered. This may be on a different basis to that used for the trial and will need to be negotiated once the effects of the trial are known.

This cost to the Council will be off-set by any increased patronage on the train. The amount of increased train patronage is uncertain, but even one new regular passenger will result in an increase in revenue of approximately \$2,400 per year. That means about 40 new regular passengers are needed to pay for the new ticket (based on an annual cost of \$100,000). This would represent a 4% increase in patronage. These new passengers may come from those who previously were unable to use the train because there were no spaces in the park and ride, or from new passengers attracted by the “free” bus.

However because the patronage effect is uncertain, the Council will have to consider where it will find the initial funding for this project. Options include:

- From spare funding within existing Council budgets
- From savings from reductions in poor performing services in Kapiti

- From charging at the park and ride facility.

There is no spare funding available within current budgets.

We are currently investigating the possibility of reducing poor performing services, and Mana Coachlines has indicated it will assist with this.

Charging for car-parks in the Paraparaumu park-and-ride is an option but one that needs further investigation. It is clear from the Council surveys that many users of the park-and-ride travel only short distances to the carpark, and could easily walk (or take the bus). Many others live on or near the bus route. A combined “carrot and stick” approach – encouraging bus/train usage through having “free” buses, while at the same time discouraging car use by having to pay for parking, seems appropriate.

A charge of \$2 a day (similar to the bus fare) would generate \$1,000 per day from the Paraparaumu park and ride, or approximately \$250,000 per year. Preliminary figures indicate that the cost of purchasing and installing payment machines would be approximately \$200,000 (based on one machine, costing \$8,000, per 20 car parks), with further costs (approximately \$2,000 per machine, or \$50,000 per year) involved in monitoring, money collection, maintenance etc. Thus the machines would pay for themselves after one year, and generate approximately \$200,000 revenue for council each year thereafter.

Charging for park-and-ride facilities is a new concept in Wellington. But it is usual practice overseas.

Charging at park and rides is also a potential mechanism of funding necessary security improvements for the park and rides (security is becoming an increasing problem at park and rides). Users expect Council to provide secure parking yet the users pay nothing for this.

It is suggested therefore that the costs of the integrated ticket be funded initially from cost savings achieved from reducing poor performing services (and the trial should only commence once these services have been identified and funding made available).

It is also suggested that further investigation of charging at park and rides occur.

6. Communication

The decision of the Committee will need to be communicated to local media, and if an integrated ticket is to be introduced, this needs to be communicated to users.

7. Recommendations

That the Committee:

1. ***Receives the report.***

2. *Notes the content of the report.*
3. *Agrees to introduce an integrated monthly fare/ticket for Paraparaumu bus and train users on a 3 month trial basis, subject to sufficient funding for the trial being freed up from reducing poor performing services.*
4. *Notes that the trial can be ended by either party in the event that costs are higher than expected.*
5. *Agrees to investigate charging at park-and-rides and to report back to the Transport and Access Committee.*

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