Invercargill
CITY COUNCIL

Southland Regional Public Transport Plan 2018 – 2021

12 October 2017

DRAFT

Regional Public Transport Plan

Activity			
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Council Adoption			

Changes to be Incorporated in Next Review		
Number	**Date of Change**	**Reason for Change**

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Executive Summary

Regional Public Transport Plan (RPTP) for Southland is managed by the Invercargill City Council under delegation from Environment Southland. This delegation is considered appropriate for management of public transport services in the region, as the only publicly funded services are run within the Invercargill City Council area and predominately serve the ratepayers of the city.

In 2012 Invercargill's public transport system (including routes and fares) was substantially changed, but after a short period of limited growth the patronage has been steadily declining. In 2017, 198,826 passenger trips were undertaken which is a 24% reduction from 262,000 in 2012.

While patronage has declined in other New Zealand centres over this time, Invercargill's patronage decline has been greater than the national trend. No specific explainable reason for the decline has been identified. This suggests the current network could be improved with a goal to increase patronage.

Invercargill's current network is reasonably complex for a small network, with a series of one-way loops and a peak and off-peak fare structure. The Community and Council remain supportive of the public transport service but recognise the need to make improvements to turn the service around.

This RPTP considers three route options for consideration and proposes that a revised network layout, each having three connecting routes with increased timetabling (for morning and evening commuters) be considered. This would remove the current one-way loops and would provide a suitable outcome aligned with the customer feedback received. A change to a simplified fare structure is also suggested to make travel more easily understood, as cost effective as possible and encourage more travel to occur.

Council will also increase investment in bus shelters (including the Hub at Reading Cinemas) to improve comfort for passengers while they wait for their service to arrive, which again is what the customers have requested.

The RPTP also covers Council's Total Mobility services and whilst this continues to deliver quality services to the community, this plan is looking to move from the historical voucher system and deploy the RideWise card into Southland.

The Passenger Transport service will have the new integrated ticketing system in place by May 2018 and this will provide a wide range of benefits including being able to use the replaced Bus Smart card in eight other districts throughout New Zealand. Our Contractor GoBus will have replaced the current urban fleet with newer buses which will bring a fresh look and improved ride for our customers.

The proposed changes to the routes, timetables and fares all have tried to operate within the current budget scope. However, a small allowance has been made to anticipate additional costs which are incurred when changes are made.

During the next three years, the current passenger transport contract continues with GoBus which provides cost reliability with the most variable budget element being the revenue obtained from the farebox. This is one of the measures the New Zealand Transport Agency (NZTA) who co-invest look to closely monitor to ensure that a cost effective service is delivered.

Feedback during consultation is important to confirm that the direction this plan proposes is what its customers commonly desire.

1. Introduction

1.1 ABOUT THIS PLAN

The purpose of this plan is to outline and to summarise in one place, the Council's strategic approach for the delivery of the Public Transport activity. Public transport is one of many activities addressed in the Invercargill City Council's Long Term Plan (LTP).

Invercargill City Council (Council) under delegation from Environment Southland (the Southland Regional Council) is required by the Land Transport Management Act 2003 (LTMA) to prepare a RPTP (i.e. the Plan). The LTMA sets out the requirements regarding the Plan's content and the consultation process required in preparing the Plan.

The LTMA states that the purpose of a Plan is to provide:

➢ A means of encouraging Council and public transport operators to work together in developing public transport services and infrastructure; and
➢ An instrument in engaging with the public in the district on the design and operation of the public transport network; and
➢ A statement of:
  • The public transport services that are integral to the public transport network; and
  • The policies and procedures that apply to those services; and
  • The information and infrastructure that supports those services.

This Plan sets out Council's intentions and policies regarding public transport in Southland in the next three years. The Plan takes into account all relevant national and local policies, and the public transport funding from NZTA likely to be available to Council.

1.2 ACTIVITY OVERVIEW

The "public transport" referred to in this Plan is the subsidised bus service within Invercargill and any other council subsidised public transport service in the Southland region, and passenger service providers that relate to the Total Mobility scheme.

It does not include long-distance bus services; Ministry of Education funded bus services, privately funded bus services or train services.

Southland Region

At this stage no subsidised services (other than some Total Mobility services) operate in Southland other than in Invercargill. Council has no plans to introduce any new services, but will consider any requests from the wider Southland community for such services (subject to the policies set out below). The costs for such services will need to be borne by the local authority in whose territory the service operates and NZTA.

Invercargill Public Transport Service

In 2017, 198,826 passenger trips were undertaken on the four one-way loop services which is a 24% reduction from 262,000 in 2012. Prior to 2012 there were 10 bus routes. Some of the services were free for users and patronage is

estimated at approximately 400,000 as Council was reliant on returns from the contractor.

Council intends to continue to provide a bus service in the city.

In 2012 the city bus routes and timetables were substantially revised and a new contract introducing the revised bus service commenced on 3 December 2012. The existing contract provides services over four routes in Invercargill, running on weekdays between 6.45 am and 6.40 pm, with services on Saturdays between 10.30 am and 3.40 pm. There are also 11 school routes catering specifically for school students going to and from school plus a service (four routes) catering for Southland Enterprises.

Monitoring and analysis of the service demonstrates that these significant network changes have contributed to a decline in patronage. This RPTP proposes a revised network aimed at reversing the decline.

Total Mobility Scheme

Invercargill City Council provides administration support for the Total Mobility scheme with each council funding travel for registered users from their district. This scheme provides transport assistance to people with disabilities through the provision of half-priced taxi fares (up to a maximum subsidy of $25 per one-way trip). Total Mobility operates in Invercargill, Gore, and Southland District areas.

Approximately 54,500 trips are made annually in Southland on the Total Mobility scheme. 50,000 of these are made by scheme members who reside in Invercargill, 4,500 by residents of Gore and 158 by residents of Southland District (when they visit Invercargill). Currently passenger service providers are only available in Invercargill and Gore.

The annual subsidy cost of this service (excluding GST) is approximately $312,000 in Invercargill, $21,000 in Gore, and $1,100 in Southland District. These costs, as with the bus costs, are met by local ratepayers and NZTA. The average subsidy per trip is just above $6.00 (i.e. $6.12).

Currently about 1,460 people in Invercargill, 230 in Gore and 13 in the Southland District are registered for the Total Mobility scheme.

The scheme also subsidies vans capable of carrying people in wheelchairs, and provides for an extra $10.00 (excluding GST) subsidy per trip for the use of these vans in recognition of the costs and time involved in carrying passengers using a wheelchair. Council provides assistance with the costs of installing the necessary equipment into the vans to enable them to carry wheelchairs and mobility scooters. The maximum subsidy available for these van conversions has been $22,000 per van.

Council administers the scheme, including the distribution of vouchers for use on the taxis, and payments to the taxi companies. A Total Mobility Committee (which comprises representatives of the local authorities in whose areas the scheme operates, the taxi companies and disability organisations) has been established to manage the scheme.

2.   Strategic Case

The Otago Southland Regional Land Transport Plan 2018/21 (RLTP 2018/21) includes a policy related to providing subsidised Public Transport Services, one of which is in Invercargill. Should services be proposed in Southland but outside the Invercargill City Council area then a strategic business case will need to be developed and incorporated into a future RPTP.

2.1   ALIGNMENT WITH COUNCIL STRATEGIC GOALS

2.1.1   Community Outcomes

Council has developed its own Council-focused 'Community Outcomes' for the LTP that will fulfil the requirements of 'Community Outcomes' under the Local Government Act.

The new Community Outcomes have been derived from Council's vision:

"To enhance our City and preserve its character while embracing innovation and change."

Community Outcomes		
Enhance our City	**Preserve its Character**	**Embrace Innovation and Change**
We will know success when:		
Invercargill's population is over 1.2% of the New Zealand population.	Invercargill is celebrated for preserving its heritage character.	Invercargill's culture is embraced through Community projects.
New residents feel welcomed and embraced by Invercargill culture.	Ease of access throughout the City is maintained.	The development of future industry is encouraged.
Healthy and active residents utilise space, including green space, throughout the City.	Our natural and existing points of difference are celebrated.	Technology is utilised in both existing and new City services.
Invercargill's economy continues to grow and diversify.	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community.	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.
Invercargill's business areas are bustling with people, activities and culture.	Strong, collaborative leadership of the City is demonstrated.	Invercargill has the 'wow factor' with the right facilities and events to enjoy.

Table 1 below sets out Council's current community outcomes and how these have been translated into levels of service for public transport which have been used since 2015.

Table 1 - Current Community Outcomes and Levels of Service

Community Outcome	Council's Role	How the Activity Contributes	Customer Level of Service	Measure of Service
A diverse and growing economy.	Ensuring that the building blocks for sustainable business are in place, including energy, water, communications and workforce.	Passenger Transport ensures that a quality public transport service is available, accessible and affordable for people to travel to work and education centres.	Bus routes are convenient.	Homes in the Invercargill urban area are within 400m of a serviced bus route.
Healthy lifestyle in a healthy environment.	Provide or promote the provision of a diverse range of excellent quality and safe, indoor and outdoor recreational facilities, both natural and man-made.	Passenger Transport ensures that a quality public transport service is available, accessible and affordable for people to travel to recreational facilities.	The bus service is well utilised.	Farebox recovery and patronage.
A city that is a great place to live and visit.	Ensure that all projects / services consider how best they can cater for people with disabilities, the elderly, youth and families.	Passenger Transport provides the Total Mobility service that is subsidised transport for people who are unable to use the bus service due to physical or mental impairment or condition.	Passenger Transport services are provided for all members of the Community.	All members of the community have the opportunity to use public transport.

Table 2 below sets out the current performance measures under the LTP. The LTP is updated annually through the Annual Plan process and a report is released annually on the targets and performance of Council against these.

Table 2 - Current Community Outcomes

Community Outcome	Activity and Performance Measure	2015/16 Target	2016/17 Actual
Healthy lifestyle in a healthy environment.	Passenger transport - homes in the Invercargill urban area are within 400m of a serviced bus route.	90%	Achieved 90%. 2014/15: Achieved 90%
A city that is a great place to live and visit.	Passenger transport - all members of the community have the opportunity to use public transport.	Total Mobility scheme is administered.	Achieved. 2014/15: Achieved – total mobility is administered and delivered to the community.

2.1.2 Rationale for the Activity

The basic objective of the Council-provided public transport network is to provide services which meet the basic needs of the community, particularly those without access to private transport.

2.1.3 Activity Objectives

Strategic Fit

The provision of public transport services is strongly aligned with the following outcomes:

➢ A diverse and growing economy
➢ Healthy lifestyle in a healthy environment
➢ A city that is a great place to live and visit

Car transport is the dominant mode of travel in Invercargill as 15 percent of households have three or more motor cars and nearly 90 percent of commuters drove to work, according to the 2013 Census. While it is challenging for public transport to compete in this environment, in terms of minimising transport energy use and greenhouse gas emissions to provide for a healthy environment, Invercargill needs to continue to support the provision of public transport.

Public transport provides choice for people to access work, education, social and health facilities. These factors demonstrate a strong strategic fit with the LTP community outcomes.

The Otago-Southland Regional Land Transport Plans (RLTP) is a document that the RPTP must also demonstrate a strategic fit with. The RLTP includes the following goals - "*the transport system in Otago and Southland provides adequately for mobility, economic activity and productivity while minimising road trauma.*"

These goals are underpinned by three aims or critical success factors:

➢ Transport enables and supports economic activity and growth.
➢ Transport system meets social needs adequately.
➢ Transport helps shape the future of Otago and Southland positively.

