



PUBLIC EXCLUDED

Report PE 06.305
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Committee Policy, Finance and Strategy
Author Anthony Cross Manager Transport Service Design

Metlink bus and train fares

1. Purpose

To approve the introduction of new Metlink bus and train fares throughout the region on 4 September 2006.

2. Exclusion of the public

Grounds for exclusion of the public under section 48(1) of the Local Government Official Information and Meetings Act 1987 are:

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist (ie because of the need to preserve commercial confidentiality and to enable Council to carry on negotiations, including commercial negotiations, without prejudice).

The report will be made public as soon as it has been seen by all Metlink operators.

3. 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.

4. Background

4.1 Previous report to Passenger Transport Committee

On 6 April 2006 the Passenger Transport Committee considered Report 06.102 Metlink Bus and Train Fares (attached) and resolved:

That the Committee:

- (1) *Adopts the Metlink bus and train fare zone maps and fare tables shown in the "Fare go!" brochure for the purpose of consultation.*

- (2) *Approves the amended “Fare go!” brochure tabled for distribution seeking feedback on the proposed new fare zones and fare structure.*
- (3) *Notes that the proposed 15% increase in rail fares is subject to consultation as part of the Long-term Council Community Plan.*
- (4) *Notes that the fare proposals are based on those contained within the draft Regional Passenger Transport Plan.*
- (5) *Agrees that final decisions on Metlink bus and train fare zones and fares will take into account:*
 - (a) *Decisions of the Council on the Long-term Council Community Plan in relation to the proposed 15% increase in rail fares.*
 - (b) *The results of the public consultation on the proposals.*
 - (c) *The results of the modelling of fare revenue.*
 - (d) *The views of Metlink operators.*
- (6) *Thanks the Metlink operators for their willingness to support the fares project.*

On 1 June 2006 the Council finalised the Annual Plan for 2006/07 which incorporated a 15% rail fare increase.

As a result new rail fares, substantially as proposed in Report 06.102, will be introduced on Monday 4 September 2006 (Friday 1 September in the case of monthly tickets).

The purpose of this report is to acknowledge the public submissions on the fare changes and to ratify the new fare structure as it relates to bus fares as well as train fares.

This report is being considered by the Policy and Finance Committee as a special meeting of the Passenger Transport Committee would otherwise be required to enable the appropriate decisions to be made in time for the proposed fare changes to be implemented 4 September.

4.2 Fare Revenue Modelling

The fare revenue modelling work being carried out on our behalf by Saha International has given officers confidence that the rail fare changes will generate sufficient additional revenue to serve their primary purpose, which is to cover the funding shortfall for the Tranz Metro contract in the 2006/07 financial year. The revenue modelling work also establishes that the Council is most unlikely to be required to compensate bus operators because of reduced overall fare revenue.

5. Public Consultation – submissions

The public consultation leaflet “Fare go!” was released on 19 April. It was distributed directly to commuters at Wellington Station and key bus stops within the Wellington City Golden Mile. It was available at timetable outlets including libraries and on some buses and key stakeholders throughout the

region were sent a copy. There were promotional posters on buses and trains and at train stations and bus stops and the consultation was extensively advertised in the Dominion Post and local papers. In total over 30,000 leaflets were distributed.

By 24 May we had received 1175 submissions.

A complete copy of the submissions is available in the councillors' lounge and will be tabled at the Council meeting.

5.1 Purpose of Consultation

It is important to bear in mind that the primary purpose of the consultation was to seek views on the fare structure, as opposed to whether or not fares should increase (which unfortunately, in times of steeply rising costs and limited alternative sources of funding, needs to be seen as a given). Given the natural reluctance to accept the inevitability of fare increases, it is remarkable that 55% of respondents answered yes to the question "Do you support the new simple fare structure?"

