



AGENDA

Ordinary meeting of the

Regional Transport Committee

**Friday 5 December 2014
Commencing at 1.00pm
Council Chamber
Civic House
Trafalgar Street, Nelson**

Membership: Councillor Eric Davy (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Ruth Copeland (Deputy Chairperson) and Brian McGurk, and Lyndon Hammond (NZTA)

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)
- It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.

Apologies

1. Confirmation of Order of Business

2. Interests

2.1 Updates to the Interests Register

2.2 Identify any conflicts of interest in the agenda

3. Public Forum

4. Confirmation of Minutes – 3 October 2014

6-11

Document number A1257624

Recommendation

THAT the minutes of the meeting of the Regional Transport Committee, held on 3 October 2014, be confirmed as a true and correct record.

5. Chairperson's Report

6. Introduction of new Regional Director

7. Building Blocks Presentation

8. NZTA Regional Transport Committee Report

12-15

Document number A1281267

9. Draft Nelson Regional Public Transport Plan 2015-18

16-54

Document number A1277415

Recommendation

THAT the report Draft Nelson Regional Public Transport Plan (A1277415) and its attachments (A1277814 and A1277789) be received;

AND THAT the Draft Nelson Regional Public Transport Plan (A1277415) be endorsed as the version to be consulted on in conjunction with the Draft Regional Land Transport Plan 2015-21.

10. Regional Land Transport Plan Development Funding 55-56

Document number 1277753

Recommendation

THAT the report Regional Land Transport Plan Development Funding (A1277753) be received;

AND THAT the costs associated with the development of the 2015/21 Regional Land Transport Plan be included in the 2012/15 Regional Land Transport Programme.

11. SH1 Quarantine Road Roundabout Upgrade – Update 57

Document number A1282087

Recommendation

THAT Nelson City Council support the construction of Quarantine Road Roundabout Upgrade.

12. SH6 Gentle Annie safety improvements 58

Document number A1282070

Recommendation

THAT the Nelson Regional Transport Committee vary the current 2012-15 Regional Land Transport Programme to include the SH6 Gentle Annie safety improvements project.

13. SH6 Whakatu Drive barriers

59

Document number A1282096

Recommendation

THAT the Nelson Regional Transport Committee vary the current 2012-15 Regional Land Transport Programme to include the SH6 Whakatu Drive safety improvements project.

Minutes of a meeting of the Regional Transport Committee

Held in the Council Chamber, Civic House, Trafalgar Street,
Nelson

On Friday 3 October 2014, commencing at 1.10pm

Present: Councillor E Davy (Chairperson), Her Worship the Mayor (R Reese), Councillor B McGurk, and Lyndon Hammond (NZTA)

In Attendance: Group Manager Infrastructure (A Louverdis), Senior Asset Engineer Transport and Roading (R Palmer), Engineering Adviser (S McAuley), Asset Engineer – Transport (C Pawson), Administration Adviser (G Brown), P Hookham and A James (NZTA)

Apologies: Councillor R Copeland

1. Apologies

Resolved

THAT apologies be received and accepted from Councillor Copeland, and Lyndon Hammond for lateness.

Davy/McGurk

Carried

2. Confirmation of Order of Business

There were no changes to the order of business.

3. Interests

There were no updates to the Interests Register, and no conflicts of interest with agenda items were declared.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes – 17 September 2014

Document number A1250521, agenda pages 4-15 refer.

Resolved

THAT the minutes of the meeting of the Nelson City Council – Regional Transport Committee, held on 17 September 2014, be confirmed as a true and correct record.

McGurk/Her Worship the Mayor

Carried

6. Chairperson's Report

There was no Chairperson's Report.

7. Draft Regional Land Transport Plan 2015-2021

Document number A1249393, agenda pages 16-87 refer.

Senior Asset Engineer – Transport and Roading, Rhys Palmer suggested to the committee that the activities within Tables 4 and 6 of the Regional Land Transport Plan (RLTP) needed to be reprioritised, and it was noted that State Highway (SH) 6 Rai Valley and SH6 Whangamoia realignments needed to be given a higher priority rating.

NZTA Representative, Andrew James advised that on page 47 in Table 2 the Southern Link; investigation, design and planning; the organisation responsible needed to be amended to NZTA.

Mr James clarified that in Table 4 the Rocks Road walking and cycling project included three projects and that these would be constructed as a package. Mr James clarified that the Whakatu/Quarantine intersection improvements include an upgrade to the roundabout entry lanes which would alleviate traffic pressures from Quarantine Road, and that \$200,000 funding would be received from developers for these projects and an additional lane northbound from the over bridge could be added.

In response to a question, Mr Palmer advised that table 4 included projects of regional significance and these were agreed to with Tasman District Council (TDC).

Attendance: Lyndon Hammond from NZTA joined the meeting at 1.23pm.

Mr James advised that the Whakatu/Quarantine Road projects would cost approximately \$2million each and that he would check the profile, however these projects were covered in the SH Asset Management Plans. He explained that the key point from these tables was whether the projects were allocated by profile or by a different manner and he indicated that currently, it looked like in a different manner.

Mr Palmer explained that the order was proposed at a joint RTC meeting and that it had remained in this order to maintain consistency. However, he indicated that it would not be an issue to change the

format although TDC and Marlborough District Council (MDC) would need to be advised.

There were concerns raised that the community would be advised of the \$16million for the Rocks Road walking and cycling project and would not view this as addressing any safety concerns. It was suggested that a number of submissions would be received due to the increased figure, and that credibility could be lost due to this change. It was discussed that the project was initially estimated at \$6million.

Mr Palmer clarified that \$15million would be used for the Rocks Road walking and cycling project with the balance being utilised for the Tahunanui Cycling Network and the Maitai Bridge. He advised that the Rocks Road Steering Group discussed two viable options from consultation the first being a \$13 million contribution from NZTA and \$2million from NCC or \$19million from NZTA and \$500,000 from NCC. Mr Palmer informed the committee that a figure in the middle was used and that this was as a placeholder.

It was discussed that the cost benefit ratio of the Rocks Road package compared to the realignments in SH6 needed to be considered.

NZTA Representative, Lyndon Hammond agreed that this was part of the process to consider the cost benefit ratios. He indicated that the Rocks Road package had cost \$3million to date on components of the project and due to the fact this was an integrated approach it had a higher profile rating. He said that components of the Rocks Road package dealt with safety issues as well.

There was agreement that the Rocks Road Walking Cycling project be prioritised before the Whakatu Drive northbound capacity improvements, but after the Whakatu Drive/Quarantine Road intersection improvements. Mr James informed the committee that the design for the Whakatu Drive improvements were near completion and that the resource consent was approved.

In response to a question, Mr Palmer said that the Whakatu Drive improvements were part of the regional objectives and that the Rocks Road Cycling and Walking project should not be split into individual projects as this would not deliver the full benefits of the package.

There was general agreement that the SH6 Rai Saddle realignment be the highest priority then SH6 Whakatu Drive/Quarantine intersection improvements followed by the Rocks Road walking and cycling project in Table 4. It was discussed that this was the first cut at assessing these projects and it was indicative based on previous assessments.

Mr Hammond advised the committee that the draft State Highway Asset Management Plan (SHAMP), included an assessment of these projects based on information present at the time, and that the draft Government Policy Statement (GPS) and the Future Investment Fund

would look at these projects going forward. He said that NZTA would compare these documents to ensure alignment.

In response to a question, Mr Palmer said that consultation would be in November/December for the Regional Land Transport Plan 2015-2021.

There was a discussion regarding the HPMV projects within table 6 and that further information was required in relation to these. Mr Hammond clarified that the four HPMV activities in table 6 needed to be removed.

There were concerns raised around congestion on Parkers Road and it was confirmed that if improvements were not included in the table lists then these suggestions could not be added as they have not been referenced in the local programme or Asset Management Plan. It was reiterated that only the highest priority projects were included in the RLTP tables.

In response to a question, Mr James clarified the SH minor improvements included two intersections at Rai Valley/Collins Whangamoas and the Glen/Clifton Terrace.

It was noted that there was an error in table 6 and that the Maitai Shared Path (Saltwater Creek Bridge) and Tahunanui Cycle Network be removed from the table as they were included in the Walk/Cycle schools package in Table 4.

Mr Palmer advised that the HPMV Upgrades to Maitai Valley Road had two outcomes, one for seismic strengthening of the bridges at the Dam and the other to make the roads compliant for 50MAX vehicles, however funds were primarily for work on the bridge not widening of the roads as this would be extensive. It was noted that a name change for the project should be considered.

In response to a question, NZTA representative Peter Hookham advised that the Enhanced Network Resilience Nelson project needed to remain as this was a study for a business case to reduce road closures.

Mr James informed the committee that if Cable Bay Road became a HPMV road then it would trigger a higher priority, however he said that he had spoken with individuals at the quarry and was advised that there was no increase in tonnage coming from the quarry so there was no reason to consider Cable Bay Road as an HPMV route. Mr Palmer clarified that there was no proposal to make Cable Bay Road a full HPMV route but it was a 50MAX route.

In response to a question, Mr James said the Gentle Annie Saddle was significant for cyclists. However, Cable Bay Road intersection was not a safety issue unless increased tonnage was coming out of Cable Bay Road; if this occurred the intersection would be reviewed. It was

suggested that the quarry did not apply for a resource consent due to the state of the intersection.

There was agreement that the Public Transport Integrated Ticketing should be in the approved activity table as it was currently underway.

Mr Palmer discussed the CBD Traffic Impact of Southern Link, he said that the number assumes \$300,000 with \$100,000 being absorbed with the southern link. Mr Hammond advised that this would be part of the overall assessment of the Future Investment Fund. It was agreed to remove this as funding would come from the Future Investment Fund.

In response to a question, Mr James said that the weigh facility upgrade would happen on the existing site out at Hira and that it would be within the pavement.

It was noted that the retaining wall at Snows Hill was on the eastern side of the Girls College and that it needed to be brought forward so it would be included in the next three year term.

There were discussions relating to the Quarantine/Nayland intersection upgrades in table 6 and it was suggested that the roundabout was not coping with current traffic flows. It was noted that Pascoe Street, SH6 and Nayland Road should be considered together. Mr James said that studies had proved that upgrading the SH intersection first before improving local roads was the best way to proceed. Mr James also indicated that these upgrades did not include Pascoe Street.

It was agreed that the Quarantine/Nayland intersection upgrades funding be moved into year two so it could inform the next RLTP.

There were concerns that the Waimea Road/Van Diemen Street Junction improvements were too far ahead. Mr Palmer advised that there was a delay with the investigation for traffic on Waimea Road and the disbenefits of this, he said that local impact needed to be considered.

It was suggested that the "Proposed Funding" column in table 6 be removed.

Mr Palmer spoke to attachment 4 'RLTP Performance Monitoring Data' and explained that this information helped with identifying appropriate targets and that the performance monitoring data could be included as part of the RLTP.

There was a discussion around the risk of having increased targets within the RLTP Performance Monitoring Data and whether information could be reduced down to specifics, e.g. freight. Mr Palmer informed the committee that data was recorded in the asset management system and that indicators were used instead of measures as Council did not currently have a robust data set.

In response to a question, Mr Palmer advised that HPMV's needed a permit and that 2 tubes across the road would provide this information.

Mr Hookham referred to appendix 7 and suggested that information received by NZTA in relation to the policing investment framework could be embedded into appendix 7 to assist with understanding police contribution, and he clarified that this was a requirement. It was agreed that this information would be incorporated into appendix 7 and that these changes would be forwarded to TDC and MDC.

Mr Hookham advised that d) within appendix 8 needed to be amended to say National Land Transport Programme by 1 July 2015 instead of National Long Term Programme by 30 September 2015 and that a further point should be added to say the final version of the RLTP needed to be published by 30 July 2013.

In response to a question, Mr Palmer advised that the RLTP was reviewed every 3 years and that the document itself would have a 6 year lifecycle while the activity tables would be updated in 3 years.

Resolved

THAT the report Draft Regional Land Transport Plan 2015-2021 (A1249393) and its attachments (A1245894, A1244851, A1228159 and A1249001) be received.

Davy/McGurk

Carried

Recommendation to Council

THAT Council approve the draft Regional Land Transport Plan as amended by the Regional Transport Committee on the 3 October 2014;

AND THAT Council approve the upload of the draft Regional Land Transport Plan onto the New Zealand Transport Agency website for moderation by 17 October 2014.

Davy/McGurk

Carried

There being no further business the meeting ended at 2.33pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Regional Transport Committee
3 October 2014

Regional Report

Report to:	Nelson Regional Transport Committee
Presenter:	Raewyn Bleakley, Regional Director
Date:	5 December 2014

1. NZ Transport Agency News

Financial Assistance Rates Review (FAR)

As the Committee will be aware, the FAR review is part of a suite of broad policy changes and initiatives to focus the investment process in the transport sector. The confirmed FAR rates have been distributed to all Approved Organisations.

The new rate for Nelson is 51%. The start point for the transition is 47% and the FAR will increase at 1% per year until the final FAR is reached. Nelson will reach its final FAR in 2019/20.

The Transport Agency has consulted on a revised emergency works policy and is working through feedback from the sector, addressing issues such as the ability to respond to extreme events, and identifying a nationally consistent definition for a qualifying event. We expect the operational policy to be finalised by the end of November 2014. The policy will include previous board decisions and funding triggers around size of event, loss of service and reinstatement costs.