Public transport in Invercargill supports these aims by providing a transport option for accessing employment and commercial activity. Public transport and Total Mobility both fulfil important linkages to social and community facilities, enabling the community to meet its social needs and shaping a positive future.

Effectiveness for Invercargill's public transport services are currently measured by the proximity to public transport services, patronage and farebox recovery. Patronage is a key measure of the performance of the service and this is currently declining, which also impacts on farebox recovery. To be effective, patronage needs to become stable or preferably increase.

2.2   BUSINESS DRIVERS

2.2.1   Regulatory Framework

The Local Government Act (LGA) states the purpose of local government. In performing its role local government must have particular regard to the contribution to core services (including public transport services) that they make to their communities. The sustainable development role of local authorities should take into account the social, economic, and cultural interests of people and communities. There is a need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations (from Section 14(h) of LGA). The LGA also provides the framework for the LTP which local authorities use to decide what activities they will undertake and the manner in which they will undertake these. The Act promotes accountability of local authorities to their communities.

The LTMA provides the legal framework for managing and funding land transport activities. The purpose of the LTMA (Section 3) is "*to contribute to an effective, efficient and safe land transport system in the public interest.*"

The Act:

➢   Provides an integrated approach to land transport funding and management that takes into account the views of affected communities.
➢   Improves social and environmental responsibility in land transport funding, planning and management.
➢   Provides the NZTA with a broad land transport focus.
➢   Ensures options and alternatives are given full consideration at an early stage in the development of programmes.
➢   Ensures that land transport funding is allocated in an efficient and effective manner.
➢   Improves the flexibility of land transport funding by providing for alternative funding mechanisms.

The LTMA also defines the function and the roles of:

➢   The NZTA.
➢   Regional councils for land transport planning, programming and funding.
➢   Auckland transport for land transport planning, programming and funding.
➢   Regional transport committees.

It also provides for:

➢   Regional land transport strategies.
➢   A Government Policy Statement on Land Transport.

2.2.2 District Plan and Council Policies

Invercargill City District Plan (section 2.17.1) identifies the following significant resource management issues for transport as:

1. Ineffective integration of land use and transport can have adverse effects on the safety, efficiency, effectiveness and accessibility of Invercargill's transport infrastructure.
2. Transport corridors and related transport movements can give rise to adverse public health and environmental effects.
3. There are pressures on Invercargill's transport infrastructure as a result of demographic changes, projections of increased freight and land use change, and there are limited transport options available to address these pressures.
4. The efficiency and convenience offered by the City's grid street pattern can be compromised by poor urban design.
5. Incompatible urban and rural development can adversely affect the transport network.

The transportation objective for the plan is to provide for the development and sustainable management of transportation networks. Methods for achieving this include information provision and advocacy alongside rules including parking rules.

Invercargill City Council Bylaw 2015/2 - Parking Control (incorporating amendments on 15 May 2017) sets the controls for parking within the city and shows the locations of bus stops. These Bylaws are available on Council's website.

2.2.3 Long Term Plan

This RPTP forms the activity management plan for Council's public transport services. The RPTP aligns Council's community outcomes, activity performance measures and targets.

2.2.4 Regional Land Transport Plan

The provision of public transport in Invercargill is guided by a number of policy documents including the Government Policy Statement on Land Transport (GPS), the Otago Southland Regional Land Transport Plan (RLTP), Invercargill City Council's Long Term and Annual Plan (LTP) and various guidelines issued by the NZTA.

The latest GPS outlines the Government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision-makers about where the Government will focus resources. The Land Transport Management Act 2003 sets out the scope and the requirements for the GPS.

The overall goals of the GPS remain unchanged and are:

➢   Road safety
➢   Economic growth and productivity
➢   Value for money

The latest draft GPS 2018 recognises public transport as necessary to enable more New Zealanders to participate in society. Public transport in urban areas provides transport choice to get to important destinations like work and education. Further transport choice is provided with off-peak public transport services and increasing the accessibility of services for disabled people.

GPS 2018 support increases in public transport capacity and economic growth which will also provide some transport choice. It includes the following objective and result areas that are particularly relevant for Southland as follows:

Objective: A land transport system that provides appropriate transport choices.

Result: Provide appropriate and accessible travel choices, particularly for people with limited access to a private vehicle.

The Otago Southland Regional Land Transport Plans 2015-2021 is a joint plan combining both strategic and project components. The long term goal set for land transport in Otago and Southland is:

To provide accessible transport connections, giving users an appropriate choice of modes and to gain improved performance from the land transport system, by focusing on:

➢ Road safety
➢ Economic growth and productivity
➢ Value for money

According to the RLTP public transport delivers on the following priorities:

➢ Users are able to access the network in a manner that is convenient and affordable to users and funders
➢ The network is reliable and resilient, helping community resilience
➢ Value for money

The RLTP envisage public passenger transport continuing to play a vital role in supporting community well-being by providing a means for those without cars, and those who choose not to travel by car, to travel longer distances. Public passenger transport will also remain important for those for whom active transport poses a physical challenge. As the regions' population ages, with younger generations being less reliant on the private motor vehicle, and as changes in the price and supply of petroleum oil fuel affect people's ability to travel by private vehicle, the role of public passenger transport (and shared transport) will grow.

2.2.5 NZTA Business Case Approach / Better Business Case

In February 2017 an Investment Logic Mapping stakeholder workshop was held to focus on future investment. It was titled Adapting Invercargill Passenger Transport Services - 2018 to 2021 and beyond. The scope of the exercise focused on Invercargill's urban area, not including Bluff and Otatara. Predominantly it focused on buses, and looked at the next five years and then beyond.

Two key themes were identified around customer information and route design.

The following problem statements were developed:

1. Historical decisions based on funder and service constraints results in less convenient routes, timetables and reduced patronage (40 percent).
2. Lack of information on the needs of our existing and potential customers results in a risk of poor investment decisions and missed opportunities (60 percent).

The Problem Statements from the Investment Logic Mapping (ILM):

1. **Historical decisions based on funder and service constraints results in less convenient routes, timetables and reduced patronage (40 percent).**

    Council undertook a major review of the city bus service in 2012 and as a result of that review made substantial changes to routes, timetables and fares. The new service was tendered in 2012 and the contracted service began in December 2012. The contract runs until 29 June 2022 with a mid-point review based on key performance indicators.

    The current city service operates on four city routes which provide coverage of the entire city. The service starts each weekday at 6.45 am, with the last service leaving the central city at 6.00 pm. Services run every 45 minutes on each route. On Saturdays, six services operate every 45 minutes between the hours of 10.30 am and 3.40 pm. There is no Sunday or public holiday service. An additional service (on two separate routes) is provided on weekdays to and from Southland Disability Enterprises, morning and evenings only.

    In addition, 11 school routes operate (five in the morning and six in the afternoon) within the city on school days.

    The buses cover over 306,000 kilometres annually on these routes.

    At the time Council thought that these current routes, timetables and fare structure would be suitable for Invercargill based on demand levels and the costs of providing the service.

    The consequence of introducing these service changes has been less convenient routes and timetables, and declining patronage.

    On 9 February 2017 Blind Citizens NZ Southland Branch tabled a bus route proposal to the Community Services Committee. This proposal used input from members to suggest route changes which have been considered through the network review. Their concerns include travel times, improving access to some key destination and simpler timetables.

2. **Lack of information on the needs of our existing and potential customers results in risk of poor investment decisions and missed opportunities (60 percent).**

    Council has a number of mechanisms for seeking feedback from its community on the bus services including bus user surveys, Annual Plan and LTP submissions and complaints by contacting elected officials or staff directly. There are no customer satisfaction metrics in the RPTP. The customer level of service on 'bus routes are convenient' is measured using a 400m distance between homes and bus routes. Usually set (nationally) at 500m, this measure is typically used to measure accessibility rather than convenience.

    The most recent user survey from December 2016 indicates a need for improved bus shelters, improvements to BusSmart Central and buses going both ways (i.e. removing the one way loops or reverting to the old routes). Services more suitable for commuting and Sunday services are also suggested through the survey feedback.

A component of the network review was to undertake a survey to better understand the outcomes of both existing and potential customers.

The Investment Benefits from the ILM:

1. Improved network performance and capability (55 percent)
2. Improved community access, connectivity and wellbeing (30 percent)
3. Better value for funders (15 percent)

These are further explained below:

1. **Improved network performance and capability (55 percent)**

   The current operating network is designed as a series of one way loops and this significantly increases the travel time as passengers must travel indirect routes to access destinations. A more straightforward network would be an improvement to the network performance.

   Council invests around $465,000 (in 2017/18) per annum on Invercargill's public transport services. Success is currently measured in terms of outputs (patronage), coverage (distance a customer has to walk to a service) and the cost ration recovered from passengers (as a ratio of fare revenue and operating cost).

   To understand improved network performance and capability, measures should be translated into outcomes aligned with the LTP customer level of service – bus routes are convenient and the bus service is well utilised.

   Measures could be focused on transport disadvantaged use – for example, percentage of transport disadvantaged who regularly use public transport.

   Capacity is often discussed in terms of public transport – the ability to carry more passengers. Here in Invercargill the problem is framed as capability. Capability in this context can be interpreted as processes to increase the quality of outcomes and satisfaction of customers.

   Revision of the network should identify key destinations, and improve network performance and customer satisfaction.

2. **Improved community access, connectivity and wellbeing (30 percent)**

   The investment benefits for Invercargill's services are largely social – the buses enable those without other forms of transport to get where they need to go, in particular to places of work, education, healthcare, welfare and food shopping.

   Improved community access, connectivity and wellbeing should be targeted in the parts of the community when transport disadvantage is highest. One indication of potential focus areas could be areas of social deprivation as shown in Figure 1 Social Deprivation Index and Scale, along with key destinations including Southland Hospital.
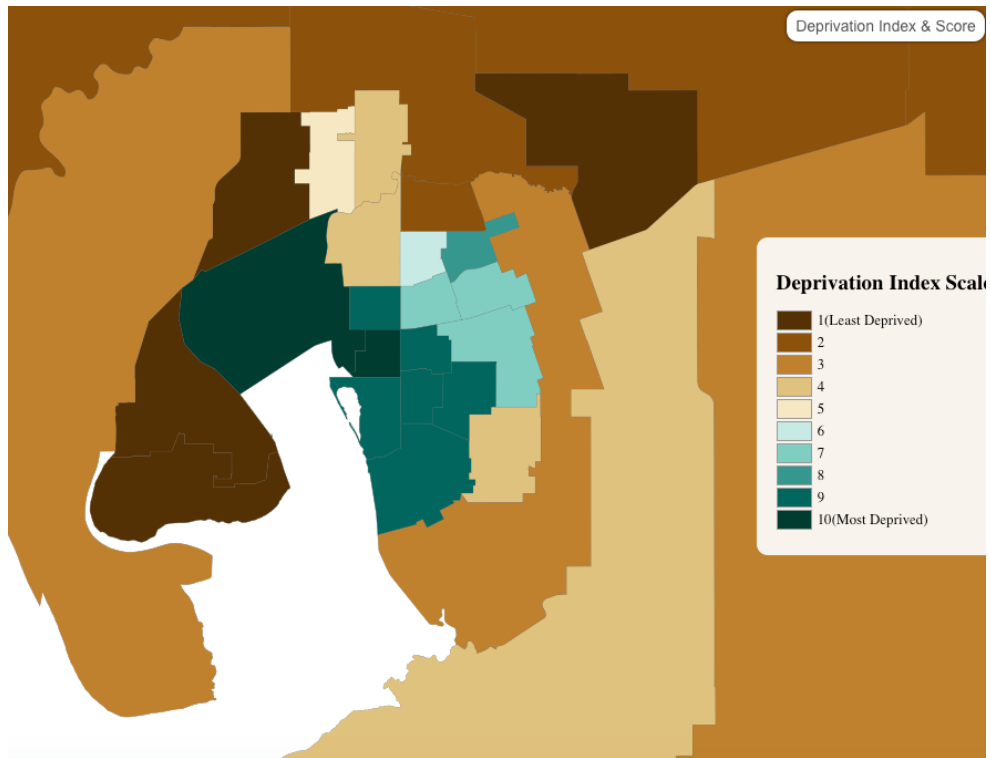
Figure 1 Social Deprivation Index and Scale

The recent submission to Council regarding rerouting services suggests that, even with the current coverage measure of 400m maximum walk from a stop which is a higher coverage than that nationally used at 500m travel, there are still some improvements to community access, connectivity and ultimately wellbeing that can be made.