5.2 Summary of Submission Responses

In response to the question "Do you support the new simple fare structure?":

Yes	55%
No	37%
Unstated	8%

In response to the question "Do you support the introduction of a Metlink concession card with photo ID? (Card will cost between \$10.00 and \$12.00.)":

Yes	60%
No	26%
Unstated	14%

Main issues that comments related to:

Issue	No. of submissions	Percentage of submissions ¹
Bus and train reliability issues	353	30%
ID card issues	311	27%
Cost and value for money of proposed fares	286	24%
Fare zones and boundaries	190	16%
Support and requests for integrated ticketing	185	16%
Lack of beneficiary or student fares	92	8%
Issues for seniors and age eligibility for senior fares	81	7%
Route and timetable suggestions	48	4%
Stations, stops and shelter feedback	18	2%
Cost of taking bikes on trains	11	1%

¹ The percentage column does not total to 100 because many submissions mentioned more than one issue.

The following synopsis includes a number of quotes from individual submissions *in italics*.

5.3 Submissions about New Fare Structure

Overall the submission responses tended to fit into two broad groups:

- A majority that supports a simple consistent fare structure and therefore support the proposed fares.
- A significant minority that are concerned about the impact on their particular fare and therefore support the status quo.

“Easy to follow. There has been no fare increases for several years so it’s OK for them to go up now. Everything else I buy goes up in price all the time!” (0102)

“One of the reasons that I recently moved to Wellington was to take advantage of the public transport. Now - as soon as I get set up here – it’s all turning to custard. Please do not underestimate the impact that this will have on my life. There is no way that I can accommodate a 150% increase in transport costs across my household. I am on a single income and raising teenagers on my own. There is no way that I can accommodate this increase” (0968)

Among those supporting the proposed fares there is a frequent suggestion that the system could be even simpler yet with fewer zones than proposed.

“NZ Post delivers a letter anywhere in the country for a single price - Metlink should adopt the same principle within the cities. For longer-distance travel the amount of time wasted fiddling with fares is less important, so fares based on distance are sensible. However, the number of zones should still be greatly reduced; for example, zones 1-3, 4-6, 7-9, 10-14 could sensibly be combined to produce a 4-zone system.” (0776)

A primary objection raised by those opposing to the fares increasing is the perceived quality and reliability of existing services. A total 30% of submissions mentioned issues concerned with timeliness, crowding, cleanliness and customer service.

“I would moan less about paying extra if firstly the trains on the Hutt line ran to timetable, as both morning and evening peak hour ones don’t, and secondly if the morning train (leaves Naenae at 7:23) was not one of the really old red trains... More refurbished and newer trains would make me feel like I am getting value for what I pay” (0091)

“When services always run on time, the quality of the trains are better and passengers are always guaranteed a seat then I would be happy to pay more.” (0095)

The thought of paying more for no improvement at all is just too much. Therefore, I will not under any circumstances pay more for the current appalling standard of service. If fares are raised I will drive. Would pay double if the service had new carriages. (0068)

For some the case for fare increases has not been made clear. They have made the connection between diesel fuel price rises and increasing bus fares and therefore can’t see why electric trains and electric trolley bus fares are also increasing. Many are aware patronage has been growing due to fuel price increases and feel this should provide sufficient additional revenue.

There is also a perception among some submitters that we are collecting the money from increased fares ahead of making improvements.

“Why wait years till the money is in the bank to make rail improvements. As you collect the money and wait till the coffers are full the costs of any improvements will probably double. Make the improvements ASAP and worry about funding the costs later” (0811)

Many submitters expressed concern that non-Metlink fares such as Stagecoach Gold Passes, \$4 seniors day ticket or Johnsonville Line Peace Train passes would no longer be offered. Company specific products were not included in the consultation as Greater Wellington does not set these fares.