Special Purpose Roads (SPR) will retain their current funding assistance rate of 100% for the 2015/18 NLTP period. During the next three years the Transport Agency will work with the individual Approved Organisations to ensure an appropriate investment programme is in place during the 2015/18 NLTP, to ensure the ongoing maintenance programmes do not place too much burden on local share. Discussions will also help to determine the individual transition period for each SPR, which will start in the 2018/19 financial year.

From 2015–16 the maintenance of level crossings should be included in an Approved Organisation's asset management programme. However, the issues associated with level crossing improvements are more complex. Further work by all the partner organisations will be needed to develop a clear way forward on this issue.

Lower Alcohol Limits Coming into Effect

Legislation passed earlier this year means that from 1 December 2014 the legal alcohol limit for drivers aged 20 years and over will be lowered from 400 to 250 micrograms of alcohol per litre of breath (or from 80 to 50 milligrams of alcohol per 100 millilitres of blood), bringing New Zealand law into line with the limits already in place in the majority of OECD countries. The alcohol limit for drivers under the age of 20 will remain at zero.

Lower alcohol limits for adult drivers are being introduced as part of the Government's Safer Journeys strategy, which aims to significantly reduce deaths and serious injuries from road crashes by 2020.

The Transport Agency has begun a public information campaign to remind New Zealanders of the change. The promotion includes the rollout of posters and coasters in pubs and bars, followed by television, radio and outdoor advertising all focussed on the simple message of lower alcohol limits for drivers 20 and over from 1 December 2014.

Further information about the lower alcohol limit for adult drivers, including Frequently Asked Questions, is available on the Ministry of Transport's website:

<http://www.transport.govt.nz/legislation/bills/land-transport-amendment-bill-2013/>

Certificate of Fitness Changes Coming into Effect

Following a Transport Agency review of the delivery of Certificate of Fitness (CoF) inspections a new service delivery model was confirmed at the end of last year.

This new model enables providers to offer CoF inspection and repair services, and allows for more inspection organisations (IOs), vehicle inspectors (VIs) and inspection sites to enter the CoF market.

Applications opened on 1 November 2014 for CoF IOs, VIs and IOs wanting to add additional inspection sites. New vehicle certification administration fees also came into effect on that date. On 1 December 2014 approved applicants are able to commence service delivery under the new model.

The changes mean that vehicles can be inspected, repaired and returned to the road more quickly. This will result in increased vehicle productivity and potentially reduced costs for owners and operators, while maintaining or improving road safety.

For more information about CoF and the changes visit:

<http://www.nzta.govt.nz/vehicle/registration-licensing/certificate-of-fitness.html>

Changes to Driver Licences

In September, the Transport Agency's Time Limits project introduced changes to the Graduated Driver Licence System (GDLS) which come into effect on 1 December 2014. These changes are aimed at improving the safety of novice drivers and motorcyclists by introducing a five-year time limit on learner and restricted licences for drivers under the age of 75.

The associated change of legislation now requires the driver licence card to display multiple expiry dates, e.g. where a person holds a five-year learner motorcycle licence and a 10-year full car licence. This change gave us the opportunity to make all driver licence cards more user-friendly based on customer and stakeholder feedback.

A minor redesign of the licence cards sees the information on the card split between Driver Identity Information on the front (e.g. name, date-of-birth), and Driving Entitlement Information on the back, (e.g. driving classes, expiry dates).

The new driver licence cards are now being issued. Drivers will receive their updated cards when they renew or replace their licence from that date onwards.

For more information the changes visit:

<http://www.nzta.govt.nz/licence/photo/driver-licence-changes.html>

Road safety videos launched

The safe system approach is a proven way to save lives and reduce serious injuries. Originally developed in Sweden, it has been applied in New Zealand since 2010 and is helping to drive down the rate of death and injury on our roads.

The safe system approach is a framework which recognises that people make mistakes and are vulnerable in a crash. It reduces the price paid for a mistake so crashes don't result in loss of life or limb. Mistakes are inevitable – deaths and serious injuries from road crashes are not.

The Transport Agency, in conjunction with our partners in the Safer Journeys initiative, has developed a 20 minute film and a 1 minute trailer to help explain how the safe system approach can influence our thinking around New Zealand's roads. We encourage you to use this video as an educational tool and conversation starter in public meetings and forums, and please feel free to share the videos and the further resources at www.saferjourneys.govt.nz with your online communities.

1 minute video trailer:

https://www.youtube.com/watch?v=u4ZhmNtc-v0&list=UU78_c39pdtSN7jipO82DRyw

20 minute full video:

https://www.youtube.com/watch?v=mFcLUCtUAzc&list=UU78_c39pdtSN7jipO82DRyw

A New Transport Minister

With the new Government the Transport portfolio gets a new Minister and Associate Minister. Hon. Simon Bridges is the new Transport Minister. Mr Bridges has previously been an Associate Minister in the Transport Portfolio with responsibility for safety. The appointment of Mr Bridges ensures that transport remains a front bench portfolio in this Government. Craig Foss has been appointed to the Associate Minister of Transport role.

2. Central Region Events

A New Regional Director

It's with real pleasure that I am attending my first formal meeting in my role as Regional Director for the Central Region, with this regional transport committee. I look forward to a fruitful working relationship.

3. Delivery of the National Land Transport Programme

National Land Transport Programme

Councils and the Transport Agency have submitted draft programmes of work for the 2015–2018 Regional Land Transport Programme. The programmes will be subject to review and moderation where necessary prior to adoption by the Regional Transport Committee next year, while ensuring the programmes give effect to the regional strategic outcomes.

The Transport Agency will be assessing programmes against the Investment Assessment Framework, applying the Transport Agency profiles and providing associated comments. This work will take place from December.

Planning and Investment staff will be carrying out regional moderation of programmes during December and January. They will then be involved in the national moderation of programmes from January to March, in order to assign final funding priorities and form the National Land Transport Programme.

Regional Planning and Investment staff will be partnering with Council officers in order to achieve the best possible outcome for both the Regional Land Transport Programme and National Land Transport Programme.

State Highway Programme

The following three state highway minor safety projects are currently being tendered for completion by June 2015.

- SH6 Hillwood to Boulderbank Corridor – Stage 2
- SH6 Collins Valley Corridor Safety Proofing
- SH6 Bottom of Whangamoas Guardrail

Approval is being sought for an additional two minor safety projects in Nelson (separate agenda items), these are:-

- SH6 Gentle Annie Shoulders & Passing Lane
- SH6 Whakatu Drive wire rope safety barrier

Rocks Rd cycleway investigation is around 80% complete. The preferred option is still being developed and further information is currently being gathered to inform this.

A Request for Tender for the investigation phase of the Southern Link is being issued in the week commencing 1 December, 2014. Nelson City Council will be invited to enter into a Memorandum of Understanding for the period of the investigation. The Transport Agency is currently arranging for an Investment Logic Mapping exercise to be undertaken as the first stage of the strategic business case. The Transport Agency, the Council and key stakeholders will be invited to attend.



Raewyn Bleakley
Regional Director, Central
26 November 2014

Draft Nelson Regional Public Transport Plan 2015-2018

1. Purpose of Report

- 1.1 To receive the Draft Nelson Regional Public Transport Plan and the Nelson Public Transport Improvements Business Case.
- 1.2 To endorse inclusion of the Draft Nelson Regional Public Transport Plan in the Draft Regional Land Transport Plan 2015-21.

2. Delegations

- 2.1 The Regional Transport Committee has delegated authority to prepare a Nelson Regional Public Transport Plan.

3. Recommendation

THAT the report Draft Nelson Regional Public Transport Plan (A1277415) and its attachments (A1277814 and A1277789) be received;

AND THAT the Draft Nelson Regional Public Transport Plan (A1277415) be endorsed as the version to be consulted on in conjunction with the Draft Regional Land Transport Plan 2015-21.

4. Background

- 4.1 The Land Transport Management Act 2013 requires Regional Councils to prepare a Public Transport Plan.
- 4.2 The Draft Nelson Regional Public Transport Plan was approved for consultation by Council on 20 November 2014 in conjunction with the Draft Regional Land Transport Management Plan 2015-21.
- 4.3 A review of the Nelson Public Transport NBus Service was undertaken in December 2013 and reported to the Works and Infrastructure Committee in March 2014 (A1137333). That report was received and the revised bus service approved. These revisions were introduced in August 2014. The Committee also approved the investigation of options for medium term recommendations. The Draft Nelson Regional Public Transport Plan (Attachment 1) has been developed based on those medium term recommendations outlined in the 2013 review.

- 4.4 A business case for a new Stoke service has also been prepared (Attachment 2).

5. Discussion

- 5.1 The Draft Nelson Regional Public Transport Plan was prepared by the same independent consultant, Brian Baxter, who prepared the 2013 Service Review. The two documents are closely coordinated.
- 5.2 The Draft Nelson Regional Public Transport Plan is incorporated into the Draft Regional Land Transport Plan 2015-21 as Part G.
- 5.3 In order to place Council in the best possible position to receive a fair level of co investment from the NZ Transport Agency for the bus service an investment logic mapping exercise was undertaken and a business case was developed. The investment logic mapping exercise involved Tasman District Council, SBL Group Ltd, NZ Transport Agency, Councillors Davy and Skinner and officers.
- 5.4 The investment logic mapping process confirmed the key problems as:
- The current network is not optimised limiting patronage growth (50% weighting);
 - Lack of fair cost sharing agreement constrains future investment to increase public transport services (40% weighting);
 - Lack of aligned regional transport policy limits the contribution that public transport can make to the transport system (10% weighting).
- 5.5 A business case was developed from the key outputs from the investment logic mapping exercise to confirm the strategic context and determine the benefits of investment.
- 5.6 The most significant change proposed in the Draft Nelson Regional Public Transport Plan is a new bus service loop in Stoke.

6. Options

- 6.1 The preferred option is to endorse this Draft Regional Public Transport Plan in its current form as it is currently out for consultation. It is not possible to change the plan content during the special consultative period.

7. Assessment of Significance against the Council's Significance Policy

- 7.1 This is not a significant decision in terms of the Council's Significance Policy.

8. Alignment with relevant Council Policy

- 8.1 The Draft Nelson Public Transport Plan has been prepared in alignment with the Draft Regional Land Transport Plan goals to improve the efficiency of the transport network and reduce congestion, enhance accessibility to local services and facilities.

9. Consultation

- 9.1 The draft Nelson Regional Public Transport Plan has been circulated to key stakeholders for comment during its preparation as required by the Land Transport Management Act.
- 9.2 SBL have a contract with council to operate the bus service. SBL are not fully supportive of the current proposal for the new Stoke Loop and would prefer to operate a service from the CBD to Nayland Road. The SBL proposed service would have significant double up with the current Tahaunui service and doesn't provide coverage to as many residents as the proposed Stoke Loop would. Officers will continue to work together with SBL to ensure any new coverage in Stoke is optimised.
- 9.3 The Nelson Regional Public Transport Plan has been incorporated into the Regional Land Transport Plan as Part G and has previously been circulated to all Regional Transport Committee members as part of that report.
- 9.4 The Draft Regional Land Transport Plan 2015-21 and the Draft Nelson Regional Public Transport Plan 2015-18 have their own consultation processes, however the Land Transport Management Act 2003 does allow them to be combined.

10. Inclusion of Māori in the decision making process

- 10.1 No targeted consultation with Māori has been undertaken.

11. Conclusion

- 11.1 The Draft Nelson Regional Public Transport Plan was approved by Council for consultation on 20 November 2014 in conjunction with the Draft Regional Land Transport Plan 2015-21.
- 11.2 This report seeks endorsement of that decision by the Regional Transport Committee.
- 11.3 An investment logic mapping exercise and a business case has been developed to support the funding application to the NZ Transport Agency to provide increased bus coverage in Stoke.

Rhys Palmer
Senior Asset Engineer Transport and Roading

Attachments

Attachment 1: Nelson Regional Public Transport Plan [A1277814](#)

Attachment 2: Nelson Public Transport Improvements Business Case [A1277789](#)

Part G – Nelson Regional Public Transport Plan

The Nelson Regional Public Transport Plan in Brief

Currently, Nelson City Council (Council) provides, by way of a subsidised contract, bus services in Nelson, and between Nelson and Richmond. Council also subsidises the Total Mobility scheme for people with disabilities.

In the 2013/14 financial year, 396,000 public transport trips were made on the Council subsidised bus service. A further 32,500 trips are made on the Council subsidised Total Mobility scheme.

The bus service costs about \$550,000 to provide. This is the cost after deducting passenger fares, and is met by way of subsidies provided by the NZ Transport Agency and Council with a \$10,000 contribution from Tasman District Council (TDC) for the late late bus service.

The annual cost in subsidy of the Total Mobility is about \$326,000 (met by New Zealand Transport Agency, Nelson City Council (Council) and Tasman District Council).

This *Regional Public Transport Plan* (RPTP) sets out Council's intentions in respect to the current and any future ratepayer funded public transport services in the city.

Council is preparing this RPTP because recent changes to the Land Transport Management Act (LTMA) requires a new RPTP, covering the new matters introduced in that legislation, to be in place by 30 June 2015. This RPTP replaces the previous RPTP adopted in November 2011.

The focus of this RPTP is to build on the substantial improvements to the city bus services which were introduced in mid-2012. These changes particularly increased services on the routes between Nelson and Richmond. A review of the new services was undertaken in 2013, and found that overall the service was performing very well, although improvements were still possible. Further bus service improvements were introduced in June 2014 as a result of that review.