Examples of how public transport can contribute to wellbeing include fostering childrens' independence and mobility, and concessionary bus travel for older people, both of which have associated increases in walking and benefits to public health.

International research suggests that using public transport, walking or cycling to work was associated with a 20 percent lower likelihood of being overweight[1]. Those who used public transport had about 25 percent reduced chance of being obese compared to those who did not.

3. **Better value for funders (15 percent)**

    Value for money should not solely be focused on the subsidy provided per passenger. Value for money can be defined as "*the best outcome for the money spent*" or the "*optimum combination of whole of life costs combined with quality*".

    Cost alone is not a reliable indicator of value for money. The LTP uses – *"Passenger Transport ensures that a quality public transport service is available, accessible and affordable for people to travel to work and education centres"* as a performance measure. This performance measure can be translated into a value for money key performance indicator for this plan.

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[1] "Active travel and bus passes: the impact on public health" Dr Elizabeth Webb, Epidemiology and Public Health, UCL.

The next section of the Plan sets out a series of policies and objectives which aim to address the problems, issues, constraints and benefits identified above.

2.3 STRATEGIC ISSUES AND CHALLENGES

In 2012 the Invercargill network was redesigned to cost substantially less than the previous service with a goal of passengers contributing substantially more to the cost of operating the service. The service also focused on providing transport choice for transport disadvantaged and has an unusually high coverage metric (400m to a serviced bus route) compared to the more common 500m measure.

Patronage has declined by nearly 25% since the 2012 service changes. This issue is not unique to Invercargill. Excluding Auckland, Wellington and Christchurch patronage nationally declined by 2 percent between 2014 and 2015, only to recover by 2 percent in 2016.

A high cost recovery service would typically focus on commuter trips and this is reflected in the fares differential for peak services. Focusing on the transport disadvantaged is consistent with reduced fares for off-peak and 400m routes metric, which also constrains the ability to make route changes without generating additional costs. The plan has conflicting priorities, and the outcome measures (particularly patronage and farebox) suggest this approach has been unsuccessful. The complexity of outputs measured and the lack of focus on the customer is constraining the success of the service.

The advent of driver-less cars and the expansion of the "service model" into transport will change the role of public transport in the future. There is much discussion around "mobility as a service" and the potential for much lower car ownership in the future. Cars are expensive assets and not used approximately 95 percent of the time. It is unlikely individual car ownership will completely disappear but the role of public transport could well change. The network needs to be flexible to adjust to these changes in technology and this could well be a key consideration for the next tender round.

The key Corporate Strategic Issues and Challenges (relating to Passenger Transport) are:

➤ Meeting our long-term renewal expectations for infrastructure.
➤ Encouraging growth projects whilst ensuring financial and operational sustainability for future generations.
➤ Ensuring that Council works in a financially prudent manner that promotes the current and future interests of the community.
➤ The City's changing demographic profile and its ability and willingness to pay.
➤ Responding to the changing environment (both natural and technological) and retaining Invercargill's character within its built environment.

Plus

➤ Developing new routes and timetables which meet customer expectations.
➤ Developing new fare structures which are easy to use and fair.

2.4 ASSUMPTIONS

Council has developed assumption corporately for developing activity plans. In Appendix 1.01 is a summary of these and a full outline is available on Council's website.

The corporate assumptions which are seen to impact on this plan are:

2.4.1   Internal Factors

Assumption	Level of Uncertainty	Area of Impact and potential Financial Impact
Population The population will increase to 56,300 by 2028**.**	Moderate – risk that actual numbers will vary.	Infrastructure and Housing. Significant increases in population may create a demand for infrastructure and services beyond existing capacity. Significant decrease in population would adversely impact on the community's ability to fund current levels of infrastructure and services.
Household Growth An average of 2.3 people per household in 2038, requiring 2,300 more homes from the 2013.	Moderate – risk that actual numbers will vary.	Infrastructure and Housing. Significant increases in the number of households may create a demand for infrastructure and services beyond existing capacity.
Ageing Population Those 65 years and older will make up approximately 22% of Invercargill's population by 2023.	Low – increasingly older population is reasonably certain.	Council Services and Recreation Assets. An increase in the number of those people 65 years and older will increase the number of ratepayers on fixed incomes and may have an impact on the ability of the community to afford infrastructure and services.
NZTA That the NZTA Funding Assistance Rate will reduce by 1% each year until a low of 51%.	Low – NZTA have stated in plans that this will occur.	Roading. Lower than anticipated subsidies can result in service delivery costs needing to be met by other means or a decrease in the level of service.

2.4.2 Financial Factors

Assumption	Level of Uncertainty	Area of Impact and potential Financial Impact
Local Economy The local economy will grow and diversify.	Moderate – financial impact difficult to forecast.	Composition of local economy may diversify offering greater employment opportunities. Significant change to the economy, such as a large employer choosing to locate in the District, may require Council to review and change its current activities and levels of service. These demands will need to be quantified and an amendment to the LTP developed if the costs are significant.

2.4.3 External Factors

Assumption	Level of Uncertainty	Area of Impact and potential Financial Impact
Local Governance Amalgamation will not occur during the life of the Plan.	Low – to continue shared services, although amalgamation is low risk.	Shared Services, Policy and Governance. Boundary changes would require a review of the LTP with its associated community consultation.
Technology Changes in technology will affect how Council carries out its activities. This will have a financial implication over the 10 year plan.	High – certainty of diversification in technology is ever-growing. Impact of changing technology cannot be quantified.	Employment, Local Economy and Services (delivery). New technologies will likely have an increased financial cost in the short term.
Legislation There will be changes to legislation that have an impact on what and how Council provides services.	Moderate – difficult to know what central government will implement, particularly if a change in government.	Services, Finances and Governance. Significant legislative change can impose significant financial and service delivery costs on Council.

Other activity assumptions are:

Assumption Area	Level of Uncertainty	LTP Assumption
Technology – Changes to how services are delivered through customer interactions such as Uber for Passenger Transport.	**High**	Technology change will enhance the use of the service and patronage will benefit from the change.
Bus Shelters – Obtaining approvals to locations which are convenient.	**Low**	Suitable locations are able to be found with reasonable installation costs.
Fare Changes – Adopting a fare structure which is easy to use and fair.	**Moderate**	Flat fare structures proposed will provide at worst a cost neutral situation. Patronage will respond to a fare change positively.
Route Changes – Adopting new routes which customers accept.	**Moderate**	Patronage will respond positively to changes and a net increase in usage will result, stabilising the total usage numbers.
RideWise cards.	**Low**	Customers will positively adopt the card usage but total number of trips will not significantly rise. Cost of Total Mobility remains consistent. Improved travel control results from use of cards. Process and overall cost of service administration decreases.
Operator Costs – Contractual agreements are similar to current costs.	**Moderate**	Operator costs due to any route change are close to cost neutral.
Local Governance – Both ICC and ES agree current delegation is acceptable.	**Low**	ICC continues to deliver the Passenger Transport services for Southland.

3.   The Service We Provide

3.1   CUSTOMER PROFILE

3.1.1   Our Stakeholders and Community

Invercargill's public transport service is open to the public, subject to users paying the required fare. The Total Mobility scheme is designed for people with mobility impairments that prevent them from using public transport. Total Mobility users are assessed for eligibility.

3.1.2   How We Engage our Communities

Council engages with the community on a regular basis with public transport passengers. Passengers and Total Mobility users regularly provide compliments and complaints on the services that operate. This information forms part of the service reviews and discussions with operators regarding the performance of drivers and services.

Council also conducts an annual user survey, where passengers are asked questions regarding the service. Feedback on services is also obtained through community engagement processes including the development of the LTP.

3.1.3   Community Research

A community survey was completed in 2017 with 95 responses and a good geographic spread.

This research identified the following positives:

➢   Friendliness of drivers
➢   Free wi-fi
➢   Smartcard system
➢   Track-a-bus
➢   Flexibility of the pick-up and drop-off
➢   Frequency
➢   Fare levels

The negative issues identified were:

➢   Travel times
➢   Links to key desintations, e.g. Smiths City, Farmers, Bond Street
➢   Timing of services and service span
➢   Frequency, especially on Saturdays
➢   Shelter provision at stops, particularly the central hub
➢   Peak fare differential
➢   Confusing timetables
➢   Driver attitudes and the condition of some vehicles

The previous resident's phone survey in 2014 found only 9 percent of respondents had used the bus in the last month. The key reasons given for not using public transport were inconvenient bus routes (21%) and inconvenient timetables (11%). The 2016 Bus Smart survey key requests were for more bus shelters (33%); Sunday bus service (26%); two way routes (25%); weather proof bus hub (18%) and more convenient times for workers (10%).

The key takeouts are there are some positives including driver friendliness; the application of technology; and the perception of value for money. But there is general dissatisfaction, particularly with the routes, running times, times of buses, and frequency of services and shelters.

3.1.4 Key Service Attributes Valued by Customers

Typically there are a number of desirable service attributes valued by public transport customers. These include:

➢ Reliability
➢ Frequency
➢ Legibility
➢ Safety and security

3.2 OBJECTIVES AND POLICIES

The following table sets out the service objectives, policies and measures:

Objective	Policy	By 2021
A fare system that attracts and retains customers.	Structure the fares and ticketing system in a way that: a) is simple to understand, collect and administer b) is consistent across all users c) enables transfers within a reasonable timeframe d) is easy to access for all users	85 percent of passengers are satisfied with the level of fares. 85 percent of passengers are satisfied that the fare system is easy to understand.
	Set fares at a level that is competitive with the costs of parking and private vehicle use. Report on the comparison costs between car parking, vehicle ownership and bus fares in Invercargill.	85 percent of passengers are satisfied with the level of fares.
	Fares are charged through the Regional Integrated Ticketing System.	85 percent of passengers are satisfied with the level of fares.
	Review fares annually with a preference for smaller regular adjustments rather than large infrequent changes.	85 percent of passengers are satisfied with the level of fares.
	Ensure all users pay the correct fares.	85 percent of passengers are satisfied that the fare system is easy to understand.
	Support the SuperGold card scheme during off peak times in accordance with NZTA guidelines and Government's provision policy[2].	85 percent of passengers are satisfied with the level of fares.
Provide for the transport disadvantaged information, safe facilities,	Target service provision to areas with higher levels of social deprivation, lower car ownership rates and other indicators of transport	Network design principles focused on transport disadvantaged service provision are implemented and monitored.

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[2] As the Government has limited the funds available for providing this scheme Council will review its involvement in the scheme in 2019.