“Having a monthly “train only” pass is an anomaly if you are supposedly introducing a common fare structure, common smart cards etc. Should be for both bus and train over the specified number of zones.” (0955)

5.4 Submissions about Metlink ID card for seniors and under 18s

Overall a majority of submissions support a Metlink ID card with photo for concessionary fares. However among seniors, especially those in Wellington and the Hutt Valley who already have an existing Cityline or Stagecoach fare concession card, there is resistance to the idea of having to pay for a new ID card.

“I am a pensioner and there is a win-win situation here for me” (0071)

“Good idea but I have already - 1996 paid \$25 to Cityline for a photo ID card. Are these to be made obsolete?” (0085)

“Senior citizens will find it too expensive and they already have WINZ supercard. The \$10-\$12 cost will be prohibitive for some elderly. Another card superfluous and unnecessary expense” (0080)

“Good idea but not at \$10 - \$12 - maybe at \$5. People having cards will make it easier for WRC to confirm identity of card holders so it is in WRC's interest to issue the cards - let WRC fund the issue of cards to qualifying applicants”. (0603)

Some were also concerned that seniors' cards may have to be renewed annually which would involve cost and hassle. There was a desire that cards for seniors should have a long period of validity or ideally no expiry date.

Many submitters questioned the need for an ID card for seniors at all as they felt other forms of ID such as drivers licence or NZ Superannuation card should be acceptable. Some felt the card should be optional for those that don't have other ID and don't look obviously over 65.

“Concept is OK for high school age or school leavers under 18 where it can be difficult to tell if they are 18 or under. Not necessary for younger children. Not necessary for adults who have cards showing they are superannuitants.” (0955)

A concern for some parents was that they already had to pay for a school ID card for their children and that it was unreasonable to have to pay for and carry an additional ID card. This issue could be addressed if the Metlink ID card replaced individual school ID cards as in Canterbury. It was also noted in submissions that not all under 18's are covered by existing ID cards.

The ID cards for half fare passengers is an AWESOME idea - I fully support. This \$10 would be a worthwhile investment - myself being home schooled throughout my education, it has been next to impossible to convince drivers I'm still @ school. Bus ID will make a wonderful change to this problem for my young siblings and the other approx 100+ families homeschooling in the Wellington area. Thank you. (1073)

5.5 Submissions about integrated fares and ticketing

Many submissions (16%) made comments in support of integrated ticketing with some submitters under the impression the proposed new fare structure was actually for integrated ticketing and fares.

"It is simpler, and you can use one ticket on any mode of transport (about time too!!!)" (0840)

"I find it a bit confusing that there are different set of fares for different bus and coach companies such as Cityline and Newlands and even different fares for different locations for the trains. I often end up making more than one phone call to Metlink Helpline to get more information or visiting the website. It is a bit time consuming I must say." (0687)

"A problem with the current system is that some buses won't accept the current 10-trip tickets because it is a different bus company, or something. (It can be very difficult to tell which company a bus is from when they are completely painted with advertising.) This is very annoying, and I hope you'll try and fix it soon." (0985)

"Region wide smartcard for ticketing that can be used on all modes. Should be able to store "cash" or have preloaded tickets (eg weekly, monthly, quarterly passes). Should have a daily price cap of, say, two single trips through the zone in question (during peak times) or the equivalent value of a day pass. (Effectively allows day pass to be purchased incrementally.) Something similar to Transport for London's Oyster card." (0970)

"I think transfer sections should be introduced. For instance, it should not cost any more to travel from Island Bay to Kilbirnie than it does from Island Bay to Courtenay Place." (1021)

"Would be GREAT if the fare has like a 2 hour time limit so you can break a journey like in Christchurch. Also should be able to hop on and off between buses and trains on a single journey time as long as you are going to the same destination, eg Porirua to Wellington via train to Tawa, then by bus Tawa to Johnsonville then train from J'ville to Wellington on a 2 hour ticket would really make it for public transport in Wellington. (0993)

While some asked for a region wide smart card a handful of submissions also expresses concern at the existing smart card ticket systems in use in the region.