The plans for the future are:

City bus service

Council intends to continue to provide a bus service that is integrated with the walk and cycle links in the city, and, where funding permits, to improve the service. Council is currently considering a new route in Stoke, operating on a "figure 8" basis, and linking with the current services running along Main Road Stoke.

Close monitoring of the new services is continuing. The 2013 review proposed a number of changes to the services; some of these were introduced in June 2014, and others are contained in this RPTP.

The introduction of any improvements will depend on funding being available.

Total Mobility

The nation-wide Total Mobility scheme operates in and around Nelson. This scheme, delivered mostly through taxi companies, provides half price fares (up to a maximum subsidy of \$10 per trip) for people with disabilities. Vans capable of carrying people in wheelchairs are also provided under the scheme.

Council intends to continue support for the Total Mobility scheme, and continue to improve the scheme to ensure it meets the needs of its users. Improvements may include adding new services providers (to provide greater choice for users), and replacing old wheelchair hoists in the vans.

The administration and management of the scheme will also be improved to ensure the right people have access to it, and that funding is being used appropriately.

What we have done in the last few years

In recent years there have been major improvements to the city bus routes and timetables:

- New routes and timetables for the Richmond routes have been introduced, with a substantial increase in service levels. The main driver for these improvements was to reduce the congestion on the roads
- Council has increased its commitment to the bus service through a substantial increase in subsidies
- A new contract, based on the improved service, has been tendered and awarded, and the new service commenced in mid-2012. Further service improvements were introduced in 2014 which provided extra weekend services and removed some poorly performing early morning services
- New bus shelters have been installed
- Cycle racks installed on all buses

Council has increased our support of the Total Mobility scheme for people with disabilities, have increased funding to the scheme, and made administrative improvements to the scheme as required by NZ Transport Agency. These administrative changes are aimed at making the scheme more efficient and better for its users.

What we are planning for the future

The following table sets out our plans for the future. These plans are of course dependent on funding being available for them.

What	When
Investigating new bus route to Stoke/Saxtons	2015
Investigating recommendations from 2013 bus review	2015
Investigate fare reductions to increase patronage and lower the fare recovery ratio	2015
Improving the operation and administration of the Total Mobility scheme	On-going
Improving infrastructure, such as the provision of timetable information and shelters at bus-stops	On-going
Closer liaison and collaboration with our bus contractor aimed at improving the bus service and increasing patronage	On-going
Promotion of the bus service through social media	On-going
Reviewing the central city and Richmond bus terminals	2016
Investigating improvements to city buses (such as air-conditioning)	2015-18
Investigating the introduction of real-time information systems for city services	2015-18
Investigating improvements to the ticketing system, through participation in the national regional ticketing system project ³	2015-18
Investigating options to change the livery of the buses	2015-18

³ This will be an smartcard based system, and is being developed by NZ Transport Agency in association with the smaller regional councils

Related NCC transport documents

Other NCC documents relevant to public transport in Nelson include:

- The Council Long Term Plan, Transport Asset Management Plan and the Annual Plan
- The Council Public Transport Procurement Strategy⁴

Introduction

Nelson City Council is required by the Land Transport Management Act 2003 (LTMA) to prepare a *Regional Public Transport Plan*. The LTMA sets out the requirements regarding the RPTP's content and the consultation process required in preparing the RPTP.

This RPTP updates the 2011 RPTP to ensure it meets the requirements of the 2013 changes to the LTMA (which governs the administration of public transport in New Zealand). The 2013 changes to the LTMA included the introduction of a new operating model for public transport in New Zealand, with regional public transport plans being the cornerstone of the new operating model.

New matters that must now be addressed by the RPTP include:

- How Council will work with bus operators to ensure services meet the needs of the passengers
- How the bus services Council intends to provide will be arranged into "units"⁵
- How bus fares will be reviewed and set.

Purpose of the RPTP

The LTMA states that the purpose of a RPTP 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 city 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 support those services.

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

This RPTP is in two parts:

- Part A sets out the services Council intends to provide, and the policies which apply to these services
- Part B provides background and context information, and information legally required.

Public transport

The "public transport" referred to in this RPTP is the subsidised bus service within Nelson, and between Nelson and Richmond, and the Total Mobility service in Nelson City and Tasman District.

It does not include long-distance bus services, Ministry of Education funded bus services, privately funded bus services or taxi services (other than as they relate to Total Mobility).

⁴ This document is required by NZ Transport Agency and sets out the Council approach to be taken to procuring public transport services. A Procurement Strategy will be prepared prior to the next bus tender round which is 2018 at the earliest

⁵ See later in this Plan for a discussion on units

Tasman district

While the focus of this RPTP is on Nelson, this RPTP does cover that part of Tasman covered by:

- the Richmond bus service; and
- the Total Mobility service.

Funding

Currently in Nelson passenger fares cover approximately 62% of the costs of providing the service. The balance of the costs are met through subsidies (as happens with public transport everywhere else in NZ).

The subsidy is usually provided in NZ in approximately equal proportions by the local council and the New Zealand Transport Agency (NZ Transport Agency). However in Nelson, because NZ Transport Agency would not increase its funding to cover the extra costs of the new services introduced in 2012, NZ Transport Agency funding covers only 29% of the \$550,000 costs, with Council funding the remaining 71%.

Tasman District Council currently contributes \$10,000 for the late late bus only, despite the bus service operating in its area (Richmond).

Council is committed to continuing to provide a subsidised service in Nelson because of the benefits to the city and the community of having an available, affordable and integrated public transport system. In Nelson, these benefits are both economic and social – the buses help reduce congestion on the roads between Nelson and Richmond, and enable those without other forms of transport to get to where they need to go, in particular, to places of work, education, healthcare, welfare and food shopping.

The NZ Transport Agency funding comes with a number of rules and requirements. One of these requirements is that passengers should contribute at least 50% of the costs of providing services⁶ (and thus subsidies should be no more than 50% of the costs). In Nelson, bus passengers currently contribute about 62% and thus Nelson is well above the NZ Transport Agency guideline.

NZ Transport Agency also set the rules around tendering and contracting for bus services.

NZ Transport Agency funding is limited, and any extra funding from it (such as may be required to restore the NZ Transport Agency funding to its usual level, or to introduce additional services in Nelson) will only be provided if any funding application is supported by a business case prepared in accordance with NZ Transport Agency guidelines. Council is currently preparing a business case to restore NZ Transport Agency funding to the usual funding assistance rate, and to seek funding for the proposed new "figure of 8" bus service in Stoke.

Because only services specified in a RPTP are able to be subsidised, proposals for new services will need to be incorporated into this RPTP (and therefore be subject to public consultation guidelines) as well as meeting NZ Transport Agency business case requirements.

New public transport operating model

The 2013 changes to the Land Transport Management Act changed the administration of public transport in NZ by introducing a new "public transport operating model" (known as PTOM). PTOM is designed to encourage collaboration and partnering between the funders of public transport and the provider of the bus service in order to grow patronage with less reliance on subsidies.

This RPTP addresses the new requirements, although because the current bus contract runs for several more years, many of these new requirements cannot be introduced until a new contract is in place. However Council will look to introduce the new principles and requirements where possible.

⁶ NZ Transport Agency does recognise that smaller towns which have predominantly social services may have a lower passenger contribution than 50%

Section G1 - Services intended to be provided, and associated policies

Services Council intends to provide

Nelson City bus service

Council provides the bus services within Nelson city and Richmond by means of a subsidised contract, currently held by local bus operator SBL Group Ltd. The contract specifies which services are to be provided, and includes such things as routes, timetables and fare levels.

The current contract for this service runs until 2018 but contains provisions for an extension of a further four years should certain performance criteria be met.

The current city service operates on two routes between Richmond and Nelson, and on four routes within in the city itself. There is also a late night service at weekends.

One Nelson-Richmond route runs via Bishopdale and Stoke; the other runs via Tahunanui and Stoke. Both run along Main Rd in Stoke and Salisbury Rd in Richmond. The first service starts at 6.45am with the last service at 7pm. A bus departs Richmond and Nelson every 15 minutes at peak times, and 30 minutes during the day. On Saturdays there are six services in each direction, and on Sundays there are five.

The four city services cover The Wood/Atawhai, NMIT/The Brook, Victory/Hospital, and Washington Valley/Tahunanui. On the first three of these routes the services run at half hourly intervals at peak times, and hourly the rest of the time. Six services run on Saturday. On the Washington Valley route there are three off-peak services during the day, and no weekend services.

The late night weekend service runs on Friday and Saturday nights between Nelson and Richmond between the hours of 10pm and 3am.

The current routes and timetables are shown in **Section G3**.

The service between Nelson and Richmond is provided by a fleet of modern buses which provide a fully wheelchair accessible service and has additional features such as bike racks. The buses used on the four city routes are smaller and are not wheelchair accessible.

Information about the service is readily available through a variety of formats, with shelter and timetable information provided at popular bus-stops.

Between 1 July 2013 and 30 June 2014 approximately 396,000 passenger trips were made on the city bus service. The annual total net cost (i.e. after passenger revenue is taken into account) of the current service for those 12 months was \$535,000.

\$380,000 of that was paid by NCC with the NZ Transport Agency contributing the balance of \$155,000.

The new services are being closely monitored by Council, in conjunction with the contractor, to ensure that the services continue to meet the needs of the community. Council recognises that, given the substantial nature of the 2012 changes, some subsequent minor adjustments to the routes and/or timetables were needed to ensure the needs of the passengers are met and costs minimised. The June 2014 changes reflected that need. Any minor adjustments will continue to be made as necessary and, in accordance with the RPTP Significance Policy, may be made without any formal or publicly notified amendment to this RPTP.

The review of the service undertaken in 2013 concluded that while the new service introduced in 2012 was doing very well, there were still areas for improvement. The review made a number of recommendations (short-term and long-term) for improvements to the services. Some of the short-term recommendations were introduced in June 2014. Many of the long-term recommendations that are included in the RPTP (see below for details) arise from that review. A summary of the recommendations from the review is set out in **Section G4**.

The current contract to provide the bus services was let prior to the changes to the LTMA and the introduction of the new public transport operating model. The new operating model introduced by the 2013 amendment to the LTMA will have little impact on the current contracting arrangements (because the current contract was let in 2012), but any future contracts will have to be consistent with the new operating model.

One of these changes will mean that future contracts will have to be "gross" contracts (with an allowance for an incentive payment to the contractor), rather than the current "net"⁷ contract arrangement.

Total Mobility scheme

While most of the buses in Nelson are designed to be as user friendly as possible, and are wheelchair accessible, there are some users (particularly those with various disabilities) that are either unable to use the buses or can only use them at some times during the day.

Council therefore provides administration support and funding for the Total Mobility Scheme in Nelson and Tasman. This scheme provides transport assistance to people with disabilities through the provision of half-priced taxi fares (up to maximum subsidy per trip of \$10 per one-way trip). Total Mobility operates in Nelson, Richmond and Motueka, and about 1,400 people use the scheme.

Approximately 32,500 trips are made annually through the scheme in Nelson and Tasman.

The annual subsidy cost of this service is approximately \$326,000. NZ Transport Agency meets 66% (\$215,000) of this cost⁸; Council meets its share of the costs incurred in Nelson (24%; \$80,000), and TDC meets the costs incurred in Tasman district (10%; \$32,000).

The average subsidy per trip is about \$10.

The scheme also provides taxi-vans capable of carrying people in wheel-chairs, and provides for an extra \$10 subsidy per trip for the use of these taxi-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.

Council administers the scheme, including the distribution of vouchers for use on the taxis, and payments to the taxi companies.

Because Total Mobility is a nation-wide scheme, there are certain rules, aimed at ensuring consistency between the places where the scheme operates, about how the scheme is run. Council will continue to comply with these rules and thus ensure Nelson and Tasman members of the scheme can use the scheme elsewhere in NZ.

Future improvements

Council is keen to continue to improve the public transport services in Nelson. It has a number of proposals it intends to investigate, including the remaining recommendations from the 2013 review of the bus service.

Possible improvements that will be investigated include:

- A new intra Stoke figure-of-8 route to link places of employment/commercial areas with residential areas and with the existing commuter bus services to improve the public transport accessibility of Stoke as a whole
- Potential to increase capacity between Stoke and Nelson CBD
- A new bus passenger smartcard and electronic ticketing system (through Council participation in the NZ Transport Agency led national ticketing project)
- Review and stream-line the fare system, including introducing possible fare reductions, monthly tickets, and selling ten-trip tickets on the buses
- Improved infrastructure, such as shelters and providing service information at bus-stops
- Introducing an on-line real-time information system
- Use of social media to promote services
- Improvements to the administration and management of the Total Mobility scheme.

⁷ A gross contract is where the operator is paid the full cost (and the passenger revenue is retained by the Council); a net contract is where the operator is paid the difference between the gross price and an estimate of passenger revenue

⁸ The NZ Transport Agency subsidy rate is 60%, but it also provides an additional \$10 payment for each wheelchair trip. This has the effect of increasing the overall NZ Transport Agency subsidy rate

Funding for any improvements will be sought from NZ Transport Agency. NZ Transport Agency requires that any proposals for new services will have to be justified using the new NZ Transport Agency Business Case Approach⁹. The business case is required to assess the costs and benefits of the proposed new service, and how the service fits within current NZ Transport Agency funding criteria. Additional NZ Transport Agency funding cannot however be guaranteed (as was seen with the 2012 improvements, which were funded entirely by Council).