Objective	Policy	By 2021
and services that are increasingly available to all members of the public.	disadvantage.	
All members of the community have the opportunity to use public transport.	Provide for trial services to test demand for new service proposals.	Local authority has ownership of progressing any proposal through to implementation.
	Continue to administer and support the Total Mobility scheme.	Council administers and supports the Total Mobility scheme.
	Manage the day-to-day operation of the Total Mobility Scheme through the Total Mobility Committee which is comprised of councils, service providers and disability organisations. The Committee will be responsible for setting local rules within the guidelines set by NZTA.	The Total Mobility Committee meets three times per year.
	All Total Mobility service providers are required to have contracts with Council which are based on the NZTA model contract, and set out service standards and conditions.	All Total Mobility contracts are reviewed and updated.
Total Mobility is well managed.	New services and existing services will provide consistent and clear management and payment mechanism for the Total Mobility service.	The RideWise system will be introduced to manage Total Mobility trips.
	Council will monitor and report on the availability of wheelchair hoists for Total Mobility Scheme users.	Council will identify and implement a suitable ration of wheelchair hoists compared to users.
An effective and efficient procurement approach that is fit for the scale of Southland's network.	Transition to the Public Transport Operating Model.	Public Transport Operating Model (PTOM) requirements continue to be implemented and are fully implemented by July 2022 (new contract commences).
	Maintain competition - units are competitively tendered when renewed.	The next Invercargill unit is competitively tendered upon completion of the current contract or in 2022.
	The delegation to ICC is not an impediment to new services in the Southland region.	An unallocated unit is included in the RPTP which may be used for a trial service.
	Adopt a partnering approach to network planning and service changes.	Annual business plan process is developed and implemented with the contractor.
Timely and effective monitoring that assists in the	Utilise technology and operator reporting to monitor on time performance.	Report on monthly patronage trends.
	Comply with the NZTA reporting requirements.	Regular updates in Transport Investment On-line (TIO).

Objective	Policy	By 2021
management of the network over time.	In conjunction with the contractor, regularly review the new city routes and timetables to ensure they continue to meet the needs of the community.	Annual business plan process is developed and implemented with the contractor.
Improve infrastructure.	Targeted improvements of bus shelters, seats and timetable information.	Council will develop a list of new bus stop shelter locations and a programme of works for improving infrastructure.
	Installation of new bus shelters and improving access and safety to bus stops for mobility impaired people.	
Vehicle quality.	All vehicles entering the fleet will comply with the NZTA's Requirements for Urban Buses.	Council considers and approves new vehicles before use on the network.

3.2.1 Units

Invercargill has four urban bus routes and a small number of supporting school bus services. This RPTP supports the maintenance of one unit covering the current Invercargill City service and a second unspecified unit, for the purposes of making provisions for any future trial service.

This single unit / single contract system will continue for the Invercargill bus service. The unit will be procured (once the current contract expires) by tender based on the approach outlined in the Council Procurement Strategy. The Procurement Strategy will be reviewed before the next tender round is due.

The current contract for the city bus service runs until December 2017 and contains provision for an extension until June 2022. The next tender is not expected until 2021 (assuming the current contract runs the full term). The new PTOM unit contract would be expected to commence on or before 1 July 2022. The current contract includes many of the elements of the (PTOM). Where agreement can be reached with the operator more PTOM elements may be introduced during this contract.

The Council intends to continue to provide financial assistance to the Invercargill unit / contract.

Any new service will be deemed to be a separate unit in terms of the LTMA.

There are no exempt services within the meaning of the LTMA in Invercargill that are needed to be replaced by a unit.

3.2.2 Partnering with Contractors

Invercargill City Council already has a very close working relationship with its contractor. This is aided by the small size of the Invercargill district and there being only one bus contract. Council recognises that the contractor has a unique and close perspective on how the service is performing and on what improvements might be made.

Council recognises that the best way to improve passenger numbers is to have a high-quality service, both in terms of reliability and driver helpfulness. The contract includes requirements for the contractor to report regularly on certain performance indicators. These criteria will be based on those developed by

NZTA[3] and are likely to include service reliability and punctuality, patronage, customer satisfaction, reporting timeliness, and vehicle appearance. For the current contract these indicators will be used to determine if the contract qualifies for an automatic extension of the contract period.

NZTA requires that future contracts include a financial incentive mechanism. The financial incentive will provide for an annual payment to the contractor should certain targets be met. These targets are likely to be based on patronage levels, and involve a payment to the contractor for each passenger carried over and above a target figure. The financial incentive mechanism will be revised and will be contained in the Roading Procurement Strategy.

Assistance of the transport disadvantaged

The Plan is designed to assist the transport disadvantaged. This Plan assists the transport disadvantaged, through supporting routes and timetables designed to take passengers from where they live to places they want to go at a reasonable fare.

Fares

Passengers using Invercargill's public transport are faced with a complex fare regime with peak and off-peak fares; cross city; and fares that vary by age.

The introduction of the new ticketing system provides an opportunity to simplify and increase the consistency of fares charged for passengers.

Council would consider a flat fare approach, where all customers travel is at the same cost (excluding children under five) to be a simple and effective approach, irrelevant of the time or type of customer.

3.3   TOTAL MOBILITY

Council will continue to administer and support the Total Mobility Scheme and meet the NZTA requirements. Council will manage the day-to-day operation of the Scheme through the Total Mobility Committee which is comprised of councils, service providers and disability organisations.

The Committee will be responsible for setting local rules within the guidelines set by NZTA:

- ➢   All service providers are required to have contracts with Council which are based on the NZTA model contract, and set out service standards and conditions.
- ➢   Set budgets and guidelines to assist in the provision of wheelchair hoist vehicles where demand warrants it and funding permits.
- ➢   Review fares and the rules applying to the fares as part of the fare level and fare structure reviews.
- ➢   Admittance to become a service provider is at the discretion of Invercargill City Council.
- ➢   Each application to be a service provider will be considered on its merits and must meet the statutory requirements set together with the following requirements (agreed with Invercargill City Council):

  - ▪   Drivers must be appropriately licensed and trained.

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[3] This development process is on-going, but NZTA has set out its minimum requirements in section 11 *Measurement and Monitoring* in its Procurement Manual.

- Drivers must have an identification system and be of sound and appropriate character.
- Service availability hours are at least 7.00 am to 11.00 pm.
- Fare structure is clear, is for the transport component of travel only and has been approved by Invercargill City Council.
- No van, into which a subsidised wheelchair hoist is to be installed, shall be more than four years since first registered, at the time of installation of the hoist.
- The provision of a wheelchair service is required at commencement of the service, except where at Council's sole discretion it may allow an introduction period of up to three years of being an approved provider.
- All providers shall have available for audit purpose an approved vehicle tracking system.

3.4   SIGNIFICANCE POLICY

This policy is required, in accordance with section 120(4) of the Land Transport Management Act 2003, to set out how to determine the significance of proposed variations to this Plan. The level of significance determines the consultation regarding the proposed variation that must be undertaken.

Application

This Plan can be varied at any time. However in accordance with section 126(4) of the Land Transport Management Act 2003, the usual consultation will not be required if the proposed variation is considered not significant under this policy.

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.

The implication of not meeting the significance threshold is that the full consultation requirements of the LTMA will not need to be followed. However, Council 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

The significance of variations to this Plan will be determined by Council on a case by case basis.

When determining the significance of a variation, consideration must be given to the extent to which the variation:

➢ Should services be proposed in Southland but outside the Invercargill City Council area then a strategic business case will need to be developed.
➢ Signals a material change to the planned level of investment in the public transport network.
➢ Impacts on the purpose of the LTMA.
➢ 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).
➢ Affects the integrity of this Plan, including its overall affordability.
➢ Has already been the subject of consultation with affected parties.

Significant and non-significant matters

Matters that will always be considered 'significant' are:

➢ Any variation that amends this policy on significance.
➢ Major changes to existing services, or the introduction of new services, (other than changes to or the introduction of trial services), for which no consultation regarding the change or introduction has occurred.

Matters that will usually be considered 'significant' are:

➢ Changes to units that significantly affect the financial viability of the contractor of that unit.

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

➢ Minor editorial and typographical amendments to this Plan.
➢ 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, including the addition, removal or amendment of any matter or service.
➢ Minor changes to the description of services following a review of that service, e.g. changes to the frequency, route or hours of a service which result in the same or better level of service.
➢ 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.
➢ Minor changes of routes and/or timetables to existing services.
➢ The introduction, alteration or deletion of trial services.
➢ The introduction of a new unit provided the contractors of existing units are not affected.

Targeted consultation on non-significant variations

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

a. *Consultation for minor changes in the delivery of existing public transport services*
    For minor changes in service delivery which are required to improve the efficiency of existing services, such as the addition or deletion of trips and minor route changes, and which have only a local impact, consultation will generally be undertaken at a low level with the operator(s) involved, the relevant territorial authority, and passengers who use the services. If consultation has already occurred as part of a service investigation or review, no additional consultation need occur.

b. *Addition of new services*
    Where a new service is proposed and the new service has been the subject of community consultation, no additional consultation need occur.

c. *Other non-significant variations*
    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) may be worked through with those most likely to be affected, as well as other relevant stakeholders.

4. Demand For Our Services

4.1 DEMAND FORECAST

4.1.1 Factors Influencing Demand

For public transport to be attractive to potential users it must meet these customer expectations[4]:

1. It takes me where I want to go
2. It takes me when I want to go
3. It is a good use of my time
4. It is a good use of my money
5. It respects me in the level of safety, comfort and amenity it provides
6. I can trust it
7. It gives me freedom to change my plans

These factors have been taken into consideration when designing the proposed network.

The current route design is based on minimising cost to Council by being 'operationally efficient'. It is focused on 400m access to a bus route and assumes that users don't mind a circuitous route to their destination and/or home. Some destinations are difficult to reach, particularly on the edge of the CBD because of the routes. The one-way loops result in a longer than average travel time and are much longer than the comparative car trip. This has resulted in a significant trade-off in terms of the service provided to the customer.

4.1.2 Projected Growth or Decline in Demand for the Service

Over the last five years patronage has declined by nearly 25 percent or on average 4.8% per year. The new network is intended to halt further decline and start to correct this decline by providing a more attractive service. It is difficult to predict the level of recovery as other factors including the cost of parking, car ownership and the cost of fuel all impact on patronage. Following the implementation of the proposed network and regional integrated ticketing system it is expected that patronage should show signs of recovering within the first two to three years.

4.2 CHANGES IN SERVICE EXPECTATIONS (FUTURE LEVELS OF SERVICE)

In order to rectify the services poor performance, changes in service design are needed. The following list sets out a series of service design criteria which will result in a changed operational environment.

The network has been designed according to the following best-practice principles:

➢ Routes will provide good residential coverage, so that the majority of residents are within a 400m buffer of a bus route (5-7 minute walk) and most are within at least a 600m buffer (7-10 minute walk), with priority being given to areas of greater density and/or deprivation where a trade-off is required.
➢ Routes will serve all parts of the CBD and key activity centres outside of it, including all suburban centres, the hospital, secondary schools, retirement

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[4] Human Transit, Jarret Walker

villages, supermarkets, and key tourist attractions. Routes will give residents access to local activity centres where possible.

➢ Routes will be direct and use key arterial roads where appropriate, to provide convenient (car competitive) travel times from as many residential areas as possible to the CBD. Duplication of routes will be minimised outside of the CBD so as to maximise coverage.

➢ Routes will utilise a two-way trunk for as much of their length as possible, to improve legibility and focus infrastructure investment.

➢ Services will have a through-route and operate to a 'pulse' timetable, to enable passengers to travel to destinations beyond the CBD and easily connect between services at that location.