"Do not introduce smartcards to Stagecoach buses - & get rid of them on Mana & Newlands buses & Cityline. Take time to observe buses in inner city at peak times going home -5pm. Mana & Newlands always hold up traffic behind them - sometimes for several minutes" (1059)

5.6 Major Submissions

Submissions received from the following organisations and individuals are attached:

Hon Trevor Mallard, MP for Hutt South (together with reply)	Expressing concern about fares increasing from \$1.00 to \$2.50. Has been replied to pointing out that this fare increase does not occur in the Hutt Valley, except for journeys between Belmont and Melling Station.
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Mayor Kerry
Prendergast,
Wellington City
Council

Supportive submission seeking some improvements and simplification of daily and monthly passes, all of which would be compatible with the changes being made (as reported in Report 06.102 to the Passenger Transport Committee in April, it has already been agreed “that operators and GWRC will work together to develop a strategy for expanding the range of integrated Metlink fare products once the zonal fare structure has been put in place”).

Cr Andy Foster,
Wellington City
Council

Submitting that “boundaries should where possible be at destination points, for example suburban centres, rather than placed between them”. However, the premise behind the changes we have implemented in recent years, and which these changes will complete, is that “in determining the boundaries for the new fare zones ... wherever possible they encompass whole suburbs or localities, in contrast to the traditional bus fare section boundaries which tended to be in the centre of a suburb.”

In the case of Karori, for example, this will mean that the fare from anywhere in the central city or Te Aro to anywhere in Karori will be 3 zones (adult cash fare \$3.50), whereas currently the fare is between 2 and 5 sections (adult cash fare \$2.00, \$2.50, \$3.00 or \$3.50) depending on whether the passenger is travelling on the number 12 or 21 or the number 18 bus, and whether he or she gets on the bus before or after Courtenay Place (Route 12) or Taranaki Street / Vivian Street (Routes 18 and 21), or before or after the north end of Lambton Quay (Routes 12 and 21), and whether he or she leaves the bus before or after Karori Cemetery (Route 12) or the top of Birdwood Street (Routes 18 and 21), or before or after Karori Park (buses to South Karori) or Tringham Street (buses to Karori West).

Concerns about the scale of fare increases.

Concession fares – questions the rationale for making a concession available to all people aged 65 and over. The question for councillors remains, “can the Regional Council continue to fund a concession which is available only to pensioners and beneficiaries who live in Wellington City and who have access to Stagecoach Wellington bus services, but not to the same groups of people in other parts of the City and in the rest of the region?”

	Suggests that young people's concession should not be available in the morning peak period to encourage schools to start later, thus relieving traffic congestion.
Capital and Coast District Health Board	Supportive submission, seeking to encourage use of tickets valid for 3, 6 and 12 months. See response to Mayor Prendergast's submission.
Victoria University of Wellington	Seeking extension of concession fares to all tertiary students. Councillors have consistently refused such requests over many years as unaffordable. Additional work would be required to assess the cost of making such a concession available (over and above the proposed "young people until the end of the year in which they turn 18" policy, which will include some tertiary students).
Mental Health Commission	Expressing concern about the proposal to withdraw concession fares for Wellington City beneficiaries aged 18 – 65. GW could retain such concessions, but equity would suggest that they should be available throughout the region and on the services of all operators. Additional work would be required to assess the cost of making such a concession available.
Kapiti Coast Grey Power	Seeking, among other things, concessions for all beneficiaries, including those aged under 65. See response to Mental Health Commission above.

5.7 Conclusions

The dominant theme in the "Fare go!" submissions was that fare increases should not happen until public transport improvements are taking place, particularly in relation to the rail system.

In terms of the basic fare structure, there was general support. Some submissions were concerned that the changes will not go far enough in terms of a simple structure. On the other hand, there were concerns about the impact of a "coarser" fare structure than exists now. Overall the balance seems about right. Further simplification will be possible in the future. Further integration of fares and ticketing is keenly anticipated.