Units

The LTMA requires every public transport network in NZ to be divided into "units". Each unit must then be the subject of a separate contract. The RPTP is required to set out the units that the Council intends be provided, and the date that the units are expected to start operating. Current contracts are able to continue until they end, and the new model introduced by the LTMA is for future contracts.

Because of the nature and relatively small size of the Nelson bus service, Nelson currently has a single bus contract for the entire network of services. This is a logical arrangement in a city the size of Nelson and has worked well, and enables close cooperation between Council and the bus operator.

Options for after the current contract expires include splitting the service into up to three units – perhaps one for the Nelson-Richmond services, one for the four city routes, and one for the late night bus service. However the integrated nature of the service, and the small size of these units, suggests that a single unit is the best arrangement in Nelson. This single unit approach has been adopted in most similar sized cities to Nelson.

This RPTP, therefore, proposes that the single unit/single contract system will continue for the Nelson bus service. The unit will be procured, once the current contract expires, by tender based on the new LTMA public transport operating model, and following the approach outlined in the Nelson City Council *Public Transport Procurement Strategy*. The *Public Transport Procurement Strategy* will be developed prior to the next tender round.

The current contract for the city bus service runs until 2018, but contains provision for an extension until 2022. Minor changes to the contract are permitted without the need for re-tendering, and thus the next tender is not expected until 2021 (assuming the current contract runs the full term). Thus the new contract is likely to commence at the end of January 2022.

Council intends to provide financial assistance to this unit/contract.

Any new services are likely to be separate units in terms of the LTMA, although changes to existing services are likely to be incorporated into the current contract by way of a contract variation. Variations will be based on a gross cost basis wherever possible to be consistent with the new contracting regime.

There are no exempt services within the meaning of the LTMA in Nelson that are being replaced by a unit.

Value for money

Central to the purpose and intent of the LTMA is the concept of providing "value for money", and this concept extends to the provision of bus services. Value for money can be measured many ways. An important measure (one set by NZ Transport Agency) is the contribution made by the passengers towards the costs of providing the service. This passenger contribution is known as the fare-box recovery level, and is measured as the ratio of passenger fares to the costs of providing the service.

NZ Transport Agency has a goal of an aggregated national fare-box recovery rate of no less than 50% by 30 June 2018. The current NZ rate is about 46%.

The Nelson bus service has always had a high fare-box recovery. The current level of 62%¹⁰ is one of the highest fare-box recovery levels in NZ. This indicates the Nelson bus service provides excellent value for money.

Council has set a fare-box recovery rate target of at least 50%.

⁹ A suggested business case approach has been developed by NZ Transport Agency, and is contained in the NZ Transport Agency online Planning and Investment Knowledge Base

¹⁰ The level achieved over the 2013/14 financial year was actually 75%, but this has reduced as a result of the service changes introduced in June 2014, and the current estimate is 62%

Value-for-money can also be measured by the total subsidy rate (ratepayer plus NZ Transport Agency) per passenger trip. In Nelson this rate is a little over one dollar, which is the lowest level in NZ. Again, this indicates excellent value for money.

For relatively small financial input, Council provides an integrated bus service which meets the needs of those who rely on public transport to access work as well as basic community services and activities. The Nelson services compare very favourably on a value-for-money basis with other cities in NZ.

Working with contractors

One of the objects of the recent changes to the LTMA is to encourage close partnerships between councils and their contracted bus operators. Council already has a very close working relationship with its contractor. This is aided by the small size of Nelson city 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 intends that this close working relationship will continue, and it will continue to hold regular meetings with the contractor to discuss ways of improving the services. For new contracts, a business plan for the contract will be prepared by Council, in conjunction with the contractor, which will outline what actions and improvements are proposed for the contract. This business plan will be reviewed annually. The business plan approach will be outlined in the *Public Transport Procurement Strategy* and in future contracts. This approach will where possible be adopted for the current contract.

Council recognises that the best way to improve passenger numbers is to have a high quality reliable service, together with excellent vehicle quality and driver helpfulness. All future contracts will therefore include requirements for the contractor to report regularly on certain performance indicators. These criteria will be based on those developed by NZ Transport Agency¹¹ 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.

NZ Transport Agency 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 is still to be developed, and will be contained in the Nelson *Public Transport Procurement Strategy* which will be developed prior to tendering for future contracts.

Fares

The LTMA requires the RPTP to set out policies on passenger fares, and how fares will be set and reviewed. The current fares and fare setting/changing processes are set out in the current bus contract. The contract provides for Council to set the maximum fares for the bus service, to review fares annually, and to change fares where that is considered appropriate (with a proportionate change in the contract price).

Council intends that the current fares for the Nelson bus service will be maintained at current levels initially, but as is required by NZ Transport Agency, fare levels will be reviewed annually and the fare structure will be reviewed every six years. The reviews will include Total Mobility fares, and any rules that apply to Total Mobility fares.

The review of fare levels will take into account matters such as inflation (particularly relating to the cost of providing the bus service), fare-box recovery, Council and NZ Transport Agency funding levels and policies, and user's ability to pay.

The six-yearly review of fare structures will consider issues such as how the fare should be calculated (possibilities include distance related fares, a flat fare regardless of distance travelled, time based fares etc.). Fares in Nelson are currently based on distance travelled, with four fare zones. The potential introduction of a circular route around Stoke may require a review of the current fare-zone structure.

¹¹ This development process is on-going

The contractor's views will be sought as part of any fare review. This is particularly important given the nature of the current bus contract (as indicated above, the current contract is what is known as a "net" contract – this is where the contractor is paid a fixed amount¹² each year, with the contractor retaining all passenger revenue (and thus any gains or losses from changes in passenger numbers)). If fares are increased by Council, the contract provides for the contract price to be reduced¹³ by any increase in revenue received by the contractor.

Integration with other transport modes

The public transport services in Nelson are part of an integrated network of transport services. This recognises that all journeys usually involve other modes of transport as well as the bus trip (there is almost always a walking component of any bus journey, and increasingly, a cycling component). The needs of bus passengers who use wheelchairs must also be considered.

Thus buses should have bike-racks, bus-stops should be conveniently situated and easily accessible, and car-parking facilities should be near to some stops (particularly in Richmond) to encourage car users to use a bus for the last leg of their journey. Car parking availability and charges should also consider the impact on bus use.

Objectives and Policies

The basic objectives of Council-provided public transport network are to provide services which:

- Reduce traffic congestion between Richmond and Nelson; and
- Meet the basic needs of the community, particularly those without access to private transport.

Specific Council policies relating to its services are as follow:

- Services provided
 - Provide and fund bus services which:
 - Are aimed at reducing target traffic congestion; and/or
 - Are aimed primarily at those without other transport options
 - Regularly assess the needs of the community with regard to its public transport needs
 - Work with its bus contractors to improve its services and increase patronage levels
- New services
 - Will be provided where there is demonstrable demand, and where local and NZ Transport Agency funding is available
 - A new Stoke route is likely to be the first to be considered
- Funding
 - Council will fund its share of the services set out in this RPTP
 - Council will seek appropriate funding contributions from NZ Transport Agency and Tasman District Council
 - Council will continue to lobby NZ Transport Agency to restore the standard NZ Transport Agency funding levels
 - Council will seek funding from NZ Transport Agency for any service improvements
- Contractors
 - For all new contracts:
 - Prepare a business plan in conjunction with each contractor setting out the actions, aimed at improving the service, that will be taken during the next year of the contract

¹² But subject to an inflation adjustment
¹³ Using the NZ Transport Agency formula

- Review the business plan annually
 - Regularly meet with the contractors to discuss progress with achieving the actions set out in the business plan, and progress generally with the services, and ways to increase passenger numbers
- Meet regularly with existing contractors to discuss contractual matters, including how the service might be improved and patronage increased
- Generally involve the contractor in decisions relating to the service, while at the same time recognising that it is Council that is the primary decision maker regarding the service
- Contract format
 - The tendering of the bus contracts will follow the process set out in the Nelson City Council Procurement Strategy and NZ Transport Agency Procurement Manual
 - Subject to the Procurement Strategy and Procurement Manual, contract length will generally be nine years
 - Contracts will require operators to tender on the annual gross price of providing the service and Council will retain passenger revenue
 - There will be one contract per unit, and thus currently there will be one contract
 - All new contracts will contain a financial incentive mechanism aimed at encouraging the contractor to increase patronage
 - Tenders will reflect the policies in this RPTP and the Nelson City Council Procurement Strategy
 - Tenders will be evaluated on price and quality. Quality features will include relevant experience, track record, relevant management and technical skills, methodology and vehicle quality
- Vehicles and drivers
 - Require modern low floor buses on the Richmond routes
 - Require suitable buses on the city routes, and will look to provide buses with easier access (including wheelchair access) in future contracts
 - Comply with the vehicle standards as set out in NZ Transport Agency's Requirements for Urban Buses
 - Require bike racks on the buses used on the Richmond and Stoke routes
 - Require electronic ticket systems on all buses
 - Require GPS tracking on buses to assist with real time tracking for customers and monitoring by Council
 - Require full training for new drivers
 - Require branding as specified by Council
- Fare system
 - Electronic ticketing on all buses that records all trips and issues tickets as appropriate, is required on all buses
 - For the Nelson services:
 - Child fares will be available
 - i) Children are defined as those aged 5-15 inclusive, or enrolled at school while wearing a school uniform or on presentation of a school ID card

- ii) The child fare will be approximately two-thirds¹⁴ of the adult fare
 - iii) Children under 5's travel free
- A tertiary students/Community Service Card holder fare will be available to those aged 18 and under or enrolled in a Nelson or Tasman tertiary institution on presentation of an ID card, and Community Services Card holders on presentation of their card
 - i) The discount will be approximately 20%
- The SuperGold Card scheme providing free off-peak travel¹⁵ is available to those with a SuperGold Card (generally those over 65 years of age)
- 10-trip tickets will be available for adult, children and student/Community Services Card holders. The 10-trip ticket will be priced at eight times the cash fare
- 30-trip tickets will be available, and will be priced at 21 times the adult cash fare
- Day passes will be available
- Fares will be set on a four zone structure
- For the late bus, a separate fare structure will apply (currently a flat fare)
- 10-trip tickets can be purchased from the drivers or designated outlets; 30-trip tickets must be purchased from designated outlets (currently the bus company, Council and TDC council offices, and Nelson, Stoke and Richmond libraries)
- Fare levels will be reviewed annually, which may result in the above fares and ticket availability changing
 - The contractor will be involved in these discussion
 - In setting fares, the primary considerations will be the level of inflation as it relates to the costs of providing the service, affordability, NZ Transport Agency and Nelson City Council funding levels and policies, and the Council *Fare-box Recovery Policy*¹⁶
- Fare structures will be reviewed every six years. The last review was in 2012, and thus next review is due before 2018
- SuperGold Card
 - Bus contractors will be required to participate in the SuperGold Card scheme as it relates to public transport
 - Council will continue to administer the SuperGold Card scheme subsidies.

¹⁴ The exact discount will be influenced by the necessary rounding

¹⁵ For travel between 9am and 3.00pm weekdays, and on Saturdays, Sundays and public holidays

¹⁶ This policy is re-produced in Attachment 2

- Monitoring
 - Monitor services based on NZ Transport Agency requirements
 - Collect monthly patronage data
 - Contracts will provide for reliability data to be collected by the contractor and made available to Council
 - Contracts will require vehicles on the city bus service to have a GPS monitoring system to assist in measuring service reliability
 - In conjunction with the contractor, regularly review the city routes and timetables to ensure they continue to meet the needs of the community
 - Undertake an annual survey of passengers as required by NZ Transport Agency.
- Infrastructure
 - Look to improve the central city bus stop through the provision of shelter, seats and timetable information
 - Conveniently located bus-stops
 - Look to improve bus-stop facilities including providing shelters and easy access to the stops for those in wheelchairs
- Integration with other transport modes
 - Encourage further integration between the buses and walking and cycling through promotion
 - Require bike racks on the buses used on the Richmond and Stoke routes
 - Consider buses when addressing car-parking availability and charging
 - Ensure bus-stops are conveniently located and easily accessible
- Promotion and advertising
 - Though information being available at key bus stops and on the Council and TDC website
 - Through the production of a freely available printed timetable
 - Through local newspapers (including community newsletters) and radio
 - On-bus advertising
 - Buses will provide for the internal display of Council and public transport promotional material
- Total Mobility
 - Continue to administer and support the region-wide Total Mobility scheme
 - Continue to improve the administration and management of the scheme, and to meet any NZ Transport Agency requirements
 - All taxi companies in the scheme are required to have contracts with Council
 - Facilitate the provision of wheelchair hoist vehicles where demand warrants it and funding permits
 - Admittance to become a service provider is at the discretion of Council and is not restricted to taxi companies. Each application will be considered on its merits, but generally the requirements are that drivers be appropriately licensed and trained, the service availability hours are at least 7am to 7pm, and the fare structure is clear, similar to other providers and has been approved by Council. The provision of a wheelchair service is desirable but not mandatory
 - Review fares and the rules applying to the fares as part of the fare level and fare structure reviews.