➢ Services will be timed to allow passengers to arrive at key destinations (CBD and schools) at the most desired times.

➢ Running times will be realistic and include an additional small allowance for late running and connection.

4.3 NEW NETWORK

4.3.1 Overview

The proposed new network, shown in the diagrams below, consists of the following:

➢ Three through-routes, each composed of a northern and southern leg (i.e. sub-route), each of which will link key suburbs and suburban activity centres with the CBD and each other.

➢ A 'public transport spline' (via Tay, Dee and Yarrow Streets) that is used by all routes through the CBD (joining / leaving at key points as appropriate), which will provide improved bus route legibility within the CBD and allow all passengers to reach most CBD destinations without needing to change buses.

➢ A northbound hub (located at the Library) and a southbound hub (located at the current Reading site) which will provide a point where services will come together and pause to facilitate connections in each direction, and allow for late running and driver change-over.

More detailed information is in Appendix 11.02

The proposed timetable for the A and B routes (which is the same for routes 1, 2 and 3).

Monday to Friday

Depart from Hub	Return to Hub		Depart from Hub	Return to Hub
Route 1A (Northern)	Route 1A		Route 1B (Southern)	Route 1B
7:20	7:50		7:20	7:50
7:50	8:20		7:50	8:20
8:20	8:50		8:20	8:50
9:20	9:50		8:50	9:20
10:20	10:50		9:50	10:20
11:20	11:50		10:50	11:20
12:20	12:50		11:50	12:20
1:20	1:50		12:50	1:20
2:20	2:50		1:50	2:20
3:20	3:50		2:50	3:20
4:20	4:50		3:50	4:20

Depart from Hub	Return to Hub		Depart from Hub	Return to Hub
4:50	5:20		4:50	5:20
5:20	5:50		5:20	5:50
5:50	6:20		5:50	6:20

Saturday

Depart from Hub	Return to Hub		Depart from Hub	Return to Hub
Route 1A (Northern)	**Route 1A**		**Route 1B (Southern)**	**Route 1B**
9:50	10:20		10:20	10:50
10:50	11:20		11:20	11:50
11:50	12:20		1:20	1:50
1:50	2:20		2:20	2:50
2:50	3:20		3:20	3:50
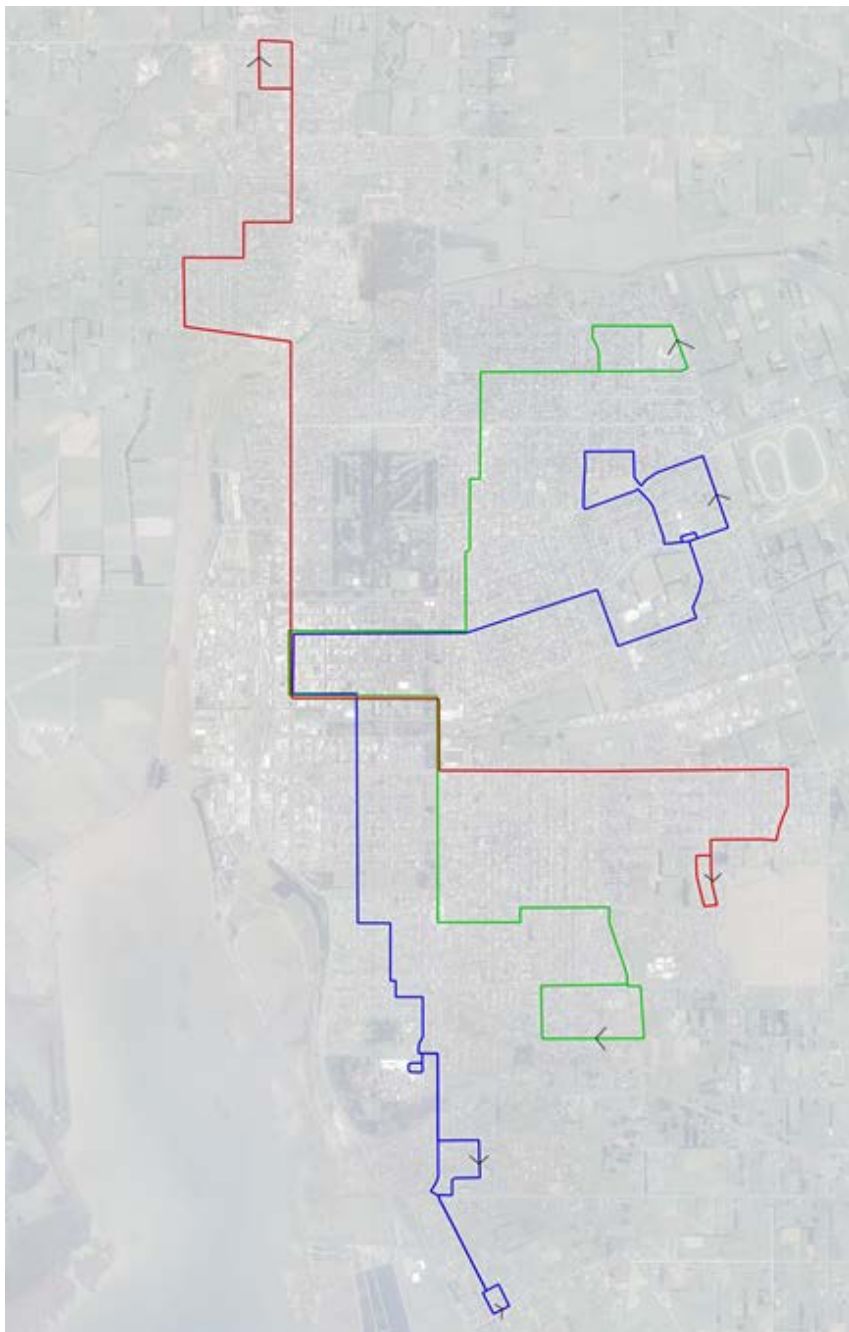
Overview of Proposed Option 3 - New Routes

5. Wellbeing Assessment

5.1 WELLBEING ASSESSMENT

Well-being	Positive	Negative	How we are addressing these effects
Social and cultural	• Provides for safe and easy travel around our city • Provides connectivity both within and between communities • Provides access to community, recreation and leisure facilities • Provides access to retail, commercial and professional services • Provides transport choice • Provides a link between integrated planning of the transport network and land use • Provides access to sites of cultural and historical significance • Provides access to parks and reserves	• Potential for negative impacts from vehicle noise (idling) and vibration to properties adjoining bus routes. • Potential for emissions to affect health • Poor design of routes can limit access to key facilities e.g. Southland Hospital • Passengers may be unsafe when crossing the road to access bus stops	• Design routes in collaboration with the community • Continuing to plan to improve public transport infrastructure and pedestrian facilities • Continue to better identify sites of cultural significance • Continue to invest in good relationships with Tangata Whenua
Environmental	• Reduces emissions by reducing the number of individual vehicle trips	• Potential for noise pollution from vehicles • Potential for air pollution from vehicle exhaust fumes • Potential for contamination from pollutants running off the road surface and/or at the depot during wet weather	• Continuing to investigate modern vehicle fleet, with higher emission standards • Continuing to investigate the potential to reduce contaminants from roads entering the surrounding environment
Economic	• Provides access to employment, education and services • Provides a service linking customers and businesses • Bus service contract provides local employment	• Cost of bus service could be used to generate other economic activity	• Continuing to utilise NZTA funding for the bus contract • Continuing to achieve value for money when procuring services

6. Risk Assessment

6.1 RISK

This section evaluates, in more detail, the risks associated with the activity.

Risks fall into five categories:

➢ **Patronage risks:** where the number of passengers using the system fails to meet expectations.
➢ **Financial risks:** where costs exceed expectation, or revenues are below expectation, or both.
➢ **Commercial, legal and institutional risks:** where legislative, contractual or organisational arrangements prevent or constrain the ability to successfully implement the planned changes.
➢ **Environmental and safety risks:** where the changes introduced result in adverse environmental or safety impacts.
➢ **Timing, transition and implementation risks:** where the implementation of changes is either too slow or too fast.

Many of these risks are inter-related. For example, the risk of lower than expected patronage will have a direct bearing on the financial risk through reduced fare revenue and increased subsidies. Resolution of commercial, legal and institutional risks will often have implications for timing.

A number of the risks create opportunities, in that the steps taken to manage or mitigate them may lead to improved outcomes.

While some of the risks identified will be borne by the operator(s), most relate to ICC or NZTA for which the risks are likely to have two types of impact:

➢ Financial impact, mainly as a result of the inability to deliver the expected level of improvements within a particular budgeted amount. This is a particular issue for the ICC and NZTA, who carry primary financial responsibility for public transport.
➢ Political or reputation impact as a result of perceived lack of delivery or lack of results. This could manifest itself in public and passenger complaints, which could in turn impact on the credibility of the wider service improvement process. This impact affects council and could also impact on NZTA, as an investment partner.

An assessment follows in *Table 3* showing key risks identified. The following information is included for each risk element:

➢ **Likelihood:** how likely is it that the risk will arise?
➢ **Severity:** how severe would the impact be if the risk arises?
➢ **Overall assessment:** combined rating of the likelihood and severity of the risk, to give the overall seriousness of the risk to the success of the project.
➢ **Ownership:** which parties bear the risk (ICC, NZTA or operator). Where the risk has mainly financial implications for that party, it is denoted by a '$' symbol in the table. Reputation risk is denoted by an 'R' in the table.
➢ **Management and mitigation:** a summary of possible steps to manage or mitigate the risk.

Table 3 - Assessment Risks

Risk	Likeli hood	Sever -ity	Overall Rating	Owner			Management and mitigation
				ICC	NZTA	Oper-ator	
Service improvements do not stimulate patronage growth	L	M-H	Low to moderate	$ R	R		Ensure the network changes are well planned and well communicated
Fare revenues are less than anticipated	L	M-H	Low to moderate	$ R	R		Consider adjustment to fare schedule
Bus delays particularly around Dee Street	L	L	Low to moderate	$ R	R	R	Scheduling needs to include some recovery time
Safety issues for bus users accessing services	M	M-H	Moderate	$ R	R	R	Identify unsafe crossing locations and plan to improve these

The suggested management options to address patronage risks focus mainly on ensuring a clear understanding of likely patronage impacts at a detailed level, communicating the changes to passengers, students, parents and schools, paying attention to promotional activity, and building in incentives to encourage all parties to grow patronage. As a worst-case, a back-up plan is sensible, where the councils can identify circumstances under which the implementation of the review could be revised or aborted if patronage was seriously below expectation.

The Activity is not seen to create any significant negative activity as it provides support for the transport disadvantaged. Loss of the service however would create a negative impact.

The changes proposed look to mitigate patronage loss and reduce the potential for the service to be considered to be not supported.

7.   Managing Our Activities

7.1   RESPONDING TO THE ISSUES AND CHALLENGES

7.1.1   Alternative Investment Approaches

The need for changes to the existing delivery of passenger transport are being signalled through customer feedback, the ILM problem statement developed and declining patronage.

The two problems (statements) for Passenger Transport noted are:

1.   Lack of information on the needs of our existing and potential customers results in risk of poor investment decisions and missed opportunities (60 percent).
2.   Historical decisions based on funder and service constraints results in less convenient routes, timetables and reduced patronage (40 percent).

Consideration has been given to what options are available to deliver this change and a review of the network has been undertaken by an external specialist.

Three route options have been identified from the review:

1.   Existing one direction circular route with minor changes to timetabling.
2.   Alternating route direction.
3.   New route layout where more direct routes are provided.