It is gratifying that the submissions have not highlighted any major flaws in the logic of the zonal structure. Some details remain to be worked through with the operators, and there may need to be some minor transitional arrangements (the Johnsonville Line being a case in point).

A range of commonly occurring questions and concerns, both general and specific, are set out in Appendix 8 together with answers and explanations which will form the basis of feedback to people who put in submissions.

6. Rail Fares

6.1 Rail fares - General

The following principles apply to rail fares (most of which have been in place for many years):

1. 10-trip clip tickets will continue to be priced at 8 times the equivalent single fare (ie, a 20% discount). This also applies to bus fares through the use of 10-trip tickets (minor operators and, in the short term, Stagecoach Wellington) or smartcards (Mana/Newlands and Cityline/Runcimans).
2. Monthly rail tickets are priced at 24 times the normal cash fare (3 times the 10-trip) for both adults and children.
3. Quarterly rail tickets are priced at 3 times the monthly price, less a 5% discount.
4. The off-peak fare will continue to be available for travel in the electrified suburban area (ie, not on the Wairarapa line where there is an alternative offpeak fare product). The offpeak fare is priced at 75% of the normal adult cash fare, rounded **down** to the next multiple of 50 cents, and is available between Monday to Friday peak periods on the Paraparaumu and Hutt lines. On the Johnsonville line it is available at these times and also evenings and weekends.

6.2 School Term Tickets (Tranz Metro)

In Report 06.102 we said that “ideally the School Term Tickets will also, over time, become zone-based in line with all other fares. We are currently discussing with Tranz Metro various options for Stage 1 of this transition”.

The “Fare go!” consultation leaflet said “we plan to increase the cost of school term tickets to bring them more in line with the monthly child fare, but they’ll still be great value”.

Following discussions with councillors and Tranz Metro the following decisions have been made regarding the transition to zone-based and more appropriately priced school term tickets:

Stage 1:

For Term 4 of this year only, prices will be increased by 17 – 18 % as follows:

	Current price	Term 4 2006 price	% increase	\$ per school day
Up to 7 kilometres	\$55.00	\$65.00	18%	\$1.30
7 - 25 kilometres	\$90.00	\$105.00	17%	\$2.10
26+ kilometres	\$110.00	\$130.00	18%	\$2.60

Stage 2:

From the beginning of the 2007 school year, school term tickets will be priced at 2.5 times the equivalent child monthly ticket price (ie, 60 times the equivalent child cash fare for 50 days' travel on average) provided that, in general, individual station to station fares will not increase by more than 50% relative to the Stage 1 fares.

Stage 3:

From the beginning of the 2008 school year, all school term tickets will be priced at 2.5 times the equivalent child monthly ticket price (ie, 60 times the equivalent child cash fare).

Although these changes will undoubtedly be unpopular, a school student will still be able to travel from Masterton to Wellington and back for \$4.20 per school day in 2007 and \$8.40 in 2008. From Paraparaumu the daily fare will be \$3.20 in 2007 and \$5.40 in 2008, and from Paremata or Silverstream \$2.60 in 2007 and \$3.60 in 2008.

7. Concession Fares

7.1 Minimal changes on 4 September 2006

Initially there will be no change to the eligibility for concession fares when the new fare structure is introduced on 4 September.

Child fares will be priced at half the equivalent adult fare, rounded up to the next multiple of 50 cents.

The Wellington City beneficiary and pensioner fares (available only to Wellington City residents and only on Stagecoach Wellington services) will no longer have a separate fare structure, but will be the same as child fares as follows:

Current:

No. of Sections	Beneficiary Fare
1	\$0.80
2 – 5	\$1.40

New:

No. of Zones	Beneficiary Fare
1	\$1.00
2	\$1.50
3	\$2.00

7.2 Extension of eligibility for concession fares

The revenue modelling work which has been carried out by Saha International will help us to make a decision about the affordability and timing of extending youth and senior concession fares throughout the Metlink network.