Nelson Public Transport Improvements

Strategic Case and Programme Business Case

Strategic Assessment and Context
Planning the Programme Business Case

Executive Summary

During August / September 2014 staff and elected members from Nelson City Council (NCC), Tasman District Council (TDC) and NZ Transport Agency (NZTA), along with the current Nelson NBus public transport operator (SBL Group Ltd) met twice to consider the key issues facing the Nelson NBus service. An investment logic mapping (ILM) exercise was carried out to identify the problems that are holding back improvements in public transport, and the key strategic investments that will remove these barriers. The key problems were identified as:

- The current network is not optimised limiting patronage growth (50% weighting)
- Lack of a fair cost sharing agreement constrains future investment to increase public transport services (40% weighting)
- Lack of aligned regional transport policy limits the contribution that public transport can make to the transport system (10% weighting)

The Nelson / Richmond public transport service is a combination of heavily subsidised high coverage services in the older urban areas of Nelson, to near commercial low coverage services that link Nelson CBD through to the high growth urban areas of Stoke and Richmond. A large majority of the service (90%) is in Nelson City, with 10% of services estimated to be in Tasman District. With continued urban growth in the Stoke / Richmond areas an extended public transport service in these areas is likely to result in substantial growth in passenger numbers.

The overall farebox recovery is very high at 62%. This is driven by the near commercial services linking Richmond and Stoke with Nelson CBD. The individual routes have a farebox recovery ranging from 11% to 93% (year to June 2014).

The current funding from NZTA is a lower proportion than normal funding formulas would suggest. This is a result of a NCC decision to extend NBus services in 2011/12 and a lack of available funding at late notice for the 2012-15 funding round. NCC decided to fully fund the increased services until further funding from NZTA was available.

Currently TDC funds \$10,000 a year towards the Late Late Bus service (Friday and Saturday Nights) and does not provide funding towards the bulk of the NBus services that link Richmond town centre with Nelson City CBD. Fair levels of funding from all the partners is a desired outcome, with NZTA currently funding around 28% of public investment in the NBus service.

This document sets out the strategic case for improving Nelson and Richmond's public transport in the short term (2015-2018), and highlights the intended investments in the medium term. TDC is proposing a \$30,000 a year contribution (for three years) in their 2015 LTP process. This matches the current estimated subsidy cost of the services provided in the TDC area. Alignment of the NCC and TDC Regional Public Transport Policies over the next three years is expected.

This strategic and programme business case focuses on optimising the existing service and extending the service coverage in the key urban growth areas. The outcome of the ILM exercise indicated a strong preference for a new route servicing Stoke (all year 7 days a week) which will improve the current service and increase the public transport options through the area along with additional information surveys and marketing effort. An additional investment from NZTA (\$170,000 a year) is sought for the 2015-18 funding period to fairly fund this investment. Given the small investment being sought this strategic case also includes the strategic responses as determined by a programme business case process. NCC is proposing to maintain their current level of funding in order to achieve these higher levels of service.

Public investment in NBus services		
	Current	2015-18
NCC	\$380,000	\$380,000
NZTA	\$155,000	\$341,000
TDC	\$10,000	\$30,000
Passenger revenue	\$876,200	\$1,002,850
Total Public investment	\$536,000	\$746,000

Even if this business case is unsuccessful, NZTA should increase funding so as to meet the standard formula for public investment in public transport.

This business case also points to further investment in public transport services from 2018 onwards in the Richmond area. This will be the subject of another business case process building on expansion of services in Stoke and additional research and survey information.

PART A – THE STRATEGIC CASE FOR IMPROVING NELSON / RICHMOND PUBLIC TRANSPORT

1. Introduction

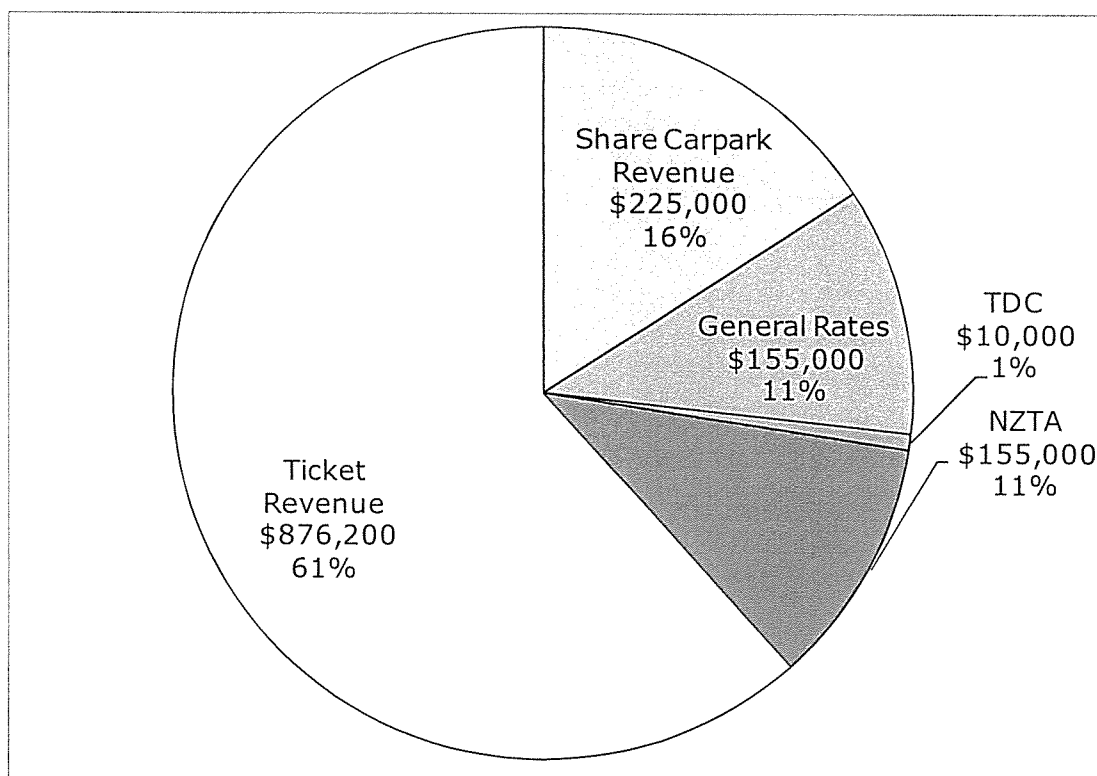
Note - Due to the small size of the investment the partners have agreed to combine the strategic business case and the programme business case.

This chapter sets out the context for the proposed investment and the \$140,000 a year investment being sought from NZTA.

Nelson City Council (NCC), Tasman District Council (TDC) and NZ Transport Agency, along with the current Nelson NBus public transport operator (SBL Group Ltd) have been considering the key issues facing the Nelson NBus service.

The current NBus service for Nelson / Richmond was commenced in 2012. The service is a combination of heavily subsidised high coverage services in the older urban areas of Nelson, to near commercial low coverage services that link Nelson CBD to the high growth urban areas of Stoke and Richmond. There is a huge variance between the performance of the two Nelson-Richmond arterial routes and the four local Nelson routes. A large majority of the service (90%) is in Nelson City, with 10% of services estimated to be in Tasman District.

Funding Sources for the NBus Service - July 2013-June 2014



Overall the service is working well for the areas covered and has a very high farebox recovery of 62% (national average is 46%). NBus coverage is poor in areas of continued high urban growth and the potential to increase public transport usage in these areas is high. In 2013/14 Nelson City reviewed

the existing routes and made minor reductions in service levels on the two routes with the lowest passenger loads.

This strategic and programme business case supports an additional investment of \$170,000 a year by NZTA to:

- more fairly meet its share of public funding
- extend the coverage of the NBus service in the growth urban area of Stoke
- optimising the service by
 - increasing the frequency of peak time services between Richmond and Nelson CBD
 - introducing a route that includes the key employment node at Nelson Junction
 - increased marketing of the services
- carry out Public Transport satisfaction surveys and other market research to better understand public transport demand in Stoke and Richmond

2. Partners and Key Stakeholders

This section identifies the contributing agencies, describes their roles, and then lists key stakeholders.

The contributing organisations for public funding are NCC, TDC and NZTA. Other partners are SBL Ltd and the fare paying passengers.

2.1 NCC

NCC is responsible for supporting the Nelson Regional Transport Committee to develop the Nelson Regional Land Transport Strategy and the Nelson Regional Public Transport Plan on behalf of Council. NCC is also responsible for planning and managing public transport networks in Nelson, as well as to provide, maintain and upgrade the transport network (roads, bridges, footpaths, and car parks) and manage their use.

2.2 TDC

TDC is responsible for supporting the Tasman Regional Transport Committee to develop the Tasman Regional Land Transport Strategy and the Tasman Regional Public Transport Plan on behalf of Council. TDC is a partner in this business case as the public transport services include Richmond.

2.3 NZ Transport Agency

The Transport Agency's role is to deliver transport solutions for a thriving New Zealand on behalf of the government. The Transport Agency is responsible for (1) helping to plan land transport networks, bringing a national perspective; (2) providing access to and use of the land transport system; (3) managing the state highway network; and (4) investing in land transport.

2.4 Other participants

A number of key stakeholders external to NCC, TDC and NZTA have influence on the project outcomes. These organisations, their interests and anticipated role, are summarised below.

- Participant in business case preparation
SBL Ltd: operator investing in and operating bus services in Nelson
- Organisations and parties that will be consulted during detailed programme business case preparation
Ministry of Education: contractor of school bus services.

NMIT: Polytechnic interested in bus travel for staff and students; bus stops near the polytechnic.

Nelson Marlborough District Health Board: interested in bus travel for staff, bus stops around Nelson hospital, and access to the Hospital from the major urban areas.

3. Strategic Assessment - Outlining the Need for Investment

This section identifies the main problems with the Nelson/Richmond transport system, the benefits to be gained from investing in those problems. It then summarises the evidence supporting the case for improving the public transport service, as one of the activities needed to help realise those benefits. There is clear evidence that public transport services should be expanded in the Stoke and Richmond urban areas.

3.1 Defining the Problem

NCC convened a facilitated investment logic mapping workshop with key stakeholders on 15 August 2014 to gain a better understanding of current issues and business needs. The stakeholder panel identified and agreed the following key problems:

- Problem one: The current network is not optimised limiting patronage growth (50% weighting)
- Problem two: Lack of a fair cost sharing agreement constrains future investment to increase public transport services (40% weighting)
- Problem three: Lack of aligned regional transport policy limits the contribution that public transport can make to the transport system (10% weighting)

The investment logic map is attached as Appendix A.

All three problems are inter-related and can be at least partly addressed in the short term.

3.2 The Benefits of Investment

The potential benefits of successfully investing to address these problems were identified as part of a second facilitated investment logic mapping workshop held on 1 September 2014. The stakeholder panel identified and agreed the following potential benefits for the proposal:

- Benefit one: Improved customer experience.
- Benefit two: Improved public transport network coverage and use,
- Benefit three: Improved transport network efficiency

The Benefit Map is attached as Appendix B.

The benefits are expected to result in higher usage from existing public transport users, and attracting new users to the services provided. Increased efficiency will provide better usage for the investment made by all partners.

The benefits can be summarised as being generated by two distinct investment paths; improving existing services and providing additional services. Additional benefits to the wider road user sector in general and the roading authorities specifically are also likely through reducing vehicle movements at peak times on key arterial routes.

3.3 Key Performance Indicators (KPIs) and Targets

The seven KPIs identified in the second ILM workshop are:

Benefit Number	Benefit	KPI's
Benefit One	Improved customer experience	KPI 1: Perception of service quality by users KPI 2: Perception of service quality by residents
Benefit Two	Improved public transport network coverage and use	KPI 1: Increased numbers of passengers. KPI 2: Increased accessibility of urban population to bus routes. KPI 3: Increased accessibility to key education, health and employment centres by bus routes. KPI 4: Fair value for money fares.
Benefit Three	Improved transport network efficiency	KPI 1: Reliability of public transport services

The benefits map in Appendix 2 sets out the agreed measures for these KPIs.

The KPI's will require investment in additional surveys in order to measure progress, as well as a general need to improve the knowledge base of public transport customers. In the short term some targets will reflect current knowledge levels and are likely to need refinement over time. Passenger numbers, reliability and some accessibility data is known now.

3.4 Status of the Evidence Base

Nelson public transport has a very high average farebox recovery at 62% (compared with a national average of 46 percent). This is a function of the near commercial routes from Nelson CBD to Stoke and Richmond, with very limited 'feeder' routes within these locations. In contrast the older areas of Nelson City have good coverage but generally low usage. The following table sets out passenger and farebox rates by route.

12 months to June 2014				
Route	Share of total net contract cost (\$535,000)	Farebox Recovery Rate	Average number of passengers per trip	Average subsidy per passenger
1: Nelson-Richmond via Bishopdale (Mon-Fri)	5%	93%	16.8	\$0.17
2: Nelson-Richmond via Tahunanui (Mon-Sun)	11%	88%	18.5	\$0.32
3: The Wood/Atawhai (Mon-Sat)	33%	16%	5.6	\$7.90
4: The Brook (Mon-Sat)	23%	11%	2.5	\$12.03

12 months to June 2014				
Route	Share of total net contract cost (\$535,000)	Farebox Recovery Rate	Average number of passengers per trip	Average subsidy per passenger
5: Victory/ Hospital (Mon-Sat)	21%	20%	4.3	\$6.44
6: Washington Valley/ Tahunanui (Mon-Fri)	4%	13%	2.9	\$10.19
The Late Late Bus (Fri/Sat)	3%	64%	7.0	\$1.97
Total	100%	62%		\$1.35

Council commissioned a review of the NBus service in 2013 that was carried out by Brian Baxter. He compared the data for the NBus service with the public transport services in similar New Zealand cities. In comparison, Nelson has high patronage, high fares and revenue, a high farebox recovery and low levels of subsidy (both per passenger and per capita). Overall this indicates that Nelson's bus service performs well compared to other cities, with considerable opportunities to increase the route coverage.¹

Annual patronage for the 2013 year was 376,676 and 85 percent of that was on the two Nelson-Richmond arterial routes. Total patronage in December 2013 was 16 percent higher than in December 2012. Growth is highest on Route 1 (via Bishopdale) at about 28 percent annually. Patronage has also increased on Route 2 (via Tahunanui) and the Atawhai, Brook and Hospital routes. Passenger numbers are flat on the Washington Valley route and have declined on The Late Late Bus.