Option 1 is the current routes and status quo.

Option 2 is alternating the one-way loops which would require every second trip to operate in reverse. This would require new bus stop infrastructure to accommodate the alternate direction.   The services would become more confusing, as the services would sometimes operate in one direction and at other times in the alternate direction.

Option 3 is a route change outlined previously and has been developed to specifically assist to work towards reducing the impacts of the problem statements.

One impact worth noting is the change in the level of service provided by Option 3 where the maximum distance from a route is extended from the current 400m. Some of the existing coverage would be reduced and the new coverage is shown in Appendix 11.02.

The other options (1 and 2) have limitations of making significant impacts on these issues presented.

There would be a need to consider how we inform passengers when the bus is due to change direction and how this would affect the timetables.   It could potentially result in a passenger boarding a bus only to find it turn around two stops later and travel back to where the passenger got on.

Options considered for the Fare Structure are:

a.   Current approach
b.   Flat fare approach

The flat fare approach would look to set a fare for all users at the same level (excluding children under five who would remain free). No distinction would occur between the old peak travel or class of users. This would allow a transfer to occur so that travel across the city could be achieved at one cost. It would allow ease of understanding and be helpful with ticketing opportunities when the tag on - tag off requirements are put in place. Super Gold travel would continue to be a free subsidised service for the travel period of after 9.00 am and before 3.00 pm and on Saturdays, and would require registration of their card for eligibility.

No peak or off peak periods would be necessary with a flat fare approach.

It is planned that there would be a cash fare and a Bus Smart (or its replacement) Card fare. If the tag on - tag off process was fully completed for the journey then the card fare would apply. Failing to tag on or tag off correctly would result in the cash fare being paid.

This process of a flat fare would reduce fare options and be simple to understand. In other Councils operations, flat fares have assisted in encouraging patronage increases.

The Flat fare cost options considered could be $3.00 cash per trip or $2.00 when paying by a Bus Smart Card per trip. These fares would be set through the Annual Plan Fees and Charges. It is anticipated that since no fare increases have occurred since February 2016 that if this approach is adopted from 1 July 2017 that a fare increase for the Card fare would be considered from February 2018.

Going to a flat fare is likely to reduce the total fare revenue and some future regular and gradual adjustments will be needed to ensure a suitable level of user pays continues to occur and that an acceptable farebox ratio can be obtained.

7.1.2   Do-Minimum Programmes

A do-minimum approach for public transport services would likely implement a few minor service changes. This would consider timetable changes to better align to business customer travel. This may change timetabling at the beginning of the day and could include removing one trip where patronage is very low.

This is unlikely to reverse the significant decline in patronage, and also does not address the concerns raised through the community consultation processes.

The current fare structure would require ongoing increases and this would not address the issues of cost separation between the peak and off peak travel in a service where there are no pressures to have a travel cost differential such is currently in place. If this option is accepted then a review of the fares will be undertaken to determine the future changes needed and what levels they should be at.

7.1.3   Programmes Evaluation

The preferred approach should be evaluated based on value for money. In this context value for money is assessed as being the approach that is most likely to result in the highest uptake of patronage.

It is important for the customers to communicate their desires through consultation. With any network route changes there is a degree of uncertainty

with patronage as it will disadvantage some but if successful provide more benefits to others.   The changes should address the problems identified.

Whilst the fare structure is important to customers, the level of fees needs to be appropriate and make sense to customers. The current structure whilst relatively straight forward can be enhanced where a flat fare is utilised. Modelling of any change is needed to show that impacts are appropriate and aligned to assumption. It is noted that the new ticketing system will have tag on - tag off processes to provide data of travel for assisting in decisions.

This will also have a potential fare impact if the customer does not tag off as they will be charged with the full cash fare, even if paying with the smart card. This is one way to incentivise the behaviour sought. Setting the cost of flat fares or amending existing fares needs to be considered following input and consultation.

If benefits can be achieved without significant cost changes then change can be beneficial.   A budget allowance of $100,000 has been made to allow for any proposed route changes.

The programmes included in the budgets take consideration of flat fares and new routes.

8.   Financial Management

8.1.   OVERVIEW

The Local Government Act 2002 requires local authorities to manage their finances "prudently and in a manner that promotes the current and future interests of the community".

This implies compliance with Generally Accepted Accounting Practice (GAAP). Of particular relevance is Financial Reporting International Accounting Standard (NZIAS16) New Zealand equivalent to "Accounting for Property, Plant and Equipment".

In determining how activities will be funded, local authorities are required to take the following into consideration:

➢ The contribution to the achievement of Community Outcomes (strategic alignment).
➢ Beneficiaries of each activity (beneficiary / user pays principles).
➢ The period over which benefits from the activity will occur (intergenerational equity issues).
➢ The costs and benefits of funding the activity compared to other activities (cost / benefit, prioritisation principles).
➢ The impact of funding the activity on the wellbeing of the community (ability to pay principles).

Activity Management Plans provide the basis for meeting these requirements for infrastructure based activities.

8.2   FINANCIAL SUMMARY – WHAT THE ACTIVITY COSTS

The following section outlines the budgeted cost, however since NZTA co-invests to a significant level in Passenger Transport and Total Mobility, these costs are also separated for some clarity. Both Southland District and Gore District Councils also contribute to Total Mobility for services which are utilised within their areas.

Details of individual business unit level activity are available but not included in the plan.

8.2.1 Council Funded Programmes (includes inflation)

Business Unit 563440 - Bus and Transport - Passenger Transport

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
Internal Revenue	0	0	0	0	0	0	0	0	0	0	0
Fees & Charges Revenue	315,826	294,000	294,000	294,000	294,000	294,000	294,000	294,000	294,000	294,000	294,000
Grants & Subsidies Revenue	679,434	922,145	975,481	854,370	857,580	836,409	841,475	859,244	871,631	893,422	915,757
Rates Revenue	0	0	0	0	0	0	0	0	0	0	0
Financial Revenue	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	**995,260**	**1,216,145**	**1,269,481**	**1,148,370**	**1,151,580**	**1,130,409**	**1,135,475**	**1,153,244**	**1,165,631**	**1,187,422**	**1,209,757**
Internal Expenditure	85,430	87,090	89,267	91,499	93,786	96,131	98,534	100,998	103,523	106,111	108,763
Staff Expenditure	0	0	0	0	0	0	0	0	0	0	0
Administration Expenditure	105,000	77,500	79,438	81,423	83,459	85,545	87,684	89,876	92,123	94,426	96,787
Financial Expenditure	0	0	0	0	0	0	0	0	0	0	0
Grants & Subsidies Expenditure	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance Expenditure	0	183,000	23,575	24,164	24,768	25,388	26,022	26,673	27,340	28,023	28,724
Operational Expenditure	1,269,152	1,416,750	1,467,800	1,629,801	1,567,473	1,633,486	1,645,270	1,685,633	1,756,722	1,769,411	1,812,877
Depreciation Expenditure	34,205	34,200	34,380	34,565	34,754	34,947	35,146	35,350	35,559	35,773	35,992
Total Expenditure	**1,493,787**	**1,798,540**	**1,694,460**	**1,861,452**	**1,804,240**	**1,875,498**	**1,892,657**	**1,938,529**	**2,015,266**	**2,033,744**	**2,083,143**
Operating Surplus / (Deficit)	**(498,527)**	**(582,395)**	**(424,979)**	**(713,082)**	**(652,661)**	**(745,089)**	**(757,182)**	**(785,286)**	**(849,635)**	**(846,322)**	**(873,386)**
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to replace existing assets	0	70,000	353,625	73,544	75,382	77,267	79,199	81,179	65,378	67,012	68,687
Capital Expenditure	**0**	**70,000**	**353,625**	**73,544**	**75,382**	**77,267**	**79,199**	**81,179**	**65,378**	**67,012**	**68,687**
Debt movements	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reserve movements	**0**	**(60,000)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash Back Depreciation	**(34,205)**	**(34,200)**	**(34,380)**	**(34,565)**	**(34,754)**	**(34,947)**	**(35,146)**	**(35,350)**	**(35,559)**	**(35,773)**	**(35,992)**
Rates Required	**(464,322)**	**(558,195)**	**(744,224)**	**(752,061)**	**(693,289)**	**(787,409)**	**(801,234)**	**(831,114)**	**(879,454)**	**(877,561)**	**(906,082)**

Business Unit 563540 - Bus and Transport - Mobility Services

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
Internal Revenue	0	0	0	0	0	0	0	0	0	0	0
Fees & Charges Revenue	19,538	32,220	20,603	21,413	21,836	22,259	22,682	22,717	22,717	22,717	22,717
Grants & Subsidies Revenue	371,145	443,290	432,360	436,970	441,954	441,878	446,686	457,200	468,630	480,346	492,354
Rates Revenue	0	0	0	0	0	0	0	0	0	0	0
Financial Revenue	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	**390,683**	**475,510**	**452,963**	**458,383**	**463,790**	**464,137**	**469,368**	**479,917**	**491,347**	**503,063**	**515,071**
Internal Expenditure	63,136	63,560	65,149	66,778	68,447	70,158	71,912	73,710	75,553	77,442	79,378
Staff Expenditure	0	19,750	21,269	21,800	22,345	22,904	23,477	24,064	24,665	25,282	25,914
Administration Expenditure	2,860	42,900	13,223	13,553	13,892	14,239	14,595	14,960	15,334	15,717	16,110
Financial Expenditure	0	0	0	0	0	0	0	0	0	0	0
Grants & Subsidies Expenditure	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance Expenditure	0	0	0	0	0	0	0	0	0	0	0
Operational Expenditure	516,070	531,000	564,775	578,894	593,367	608,201	623,406	638,991	654,966	671,340	688,123
Depreciation Expenditure	0	0	0	0	0	0	0	0	0	0	0
Total Expenditure	**582,066**	**657,210**	**664,415**	**681,026**	**698,051**	**715,503**	**733,390**	**751,725**	**770,518**	**789,781**	**809,525**
Operating Surplus / (Deficit)	**(191,383)**	**(181,700)**	**(211,452)**	**(222,643)**	**(234,262)**	**(251,365)**	**(264,022)**	**(271,808)**	**(279,171)**	**(286,718)**	**(294,454)**
Capital Expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure - to replace existing assets	24,830	55,500	28,188	28,892	29,614	0	0	31,892	32,689	0	0
Capital Expenditure	**24,830**	**55,500**	**28,188**	**28,892**	**29,614**	**0**	**0**	**31,892**	**32,689**	**0**	**0**
Debt movements	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reserve movements	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash Back Depreciation	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Rates Required	**(216,213)**	**(237,200)**	**(239,639)**	**(251,535)**	**(263,876)**	**(251,365)**	**(264,022)**	**(303,700)**	**(311,860)**	**(286,718)**	**(294,454)**

8.2.2 NZTA Assisted Programmes

The above tables are drawn from the Councils Accounting and Budgeting system.

The NZTA requires Councils to prepare budgets for submission for the RLTP which is funded from the National Land Transport Programme (NLTP). NZTA co-invests with Council at an agreed Financial Assistance Rate (FAR). This rate is currently reducing but varies for both Passenger Transport and Total Mobility dependent on the activity.

The following table sets out the funding included in Council budgets (5634/35 00) but arranged in terms of the funding category used by NZTA.

The data is presented in a different manner but has the same core inputs. The values shown include inflation.

NZTA approve investment in an agreed programme on a three yearly cycle.

NZTA have a number of processes which are utilised to consider programmes which include frameworks such as their Investment Assessment Framework (IAF). These can be found on the NZTA website.