7.3 Metlink ID card

Planning for the introduction of the Metlink ID card is now well underway.

As already indicated to councillors, once the extended youth concession eligibility is implemented (in 2007 provided that funding arrangements are in place), the Metlink ID card will be required for young people until the end of the year in which they turn 18, if they wish to receive the child fare concession.

At that time the card will also be available to those seniors who would find it useful.

8. Budget

Costs associated with the fare change project (mostly relating to communication and consultation) will be met from the budget for integrated fares and ticketing.

9. Communication

Clearly we need to improve the effectiveness of our communications effort in relation to the rail upgrade and the conditions attached to Government funding, so that people are more aware that fare increases are a vital part of paying for much-needed public transport improvements in our region.

A draft list of questions and answers in response to the main themes which emerged from the "Fare go!" consultation is attached to this report. A summary will be incorporated in a letter which will be sent to submitters where they supplied names and addresses or an email address.

Work is well underway on producing a range of leaflets, posters and advertisements to describe and publicise the fare changes. The main publicity effort will be in the last two weeks of August.

10. Recommendations

That the Council:

- 1. Notes that more than 1100 submissions were received in response to the "Fare go!" brochure.*
- 2. Notes the extent to which opposition to the proposed fare increases was related to poor operational performance on the rail system in particular.*

3. *Notes that, although the “Fare go!” brochure signalled fare increases for most public transport users, the majority of submissions were supportive of the restructuring of fares as outlined in the brochure.*
4. *Notes that there are no substantial changes to be made to fares and fare zone boundaries as a result of the submissions received.*
5. *Adopts the structure of 14 Metlink fare zones generally as set out in the “Fare go!” brochure.*
6. *Adopts the following basic fare structure to apply from 1 September 2006:*

No. of Zones	Adult Cash	Child Cash
1	\$1.50	\$1.00
2	\$2.50	\$1.50
3	\$3.50	\$2.00
4	\$4.00	\$2.00
5	\$4.50	\$2.50
6	\$6.00	\$3.00
7	\$7.00	\$3.50
8	\$8.00	\$4.00
9	\$9.00	\$4.50
10	\$10.00	\$5.00
11	\$11.00	\$5.50
12	\$12.00	\$6.00
13	\$13.00	\$6.50
14	\$14.00	\$7.00

7. *Notes that, pending further work on affordability and timing, no decisions are being made at this stage on the extension of concession fares.*
8. *Notes that Wellington City Pensioner and Beneficiary fares will be increased along with other fares, and will now be the same as child fares at \$1.00 for one zone, \$1.50 for two zones and \$2.00 for three or more zones.*
9. *Notes that, for Term 4 of 2006, school term rail tickets will increase in price by 15%, rounded up to the next multiple of \$5.00.*
10. *Notes that, from the beginning of the 2007 school year, school term rail tickets will be zone-based and priced at 2.5 times the equivalent child monthly ticket price (ie, 60 times the equivalent child cash fare), provided that implementation will be spread over two years where necessary to ensure that no fare increases by more than 50% in any one year.*

Report prepared by:

Report approved by:

Anthony Cross

Manager Transport Service Design

Wayne Hastie

Divisional Manager

Attachment 1: Letter from Hon Trevor Mallard, MP for Hutt South (together with reply)

Attachment 2: Letter from Mayor Kerry Prendergast, Wellington City Council

Attachment 3: Letter from Cr Andy Foster, Wellington City Council

Attachment 4: Letter from Capital and Coast District Health Board

Attachment 5: Letter from Victoria University of Wellington

Attachment 6: Letter from Mental Health Commission

Attachment 7: Letter from Kapiti Coast Grey Power

Attachment 8: Draft Questions and Answers in response to matters raised in submissions

Attachment 9: Report 06.102

Attachment 10: "Fare go!" brochure

Public excluded