Survey information is limited, but about 300 adult passengers were surveyed over all routes during a week in November 2013. Generally passengers seemed satisfied with the service. The majority were frequent users of the bus, with main reasons for travel being to go to work or to go shopping. Forty-one percent of passengers surveyed on the Nelson-Richmond arterial routes were new users of the bus service (since the NBus service began in 2012).

About 400 residents responded to a survey sent to the Council's People's Panel (email) in November 2013, which consists of over 1,000 Nelson residents who have registered to give feedback on Council services and policies. Although most of the panel members were randomly selected, the ages of respondents tend to be skewed to those over 40.

Seventeen percent had used the bus in the last year although most were infrequent users. Of the 83 percent who hadn't used the bus, 20 percent said the routes didn't suit them, 13 percent said the timetable didn't suit them, 57 percent said it's easier to take the car and 35 percent said they prefer to bike or walk.

¹ Review of Nelson Bus Service, Brian Baxter, 17 December 2013

When asked what would encourage them to use the bus, the main factors were higher vehicle costs, such as petrol or parking (18 percent), more convenient routes (15 percent) and timetables (10 percent) and lower bus fares (11 percent). Forty-five percent said they were never likely to use the bus.

More detailed standard public transport focused surveys are required as part of the alignment of the NCC and TDC Regional Public Transport Plans that will set out the longer term strategic direction for public transport.

Population growth and age group statistics have recently been confirmed through the 2013 Census. Medium and long term growth forecasts based on the 2013 census base will be released in February 2015. Despite this the growth trends are consistent and there is low risk of growth stopping in the Stoke and Richmond areas in the medium term.

Statistics New Zealand has advised that Nelson City has experienced faster than expected growth and that the Council should use the 'High' growth scenario for planning purposes in the 2016/2021 period, and Medium – High for the longer term to 2026/31. In depth 2013 census results are available from NCC. Recent growth and forecasts are shown below.

	2006 Census	2013 Census	% change 2006 to 2013	Forecast growth in residents 2016 to 2021
Stoke	15,189	17,154	12.9%	1180
Nelson City	42,882	46,437	8.3%	2,700
Richmond (TDC)	11,715	12,276	4.8%	250

Stoke = Saxton, Ngawhatu, Langbein, Isel Park, Nayland, Maitlands, and Enner Glynn area units.
Richmond = Richmond East and West area units (in TDC)

Stoke residents are more likely to be aged 65+ compared to Nelson City overall, and have household median incomes around the Nelson City average.

Based on the survey returns improvements in services need to consider the following factors:

- the network needs to have a clear route and layout;
- greater frequency of services where and when the demand is reasonably high;
- greater coverage in Stoke and Richmond;
- simple and clear fare structures,
- additional information and marketing.

While demand for public transport by area is uncertain the current service indicates that the most unmet demand is in the growth areas of Stoke and Richmond. The main issues holding back increased usage are coverage and frequency. Given the low usage in many of the routes the most effective use of additional investment is to expand the coverage in Stoke and increase the frequency through to Richmond at peak times.

4. Strategic Context

This section demonstrates how the investment proposal has clear linkages back to organisational strategy for all three contributing organisations.

4.1 Organisational Overview

NCC is a unitary local authority with responsibility for public transport and the local roading network within Nelson City. NCC has a number of outcomes and objectives that are set in the 2012 Long Term Plan, including many activities in addition to public transport. Public transport is one of the smaller activities for NCC based on operational costs.

NCC has a number of objectives in public transport that are part of achieving high level outcomes including providing an attractive lifestyle and sustainable development. NCC currently provides the majority of public funding for public transport.

TDC has a similar purpose and function within Tasman District. TDC has a smaller emphasis on public transport with a much larger rural area and a number of small urban centres. Infrastructure issues such as water and wastewater are currently the major focus, although sustainable development is also a key outcome being sought.

The NBus service is proposed to be a shared service between NCC, TDC, NZTA and the operator SBL Ltd. The large majority of the benefits are expected to be within the NCC area so the funding reflects this. Officers at NCC and TDC have assessed the public funded costs of the NBus service that occur within TDC (Richmond) at \$30,000 a year. This sum has been included in TDC draft budgets for the 2015-25 LTP process.

NZTA funding is currently well below the levels expected based on the NZTA formula. NCC decided to provide additional funding in 2012/13 in order to extend coverage and frequency. This business case proposes that NZTA funding will increase to the normal 50/50 funding for the public funded part of the service, with NCC funding remaining at the current enhanced levels.

4.2 Organisational Outcomes, Impacts and Objectives

The table below highlights in grey the organisational outcomes, goals and objectives relevant to this investment, which are held in common by the three contributing organisations. Those areas not highlighted are, by default, the matters for which there is low, or no, degree of commonality among the contributing agencies. Not surprisingly, there are lot of synergies in the high level, longer term outcomes, goals and objectives of each organisation for transport.

Outcomes	Goals / strategic focus	Objectives
Nelson City Council		
<p>Vision - a sustainable transport future for Nelson</p> <p>Healthy land, sea, air, and water – We protect the natural environment</p> <p>People friendly places - We build healthy, accessible and attractive places and live in a sustainable region</p> <p>A strong economy – We all benefit from a sustainable, diversified and innovative economy.</p> <p>Kind, healthy people – We are part of a welcoming, safe, inclusive and healthy community.</p> <p>A fun, creative culture</p> <p>Good leadership</p>	<ul style="list-style-type: none"> • Improve the efficiency of the transport network and reduce congestion • Enhance accessibility to local services / facilities / places of employment • Support environmental sustainability. 	<ol style="list-style-type: none"> 1. To optimise accessibility to public transport within the bounds of funding constraints. 2. Fares will reflect the benefits to users and the wider social benefits, will be affordable for users and the Council, and will take into account the farebox recovery ratio target. 3. Comprehensive and accurate data will be gathered to enable good planning decisions about future public transport services 4. Alternative sources of revenue will be investigated 5. Public transport will be promoted to increase awareness of the services and encourage more people to use them 6. National schemes supporting the mobility of the transport disadvantaged will be continued²
Tasman District Council		
<p>Overall Vision - To have a land transport system that will support a sustainable and prosperous economy, that is accessible by and serves the whole community, contributing to the better health, safety and wellbeing of those living within and visiting Tasman. (2010 RLTS)</p> <p>Our unique natural environment is healthy and Protected</p> <p>Our urban and rural environments are pleasant, safe and sustainably managed</p>	<p>Assist Economic Development: A transport system that contributes to economic growth and prosperity.</p> <p>Safety and Personal Security: A transport system that is safe to use across all transport modes.</p> <p>Access and Mobility: An efficient transport system that is integrated with land use planning optimising access and mobility for all.</p> <p>Public Health: A transport system that encourages active modes of travel.</p>	<p>To adopt a phased approach to the implementation of improved passenger transport services network subject to the availability of funding and agreement on cross-boundary issues.³</p> <ul style="list-style-type: none"> • Work with Nelson City Council to develop an implementation plan to improve the service between Richmond and Nelson. • Investigate other opportunities with commercial operators to improve passenger transport • Identify opportunities for the provision of potential passenger transport at new developments. <p>To encourage passenger transport vehicles used in the Tasman region to be accessible for mobility impaired and</p>

² Nelson Regional Public Transport Plan 2011

³ Tasman Regional Passenger Transport Plan 2012

Outcomes	Goals / strategic focus	Objectives
<p>Our communities are healthy, resilient and enjoy their quality of life.</p> <p>Our developing and sustainable economy provides opportunities for us all.</p>	<p>Environmental Sustainability: A transport system that optimises energy efficiency and ensures the sustainability of the natural and built environment.</p> <p>Economic Efficiency: A transport system that is affordable and provides value for money.</p>	<p>cyclists, plus have effective emission controls in place.</p> <p>Bus stops which are accessible, safe and attractive:</p> <ul style="list-style-type: none"> Investigate the provision of a bus interchange and park and ride facilities in Richmond and bus priority measures in adjacent areas. <p>Fares which encourage the use of passenger services while taking account of operating costs.</p> <p>A simple but effective ticketing system.</p> <p>Public transport information that is easily available and encourages increased passenger transport use.</p>
NZ Transport Agency		
<p>Overall Focus - A transport system that maximises economic and social benefits for New Zealand and minimises harm.</p> <p>Long term Outcomes:</p> <p>Effective: moves people and freight where they need to go in a timely manner.</p> <p>Efficient: Delivers the right infrastructure and services to the right level and at the best cost.</p> <p>Safe and responsible: Reduces the harms from transport.</p> <p>Resilient: Meets future needs and endures shocks.</p>	<p>Integrate one effective and resilient network for customers.</p> <p>Shape smart, efficient, safe and responsible transport choices.</p> <p>Deliver efficient, safe and responsible highway solutions for customers.</p> <p>Maximise effective, efficient and strategic returns for New Zealand.</p>	<p>Integrate land uses and transport networks to shape demand at national, regional and local levels.</p> <p>Integrate local and national transport networks to support strategic connections and travel choice.</p> <p>Improve freight supply chain efficiency.</p> <p>Implement the safe system approach to create a forgiving land transport system that accommodates human error and vulnerability.</p> <p>Incentivise and shape safe and efficient travel choices using a customer-focussed approach.</p> <p>Reduce costs for transport users through better regulation and willing compliance.</p> <p>Greater resilience of the state highway network.</p> <p>Deliver consistent levels of customer service that meet current expectations and anticipate future demand.</p> <p>Plan for and deliver the Roads of</p>

Outcomes	Goals / strategic focus	Objectives
		<p>National Significance.</p> <p>Align investment to agreed national, regional and local outcomes and improve value for money in all we invest and deliver.</p> <p>Ensure effective and efficient co-investment with our partners.</p> <p>Explore innovative revenue, pricing and financing approaches that enhance the value delivered by land transport investments.</p>

The Transport Agency's short-term focus with urban public transport is on making a greater contribution to network performance. To achieve this, the Transport Agency is implementing public transport reviews that differentiate levels of service, and reprioritise public transport resources and investment to where it has greatest impact. For the Transport Agency, overall transport network efficiency through an integrated, well planned approach is the predominant focus, along with getting the most out of every dollar spent, whether spent on the existing network or improvements.

The current RLTP and the Nelson Regional Public Transport Plan adopted by NCC have objectives to expand the NBus service. Previous work has recommended a phased approach to the introduction of an express service and extended coverage between Nelson and Richmond. Some of these objectives have already been implemented and this business case aims to further improve services. These Plans will be reviewed and updated to reflect current services and funding arrangements, as well as align with TDC plans and objectives.

TDC has more extensive proposals in the Regional Land Transport Plan 2010. These were scaled back in the Tasman Regional Passenger Transport Plan 2012 in response to the Government Policy Statement (GPS) on Land Transport Funding in 2011. The current plan proposes improvements to the existing service in conjunction with Nelson City Council. The improvements are in line with the plans in the RLTS including delayed implementation of the service outlined in the RLTS should funding become available in the future. TDC intends to review the RLTP over the next two - three years and align objectives with NCC in order to improve strategic integration and optimise funding. In the short term TDC is proposing to fund an additional \$30,000 a year towards the NBUs service.

While there are some differences in focus, the medium term outcomes and goals of the three contributing agencies are very similar. The main differences have been in funding decisions and priorities. These funding issues are largely addressed through this business case approach.

4.3 Alignment to Existing Strategies/Organisational Goals

This sub-section describes how the proposed outcomes for this business case align to relevant national, regional, sector and organisational strategies.

The table below shows outcomes sought from NCC and TDC transport improvements, and compatibility with each organisation's strategy.

Table 2: Transport outcomes sought against each organisation's key strategy.

	Improved customer experience	Improved PT network coverage and use	Improved transport network efficiency
NCC: Regional Public Transport Plan 2011; Regional Land Transport Strategy 2009	√	√√	√√
TDC: Regional Passenger Transport Plan 2012; Regional Land Transport Strategy 2010	√	√√	√
NZTA: Statement of Intent 2013-16	√√	√√	√√

PART B – DEVELOPING THE PROGRAMME

5. Programme Context

This Chapter outlines the geographic, economic, social and environmental context to the business case. The chapter provides a relevant context to the area where investment is being sought.

5.1 Geographical & Environmental Context

Nelson is a predominantly urban region, with most development concentrated along the coast around the Waimea Estuary and Nelson Haven. Most of Stoke's population is on plains that have historically been farmland and orchards. New development is occurring inland on the foothills and up Marsden and Ngawhatu Valleys.

Some flooding has occurred in parts of Stoke in recent years, due to isolated rain events concentrated in some Stoke stream catchments. Several active faults traverse the hills behind Stoke and parts of the Alpine Fault system also lie in close proximity to Nelson.