Work Programme	Cat	Project Description	2018/19	2019/20	2020/21	Total 2018/218	Total 2015-18
Passenger Transport	511	Bus Services	964,940	989,064	1,118,853	**3,072,857**	2,479,110
and Total Mobility	514	Public Transport Facilities Op Maint	263,590	109,180	108,834	**481,604**	229,405
	517	Total Mobility	527,820	531,791	545,085	**1,604,696**	1,202,098
	519	Wheel chair Joists	55,000	28,188	28,892	**112,080**	81,243
	521	Total Mobility Hoist Use Payments	129,390	132,625	135,940	**397,955**	307,005
	524	PT Information supply ops am int.	281,810	295,006	302,381	**879,197**	779,426
	522	Super Gold Payment	19,100	19,577	20,066	**58,743**	
	532	Low Rcost Low Risk	15,000	290,375	15,759	**321,134**	

8.2.3 Programme Implications

The programme which has been included within the budgets makes consideration of the new planned route changes and the use of flat fares.

The consultation process is important to gauge the customers' responses to this proposal. However, it is from a technical view that there is sufficient foreseeable benefit to include the new routes within budgets. That being the case, the budgets are also capable of maintaining the current routes as any change is seen as being cost neutral with some hope that as patronage is stabilised and fare structures adjusted, the overall financial impact is not significantly different in either direction and relatively independent of the option selected.

The new ticketing scheme is included within the programmes.

No new units allocation is included within the budgets.

Total Mobility commitment and anticipated usage levels are similar to previous years.

8.3 FINANCIAL POLICIES

The Local Government Act 2002 requires Council to manage its finances prudently and in a manner which promotes the current and future needs of the community. Council must ensure that each year's projected operating revenues are set at a level sufficient to meet the years projected operating expenses.

The Revenue and Financing Policy states Council's policy on the funding of its operating and capital expenditure and the sources of those funds.

Council, for each activity, must give consideration to who benefits from the activity and the appropriate level of private versus public benefit when funding the activity. Public benefit is gained from having access to activities provided by Council. Private benefit is gained from receiving goods or services provided by Council, i.e. a building consent for work carried out by private residents.

8.4   HOW WE PAY FOR THE ACTIVITY

The following sources of funding are used by Council:

➢   General rate
➢   Targeted rate
➢   Fees and Charges
➢   Other sources of funding
➢   Loans and reserves

Community Outcome	Period of Benefit	Who Benefits	Funding Sources and Proportion	Demand Generators
Passenger Transport				
Invercargill's economy continues to grow and diversify. Healthy and active residents utilise space, including green space, throughout the City. Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.	**Short**	**Public** Access to public bus and Total Mobility services.	Target/General rates 30-40%. Fees/Charges (including NZTA) 60-70%.	Change in vehicle ownership and running costs.

8.5   ASSET VALUATION FORECASTS

This plan is not responsible for the management of assets.

8.6   CONFIDENCE LEVELS IN PROGRAMMES

The programmes proposed in the plan are considered to be (aligned to Council's approach):

C	**Uncertain** Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A & B data is available. Dataset is substantially complete but up to 50% is extrapolated data and accurately estimated ± 30%.

Whilst new routes are being considered, some uncertainty exists upon the effects and impacts these changes will have on patronage. The new routes seek to improve patronage but until they are implemented this is unknown. The cost impact of flat fares (whilst modelled) are very dependent on the patronage numbers and accordingly the reliability rating.

The Total Mobility service programme is rated as reliable although it is noted that a change to RideWise could bring issues to the delivery and customer satisfaction if the implementation is not appropriate.

B	**Reliable** Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings' for example the data is old, some documentation is missing and reliance is place on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%.

8.7 RELIABILITY OF FINANCIAL FORECASTS

8.7.1 Maintenance and Renewal Forecasts

Costings provided for the maintenance and operation are largely based on the current contracted delivery contract. This brings a degree of certainty to the cost of the operation. However, further uncertainty is always around the expected revenue recovery from farebox as this is an offset cost of delivery. With proposed changes this may have a positive or negative impact on budgets. Administration and operating costs for Passenger Transport are managed and considered against the overall allocations to closely meet the high level financial expectations.

Total Mobility is planned to move the RideWise card approach. There will be some cost uncertainty as the RideWise system allows unlimited access so customers can use the system as often as they please. The only limitation will be the customer's ability to pay for their share of the travel. The current ticket system limits the allocation of tickets although no control or limits have been needed. There is greater financial reliability on the charging and compliance aspects using RideWise.

8.7.2 Development Forecasts

The development items proposed relate to Bus Shelters and these are known in cost. The issues faced are finding agreed locations for their installation.

The Shelter at the Hub has limited development or scoping so far, but the costings provided are rated a B-C on the above scale. The funds allocated will be suitable but some limitations around arrangements for land and location still need to be developed and how this fits into a wider CBD scoping will need to be resolved.

## 8.8 SUMMARY OF PROGRAMME ASSUMPTIONS

The key programme assumptions are:

➢ Option 3's New Routes is agreed on after consultation and route changes have been implemented.
➢ Patronage levels post route change stabilise.
➢ Customers agree that changes are generally positive.
➢ A flat fare structure is adopted which provides a stable farebox platform.
➢ RideWise Total Mobility card is agreed by customers as a positive way forward.

9. Delivering and Monitoring the Programme

9.1 PROGRAMME GOVERNANCE AND REPORTING

Council operates on a six-weekly cycle with four committees meeting before a full Council meeting. These committees accept and receive reports from their relevant Directorate and Management Staff are at these meetings to answer any questions that arise.

This reporting process ensures accountability to Councillors and allows for transparency to the public. Further to the four directorate committees, there are smaller sub-committees such as Audit that meets semi-regularly to discuss issues relating to the Annual Report, Annual Plan, LTP processes and any other audit related issues.
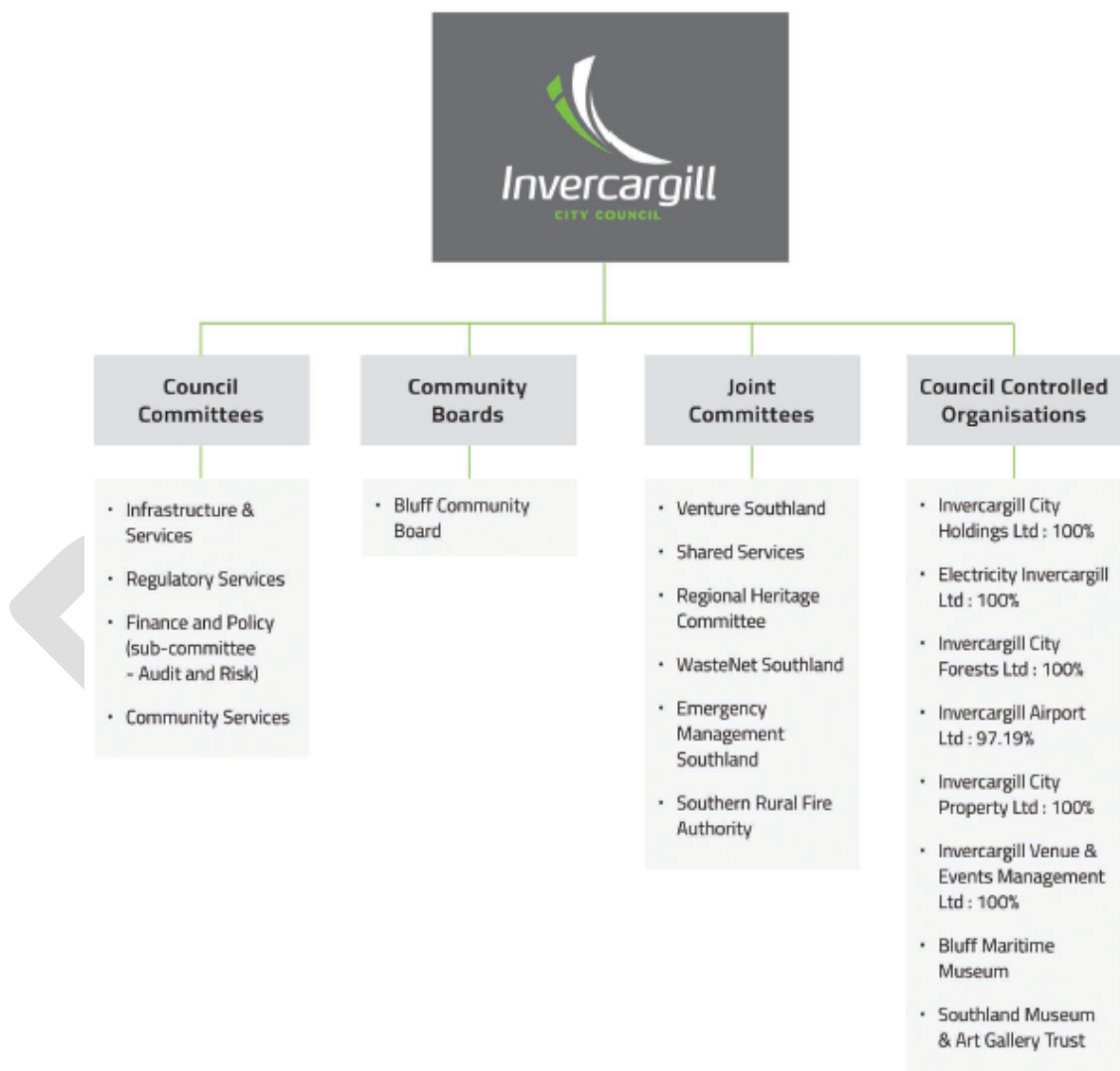
Councillors are elected on a triennial basis through local government elections with the community voting for 12 Councillors and a Mayor. The Chief Executive role is reviewed every five years. In addition to this, Council undertakes a Representation Review every six years to ensure that the community is aware and accepting of the current Council structure.

Council develops their LTP every three years in line with their obligations under the Local Government Act 2002, every year following this Council will adopt an

Annual Plan which will make any amendments to the existing LTP and allows for members of the community to submit on this process.

Further, Council will provide an Annual Report, which is a full year financial snapshot of Council's activities for that financial year. This is also compared to the financial projections in Council's LTP.

The governance for the public transport programme is overseen and reported to Invercargill City Council's Community Services Committee. This committee is provided with regular public transport performance updates.

The Total Mobility scheme is overseen by the Total Mobility Committee. This committee is comprised of Councils, service providers and disability organisations. The committee is responsible for setting local rules within the guidelines set by the NZTA. This agreement is then reported to Council for confirmation.

9.2 STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

Council currently utilises a number of methods to engage in consultation with members of the community. The Local Government Act 2002 states specific methods of consultation to be utilised by Council for certain processes. Council adds to this through innovative and community-tailored engagement techniques.

The following are examples of current Council consultation methods:

➢ Imagine Invercargill is a new engagement website where members of the public can submit ideas on how to improve Council services.
➢ Consult South is a website that highlights any current or up and coming consultation items.
➢ Regular use of the Consultation Caravan where members of the public can pop in to ask questions of elected members and staff.
➢ Public Forums at Council and Committee meetings.
➢ Public requests to be heard as a specific Agenda item.
➢ Regular features in the newspapers and rates newsletters which inform ratepayers of issues.
➢ The City Focus Radio show that highlights current topics that the Council is addressing.
➢ The Mayor holds appointments with residents who wish to raise issues of concern.
➢ Community Engagement processes when Council is considering making a significant decision.
➢ Formal consultation through the Special Consultative Procedure for issues such as the LTP and some Bylaws.
➢ Facebook page where individuals can ask questions and express opinion to Councillors and staff.