In terms of existing transport infrastructure, State Highway 6 bypasses Stoke, connecting Richmond to Nelson along the coastal route. Main Road Stoke goes through the middle of Stoke, connecting Richmond to the two main arterial routes into Nelson. The current bus service travels along Main Road Stoke and a third of Stoke properties are within a 400m walk of this route. Parallel to Main Road Stoke are The Ridgeway and Nayland Road, with most residential streets running in between these roads or feeding off the Ridgeway into the foothills and valleys.

5.2 Social Context

Stoke is home to 37 percent of Nelson's population. Almost half of Nelson's older residents (65 year and over) live in Stoke and make up 22 percent of Stoke's population. However, with four primary schools, an intermediate and a college, Stoke is also popular with families, with children living in 37 percent of Stoke households.

Due to its diverse demographics, there is a wide range of income and deprivation levels across Stoke. A quarter of households earn less than \$30,000 a year and a fifth earn more than \$100,000 a year. Parts of the Isel Park area unit are in the most deprived decile for New Zealand and parts of the Ngawhatu and Maitlands area units are in the lowest 20 percent for deprivation.

5.3 Economic Context

Stoke workplaces employ 22 percent of Nelson's workforce and a further 11 percent work in the Annesbrook industrial area between Stoke and Tahuna. The commercial and retail hub is in the centre of Stoke, including two supermarkets. The main industries in Stoke are education, healthcare and social assistance, manufacturing, retail and construction, which combined employ two-thirds of Stoke's workers. As well as the six schools, there are at least eight early childhood education centres. There are several large retirement villages and resthomes in Stoke. Nelson's airport is also located in Stoke and is the fourth busiest airport in New Zealand, serving over 800,000 passengers a year.

6. Demonstrating the Need for Investment

This Chapter identifies the issues and constraints that could impact on the successful implementation of the business case.

6.1 Problems and Opportunities

Nelson City and Tasman District are both relatively high growth areas in New Zealand. Urban growth has been ongoing for many years and the latest census information shows no signs of this slowing. In recent years much of the population growth has been centred in Stoke (NCC) and Richmond (TDC). The public transport system has not kept up with the urban and employment growth in the City and Richmond.

The growing demand was reflected in a private transport operator running limited commercial arterial public transport services between Richmond and Nelson CBD up until the introduction of the NBus in 2012. In June 2014 NCC funded additional services with SBL Ltd to increase frequency and coverage. With a high farebox recovery (>80%) the public investment was low.

As urban growth continues so too does vehicle use and traffic volumes. Over 12,000 people in Richmond have very limited access to public transport, and 17,000 people in the Stoke area have limited access compared to the balance of Nelson City residents. The areas have average Nelson household incomes, but there are pockets of these urban areas with higher deprivation indices. By not addressing this access problem the following outcomes are likely:

- Private car use embedded in the community for the long term
- Increased vehicle traffic placing more stress on arterial roads and causing demand to upgrade Rocks Road (SH 6) and Waimea Rd
- Social problems for disadvantaged residents being unable to access health and other community facilities
- Frequency at peak times does not result in viable transport choice

The urban growth has also resulted in an increasing need to align NCC and TDC transport policies and plans. This problem is being addressed and the plans are expected to be more aligned in time for the 2018 land transport programme.

Investment in public transport demand and customer preferences has been small, and knowledge of public transport users is limited. The forecast usage for extended services in Stoke and Nelson Junction, and increased frequencies to Richmond, is based mainly on known growth in the areas and the demand for existing services.

	Stoke Area		Richmond Area	
	2006	2013	2006	2013
Employed	7,503	8,214	5,802	5,718
Population	15,189	17,154	11,715	12,276
Population aged 65+	2,763	3,720	2,055	2,628

6.2 Issues and Constraints

The issues that will influence the success of further modest investment in public transport are a mix of economic, social and stakeholder driven influences.

a) Economic

- Continued growth in the areas to be serviced
- Continuing business employment focused at Richmond town centre, Nelson Junction and in Nelson CBD
- The price of fuel remaining at or above current levels
- The cost of vehicle ownership remaining at or above current levels

b) Social

- Continued demand for residents to travel to Nelson CBD
- Technology and internet apps that could reduce demand for a formal public transport service
- Societal views on using a public bus

c) Stakeholder

- Continued funding by NZTA
- Arterial road capacity in/out of Nelson on 4 lanes in short to medium term (SH6 and Waimea Rd)
- SBL Ltd providing acceptable professional services and suitable standard vehicles
- Council policies on carparking fees in Nelson CBD
- Confirmation of funding from TDC in 2015 LTP
- Continuation of existing funding from NCC in 2015 LTP
- District Plan policies for urban growth not changing significantly
- Government policy for
 - school transport
 - tertiary education
 - hospital funding and location

The success of further investment is to be measured as set out in the KPI's.

The partners are in regular communication and plans are in place to improve coordination at a strategic level. There are constraints on how many of the issues can be addressed by the partners. Many of the issues are driven by national and international trends and decisions. The partners will have to be flexible and adapt if any of these issues arise in the short term.

Strategic level plans and policies that are the responsibility of the partners are also only partly controllable. These plans have their own processes set in various legislation and usually involve public input. In some cases the courts will make final decisions. Despite this both NCC and TDC have considerable influence when drafting policies and plans.

One particular constraint is availability of funding. While the programme proposed is modest in scale both NCC and TDC are under considerable financial pressure. NCC is already funding above its normal share for public transport. If NZTA does not support additional funding the programmes proposed may not be possible in the short term.

There are no physical or environmental barriers to implementing the programme.

7. Alternative and Options Assessment

This section sets out, in brief, the development of the alternatives and options assessment.

7.1 Alternatives and Options Analysed

During the second workshop a discussion on options took place. These included:

- Review / simplification of fares / integrated ticketing
- Improve and better connect timetables
- Trial new routes
- Marketing / incentivise use
- Improve origin / destination planning + identify key centres and nodes
- Improve baseline data
- Improve coverage of routes in Stoke and Richmond areas
- Alter existing routes
- Work with NMIT and health sector to incentivise
- Bus priority measures
- Improve wait facilities, including Sundial Square
- More detailed user profiling and needs analysis
- Staged approach to improvement
- Real time information
- Better school travel data
- Develop agreed regional transport policy
- Align / review parking policies
- Develop cost sharing agreement with all parties
- Improve ride quality
- Corporate travel schemes
- Review frequency / time of routes
- Smaller / more frequent fleet
- Promote PT as 'green' option

These options have been grouped and assessed against the problems identified based on (not in any order):

- Cost
- Time to implement
- Efficiency of service
- Impact on usage

	Cost	Time	Efficiency	Usage	Preferred option
Expand routes Stoke and Richmond - now	High	Short	unknown	Moderate	×
Expand routes Stoke and Richmond - staged	low	Short to medium term	High	High	✓
Review frequency /	Low	short	High	improved	✓

time of routes					
Remove lowest use route	Positive	Short	improved	Improved per \$ invested	(1 route)
Alter existing routes	varies	Short	unknown	Little change	×
Simplify Fare structure	Low	Short	improved	low	✓
Change service standards / type	High	Medium	Varies	varies	×
Marketing and service information	Low/moderate	medium	No impact	improved	✓
Stakeholder and customer information	Moderate	Medium	High	improved	✓
Align NCC and TDC plans and policies	No additional	Medium to long	High	improved	✓
Improve assets (bus stops, vehicles)	Moderate to high	Medium	Improved	improved	×

The preferred options reflect the need to be affordable and will either be a staged approach or will provide future direction and knowledge that can further optimise the public transport service in the 2018 investment round.

8. Programme Options Development and Recommended Programme

This chapter outlines the programme options and the recommended programme for the 2015 - 2018 investment period.

8.1 Programme Development

Passenger numbers and farebox recovery for the four routes within Nelson City show that the level of services currently provided are struggling to operate with sufficient demand. NCC earlier this year cut out the first and last service of the day on some routes. Passenger loadings and farebox recovery on the Nelson to Richmond services on the other hand indicate considerable demand and opportunities for expansion in coverage.

The options assessment process highlighted the benefits from taking a staged approach to expanding public transport coverage in Stoke and Richmond. TDC is not at this stage ready to commit to the part funding of a greater coverage in Richmond, and NCC is looking to maintain the current level of funding.

This business case also identifies that increasing the frequency of peak time services to / from Nelson and Richmond is warranted. Also a need is to better service the area known as Nelson Junction as this is a key node for employment.

NCC and SBL Ltd staff have considered the most effective means of achieving this including separate routes, dedicated services, loop routes versus linear in Stoke and shifting resources from existing routes. Changes have already been made in June 2014, when a weekend service was introduced on the route between Nelson/Stoke/Richmond via Waimea Road and the first and last weekday trips on the Atawhai, Brook and Victory routes were dropped.

As a general view existing routes should be kept, with attention given to the frequency of services. Years of investment has been made in these routes and services should continue at least until market demand is better understood.

The preferred programme is to further investigate the addition of services in Stoke specifically servicing areas where a significant increase in the number of households and businesses within walking distance of the route can be achieved. Options include :

- a new return route from Nelson to Saxton Rd via Tahunanui, Muritai St, Pascoe St and Nayland Rd, run all day, all year;
- a circular route around Stoke linking the residential areas to areas of employment at Pascoe St/Nayland Rd, with the Stoke CBD and, potentially in the future, with the airport.

8.2 Do-Minimum Option

The do-minimum option would be to maintain the existing service levels. This will continue to see very high farebox recoveries and create more pressure for additional services in the medium term. It is also likely that the double digit growth experienced is likely to reduce over time.

Even if this business case is unsuccessful, NZTA should increase funding so as to meet the standard formula for public investment in public transport.

8.3 Programme Assessment

Transport Agency's procedures for business case preparation require an assessment of the programmes against the Agency's Investment and Revenue Strategy, as part of the business case. The three factors are:

- Strategic fit
- Effectiveness
- Economic efficiency

The potential for significant patronage growth justifies a medium rating for strategic fit (under Transport Agency criteria, only very large populations justify a high strategic fit).

Improvements to the network should be highly effective at achieving the anticipated benefits through increased frequency and improved information. Economic efficiency is assessed at medium as farebox recovery is likely to be less than 50% in the short term. It is likely that this will increase over time as the new route is established and marketing efforts improve.

The anticipated profile, at this point, is *medium* strategic fit/*high* effectiveness, *medium* economic efficiency (MHM).

8.4 Recommended Programme

This business case is recommending additional funding for two main programmes:

1. Information and Marketing
 - a. Establishment of customer and market demand surveys
 - b. Marketing and service information
2. Extended coverage and additional frequency of services

Investment required

Information and marketing programmes are estimated to cost \$50,000 a year. This is to run standard NZTA accepted surveys and information databases.

Extending coverage in Stoke and increasing frequency through to Nelson is estimated to cost up to \$263,000 a year. Farebox recovery is conservatively estimated at 35% giving a net public investment required of \$171,000. This would be an addition to the current net cost contract with SBL Ltd.

Overall investment compared to the current situation is (numbers slightly rounded and are not adjusted for inflation):

	Current	2015-18
NCC	\$380,000	\$380,000
NZTA	\$155,000	\$341,000
TDC	\$10,000	\$30,000
Passenger revenue	\$876,200	\$1,002,850
Total Public investment	\$536,000	\$746,000

Additional Coverage and Frequency

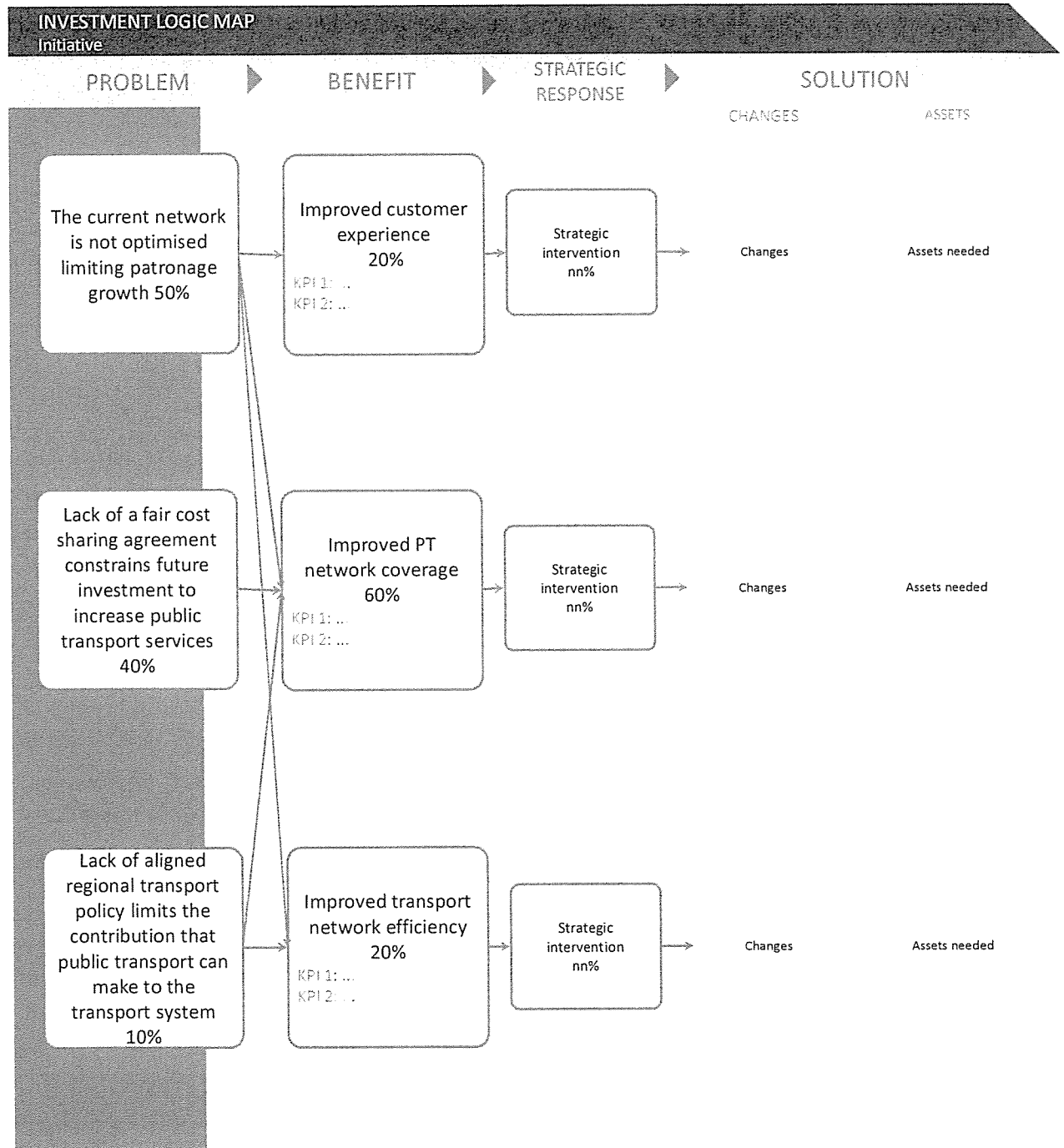
The proposal is to investigate further and introduce a new route servicing Stoke