Public transport and the Total Mobility scheme have a strong community engagement and communications component. Passengers regularly provide compliments and complaints which offer a useful gauge for service performance. A mystery shopper survey is an ongoing check on the performance and a useful feedback tool.

Council also conducts three yearly surveys of ratepayers together with an annual Bus Smart User Survey. These surveys seek feedback on the service and the community's satisfaction with the services. These provide useful information for Council to monitor the success of the network changes along with continued monitoring of patronage.

Council also communicates service changes to the community; these changes may be short term for example route changes for road closures or new services. The public also have an ongoing need for timetable information which can be accessed either in hard copy or via the internet.

9.3   BUSINESS PROCESSES

The management structure of the Invercargill City Council is as follows:
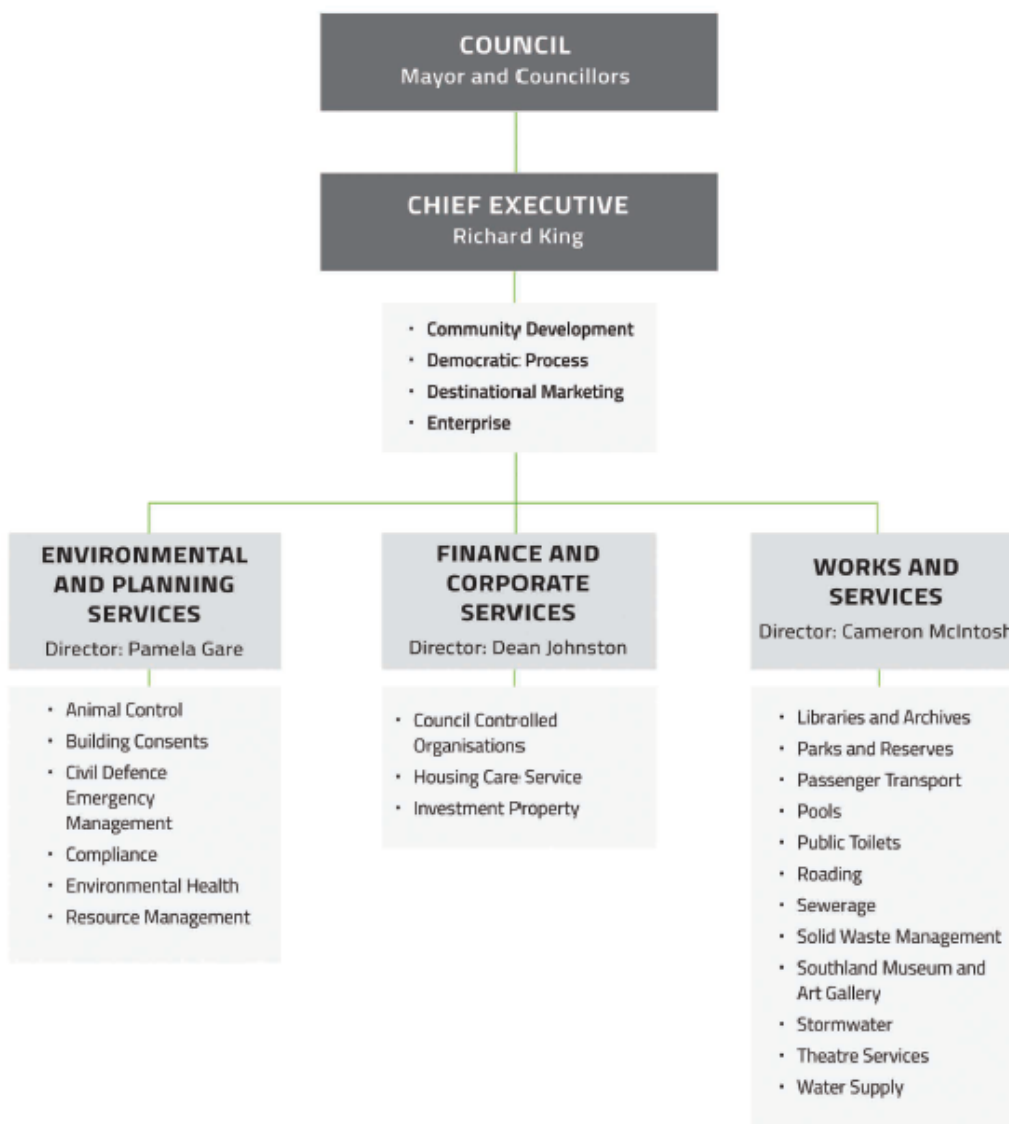
Council staff operates under a Delegations Register (appendix 1.10) that is adopted by Council. This Register lists every department with specific delegations that are required under legislation or Council policies so that staff members are able to carry out their specific job requirements.

Monthly accounts are prepared for both activities and these are monitored and reported to Council at the Community Services Meetings. Performance indicators are provided to Council on patronage and farebox recovery.

NZTA also collects monthly data on SuperGold patronage, peak and off peak travel and costs, together with Total Mobility travel and costs. Monthly claims are submitted for recovery of their co-investments share, along with three monthly financial performance monitoring spreadsheet which highlights the planned cash flow for the activities. NZTA staff are also in contact with Council

and discuss the progress and issues during any year. Additionally technical and financial audits are undertaken by NZTA, typically on a three yearly basis.

9.4 INFORMATION SYSTEMS AND DATA

Council uses the following systems to manage the activity:

Infor Pathway

Delivers a comprehensive offering of fully integrated functionality for managing council related business processes including:

Customer Service and People Management - central name / address register and customer request management.

Microsoft AX Dynamics

This programme is the main accounting software; this system records all accounting entries, inventory entries, account payable entries and fixed asset data.

Objective

Delivers an Electronic Document and Records Management (EDRMS) service across all of Council, providing information management processes.

Opal 3

This programme is utilised by all departments who monitor their levels of service for activity; this programme requires specific data to be entered six weekly or monthly (as required).

ETS- RITS

Council operates a ticketing system under a sublicense with the Otago Regional Council. This system collects information on all fares and travel on the service. Reports are available to reconcile travel and use between cash and electronic paid fares. Council has a Bus Smart card offering a 10% discount on travel.

Council is also party to the Regional Ticketing System, as part of the consortium of nine councils delivering an integrated ticketing scheme (RITS). This system will be implemented in April or May 2018, and ETS retired. The new system is delivered by INIT from Germany. A number of policy and business plans are being developed to deliver the solution and included in the Appendix 11.04 is an example of the business flow of the revenue.

This is an interim solution (five years) with a goal of integrating with the other Councils (other than Auckland) through a project called GRETS, being managed by the Greater Wellington Regional Council.

New bus cards will be required and involves a tag on - tag off process.

E3 Solutions

Council has audio stop announcement as well as Wi-Fi available on the Bus Smart buses.

TrackaBus

Council contracts TrackaBus to provide real time travel information for customers.

9.5 PROGRAMME PERFORMANCE MONITORING AND REVIEW

The programme has been reviewed and this information forms this RPTP document.

9.5.1 Monitoring Approach

Council will continue to monitor performance of the service in terms of patronage and farebox recovery. Three monthly reviews will be conducted by Staff and these discussed with the Operator.

9.5.2 Frequency of Review

Patronage and revenue information will be collated monthly and reported to Council at each meeting (approximately six weekly).

10. Continuous Improvement

10.1   CURRENT ACTIVITY MANAGEMENT PRACTICE

The public transport system is under contract to Council.   The activity is monitored to ensure it complies with the contractual requirements.

10.2   IMPROVEMENT PROGRAMME

Council has determined that two pieces of work will inform the future network. These are the review of the network and this RPTP.

10.3   MONITORING AND REVIEW

Council's Community Services Committee receives regular updates on the performance of the public bus services. The graphical data is supported by a clear and straightforward commentary. This monitoring at a governance level provides sound oversight to the programme. The commentary also provides suggested improvements which identify issues and proposes responses to these.

Environment Southland has a Councillor who sits on Council's Committee to provide oversight on the delegation provided to Council to run this activity.

An improvement plan is included in the Appendix 11.03 to assist with the further development of the activity.

11. Glossary

Exempt service	A public transport service that is exempt under Section 130(2) of the Act or deemed exempt under section 153(2) of the Act. Exempt services are not provided under contract to ORC and, unless specified otherwise, are not subject to the policies in this Plan.
Farebox recovery	A policy that provides for public transport operating costs to be shared equitably between users and funders, to reflect the private and public benefits received, having regard to the objectives and circumstances of the region.
Farebox recovery ratio	The proportion of the total operating costs recovered from users through fares and SuperGold car payments.
Government Policy Statement	A document that highlights the Government's outcomes and priorities for the land transport sector, and sets out irs broad transport funding allocations over the next decade.
Land Transport Management Act	Land Transport Management Act 2003, including the 2008 and 2013 amendments.
National Energy Efficiency and Conservation Strategy	A strategy to promote energy efficiency, energy conservation and renewable energy in New Zealand.
Public Transport Operating Model	A framework for building a long-term public-private partnership between regional councils and public transport operators with two overarching objectives: to grow the commerciality of public transport services and create incentives for services to become fully commercial, and to grow confidence that services are prices efficiently and that competitors have access to public transport markets.
Regional Land Transport Plan	A statutory plan that ORC will prepare under the Act, which sets out the region's land transport objectives, policies and measures for at least ten year; includes a statement of priorities and provides a financial forecast of anticipated revenue and expenditure on activities. The plan forms the basis of Otago's request for funding from the National Land Transport Fund. It replaces the 2012-15 Regional Land Transport programme and the 2011 Regional Land Transport Strategy.
Regional Land Transport Strategy	A statutory document that sets regional objectives and policies for the region's transport system from 2011 for a 30-year period. Following the 2013 amendment to the Act, the Strategy will become incorporated into the Regional Land Transport Plan.
Regional Public Transport Plan	A statutory document describing how ORC will give effect to the public transport components of the Strategy. It also specifies the public transport services for the region, and the policies that apply to those services.
Requirements for Urban Buses	New Zealand's common standard for urban bus quality. It sets out the common dimensions and features of an urban bus and is used by ORC in all new bus contracts.
SuperGold card	A national identification card that provides free off-peak travel services to people aged 65 or older.
Total Mobility	A subsidised transport scheme for those with impaired mobility who are unable to use scheduled public transport services.
Unit	As defined in section 5 of the Act, a public transport service, or group of transport services: • that ORC identifies as integral to the region's public transport networks and • that operates, or will operate, on the entire length of one or more routes specified in the Plan • that includes all of the public transport services operating to a timetable that applies to the entire route or routes specified for the unit.

12. Appendices

The Appendices for all of Council's Activity Management Plans are kept separate. The list below highlights the appendices that relate to this Activity Management Plan and where to find them in the Corporate Appendices Register.

Number	Type	Title
1.01	Corporate	Long Term Plan – Background and Assumptions 2018-2028
1.02	Corporate	Community & Regulatory Services: 2014 Residents' Survey
1.04	Corporate	2013 Service Level Survey: Roading Report
1.08	Corporate	Levels of Service Research Report 2016
1.09	Corporate	Corporate Risk Framework / Standard
1.10	Corporate	Delegation Register September 2016
11.01	Passenger Transport	Existing Bus Smart Routes and Fares
11.02	Passenger Transport	Proposed New Routes
11.03	Passenger Transport	Improvement Plan
11.04	Passenger Transport	RITS Business Process Diagram (draft)
11.05	Passenger Transport	New Cover Areas