1. Route 7 from Nelson to Saxton Rd via Tahunanui, Muritai St, Pascoe St and Nayland Rd, run all day, all year, and Nayland College School Day only service run once in the morning and once after school. This will increase the services into and out of the CBD from Stoke and Tahunanui by 10 buses a day, but extends the catchment. Nayland Rd is 500m from the existing bus route on Main Rd Stoke. A large proportion of Tahunanui and Nayland/Stoke will be within closer walking distance of a bus route,
2. A new service linking the various residential areas to the centre, the employment areas and the existing bus services along Main Road Stoke with a future option to link to the Airport. This route would introduce a circular route to enable workers, shoppers, and residents closer access to areas of employment, and the linear bus services into Nelson CBD.

Appendix A - ILM

Nelson City Council

Improving public transport in the Nelson and Tasman regional area
 Key issues for review and improvement of public transport [VERSION 2.0]



Investor: Eric Davy
 Facilitator: Dougal List
 Accredited Facilitator: No

Version no: 0.1
 Initial Workshop: 15/08/14
 Last modified by: Dougal List 4/0914
 Template version: 5.0

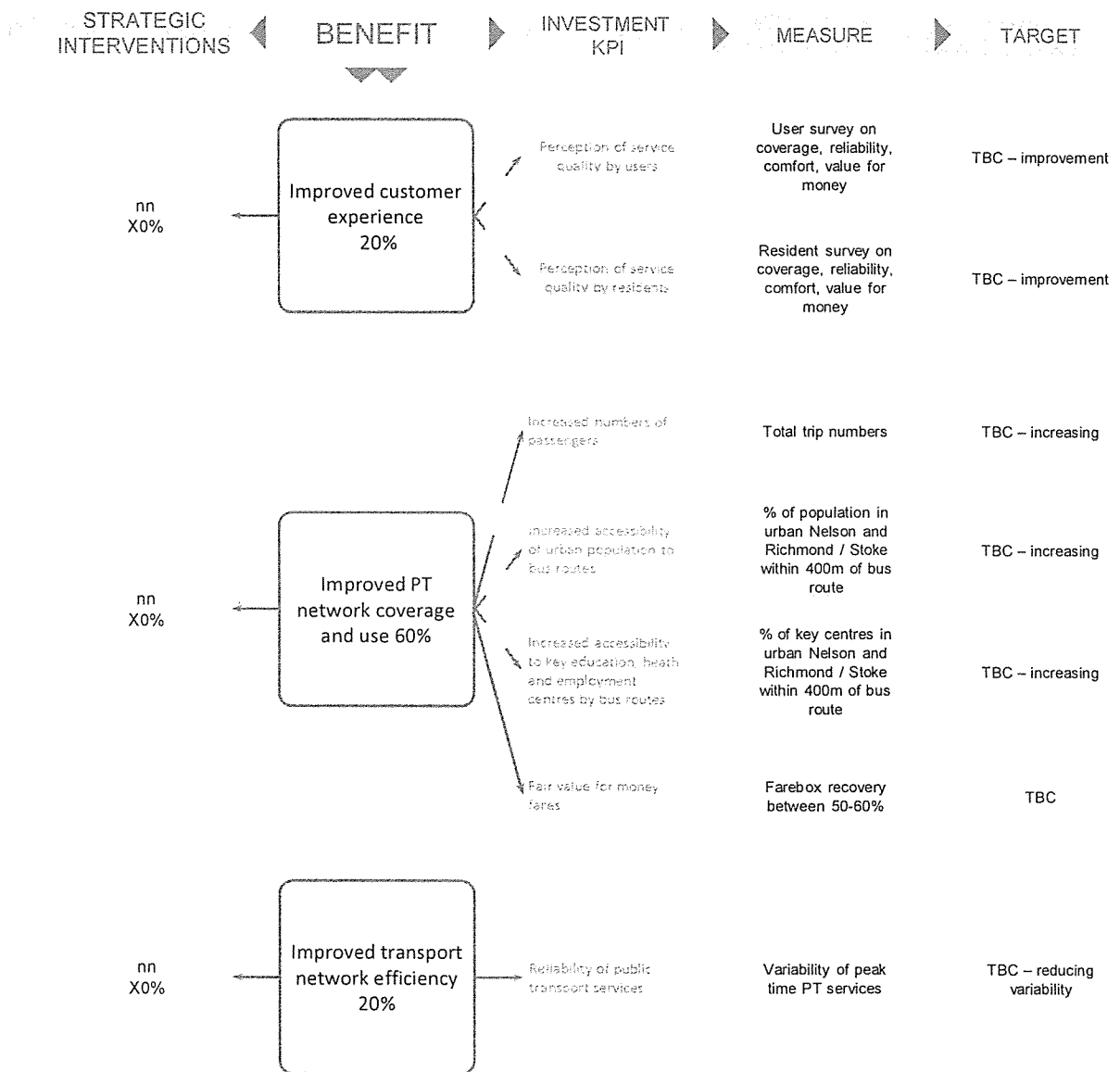
Appendix B - Benefit Map

Benefit Management Plan
Benefit Map

Improving public transport in the Nelson & Tasman regional area

Key issues for review and improvement of public transport [VERSION 1.0]

Investor: Eric Davy
Facilitator: Dougal List
Initial Workshop: 25/8/14
Version no: 1.0
Last modified by: Dougal List 4/9/14



Template version: 4.0

Regional Land Transport Plan Development Funding

1. Purpose of Report

- 1.1 To include the costs associated with the development of the 2015/21 Regional Land Transport Plan in the current 2012/15 Regional Land Transport Programme.

2. Delegations

- 2.1 This is a decision of the Regional Transport Committee (RTC).

3. Recommendation

THAT the report Regional Land Transport Plan Development Funding (A1277753) be received;

AND THAT the costs associated with the development of the 2015/21 Regional Land Transport Plan be included in the 2012/15 Regional Land Transport Programme.

4. Background

- 4.1 Funding for the preparation of the 2015/21 Regional Land Transport Plan was not included due to an administrative error when the 2012/15 Regional Land Transport Programme was developed.
- 4.2 Funding for the preparation of the 2015/21 Regional Land Transport Plan has been allowed for in the Annual Plan.

5. Discussion

- 5.1 In order to secure NZ Transport Agency co-investment the development of the Regional land Transport Plan must be included in the RLTP 2012/15.
- 5.2 It is estimated that the total year end cost will be \$55,000.

6. Options

- 6.1 The preferred option is to seek co-investment from the NZ Transport Agency.
- 6.2 The alternative is to do nothing and fully fund development of the plan from rates.

7. Assessment of Significance against the Council's Significance Policy

- 7.1 The proposed variation is below the significance thresholds in the RLTP meaning the Committee may vary the RLTP enabling a funding application to be made to the NZ Transport Agency. This does not assure that funding will be approved.

8. Consultation

- 8.1 A special consultative procedure has already been undertaken as part of the annual plan which included provision for preparation of the Regional Land Transport Plan.

9. Alignment with relevant Council Policy

- 9.1 There are no known inconsistencies with any council policy or previous decisions.

10. Inclusion of Māori in the decision making process

- 10.1 Not applicable

11. Conclusion

- 11.1 Funding for the preparation of the 2015/21 Regional Land Transport Plan was inadvertently left out of the current 2012/15 RLTP. In order to gain co-investment the activity must now be formally included in the current RLTP by the Regional Transport Committee
- 11.2 Once the activity has been formally included in the RLTP officers can make an application to NZ Transport Agency for co-investment.

Rhys Palmer
Senior Asset Engineer – Transport and Roading

Attachments

None.

SH1 Quarantine Road Roundabout Upgrade - Update

(Report prepared by Gavin Gregg, NZTA, Wellington)

Purpose

1. The purpose of this report is to advise the committee of the increase in cost of the Quarantine Road Roundabout construction and seek support of the project in the RLTP programme, funded from 'R' funds.

Background

2. In 2009 it was identified that significant peak hour delays with ongoing inter-peak congestion were occurring at this intersection. The project has also been triggered by "Big Box" development nearby which is adding to the problems being experienced. Further development of this industrial area (Nelson Junction) has recently been announced. The objectives of the project are to improve the capacity of the intersection to cope with anticipated traffic volumes and provide a safe intersection.
3. In 2010 a Scheme Assessment looked at two options:
 - Option 1: Additional multiple lanes and turning movement at cost of \$3.015million, BCR 11.
 - Option 2: Traffic signalisation at a cost of \$4.479 million, BCR 5.

Option 1 was approved in the 2012 – 2015 NLTP for \$1.4M. It was not anticipated that the project would be completed within the NLTP period. The remainder of the cost was expected to be incurred during the 2015 – 2018 NLTP period.

4. Current progress on the project has meant that the construction will be completed earlier than predicted and within the 2014/15 financial year. We therefore request advanced funding from what was anticipated to be spent in 2015/16 to enable the project to be completed.
5. There is a small increase in the predicted construction cost as generally happens when a project goes through detailed design. Furthermore the original construction estimate was developed in 2010 and will have inflated over the last four years.

Summary

6. The project is now ready for construction and we seek support for this in the RLTP at a total cost of \$3.2 million. Construction will be complete by June 2015.

RECOMMENDATION

That Nelson City Council support the construction of Quarantine Road Roundabout Upgrade.

SH 6 Gentle Annie safety improvements

(Report prepared by Andrew James, NZTA, Nelson)

Purpose

1. The purpose of this report is to request the committee vary the current 2012-15 Regional Land Transport Programme to include the Gentle Annie safety improvements project.

Background

2. The SH6 Gentle Annie passing lanes are narrow and there is no shoulder available for vulnerable users.
3. The Transport Agency has investigated widening the carriageway to increase the traffic lane widths and provide a shoulder for vulnerable road users. Providing improvements to full Transport Agency standards is not economically justifiable but moderate improvements are feasible.
4. The details of the project are currently being finalised. It is proposed to widen the traffic lanes 2-300mm, provide 1.5m of sealed shoulder and barriers where necessary to prevent run-off accidents on the northern side of the saddle. The cost of the improvements is estimated at \$575,000. Indications are that the project will be eligible for 'N' funding.

Summary

5. There is a strong likelihood the project can be constructed in this financial year subject to its inclusion in the Regional Land Transport Programme.

RECOMMENDATION

That the Nelson Regional Transport Committee vary the current 2012-15 Regional Land Transport Programme to include the SH6 Gentle Annie safety improvements project.

SH 6 Whakatu Drive barriers

(Report prepared by Andrew James, NZTA, Nelson)

Purpose

1. The purpose of this report is to request the committee vary the current 2012-15 Regional Land Transport Programme to include the Whakatu Drive safety improvements project.

Background

2. Recent observations and feedback from users has highlighted for some time the close proximity of the cyclepath to the state highway traffic between Orchard Stream and the Richmond Deviation. The lack of any physical separation between the two is disconcerting to many users and is a safety risk in the unlikely event that a vehicle deviates from the highway.
3. These concerns were recently highlighted in a report by Katrina Marwick, Senior Academic Staff Member; Tourism Management NMIT titled "An evaluation of social and economic impacts of the Tasman Great Taste Trail", March 2014. The report states "The section between the Honest Lawyer and Richmond was stated by many as very dangerous. "Too narrow and too close to the motorway".
4. The Transport Agency has investigated providing physical separation between the cyclepath and the state highway and proposes installing 2.1km of wire rope safety barrier.
5. The details of the project are currently being finalised. The cost of the safety improvement is estimated at \$310,000. Indications are that the project will be eligible for 'N' funding.

Summary

6. There is a strong likelihood the project can be constructed in this financial year subject to its inclusion in the Regional Land Transport Programme.

RECOMMENDATION

That the Nelson Regional Transport Committee vary the current 2012-15 Regional Land Transport Programme to include the SH6 Whakatu Drive safety improvements project.
