

Fare Structure Review Phase 2 report

April 2013

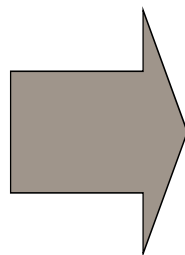
Outline of presentation

- Objectives and assessment criteria
- Current structure
- Fare structure components
 - Zones vs Distance
 - Fare products
 - Fare concessions
- Possible packages

Objective and criteria

To develop a fare structure that is:

- Equitable for those using the system
- Simple and easy to understand
- Reflects the policies of the Regional Transport Plan
- Maximises patronage while achieving the necessary level of fare box recovery.

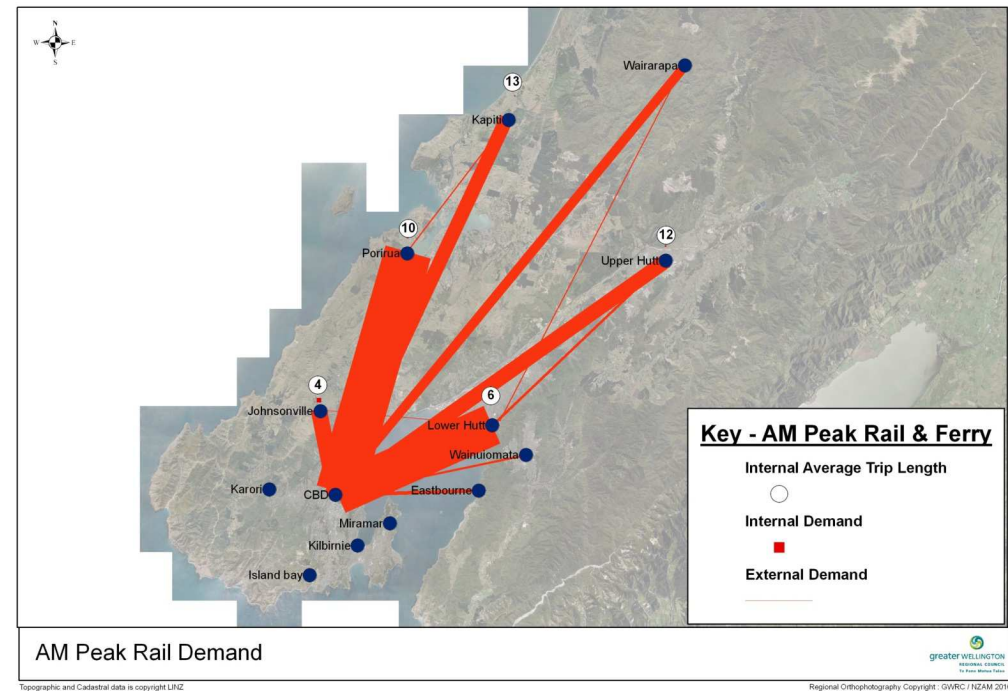
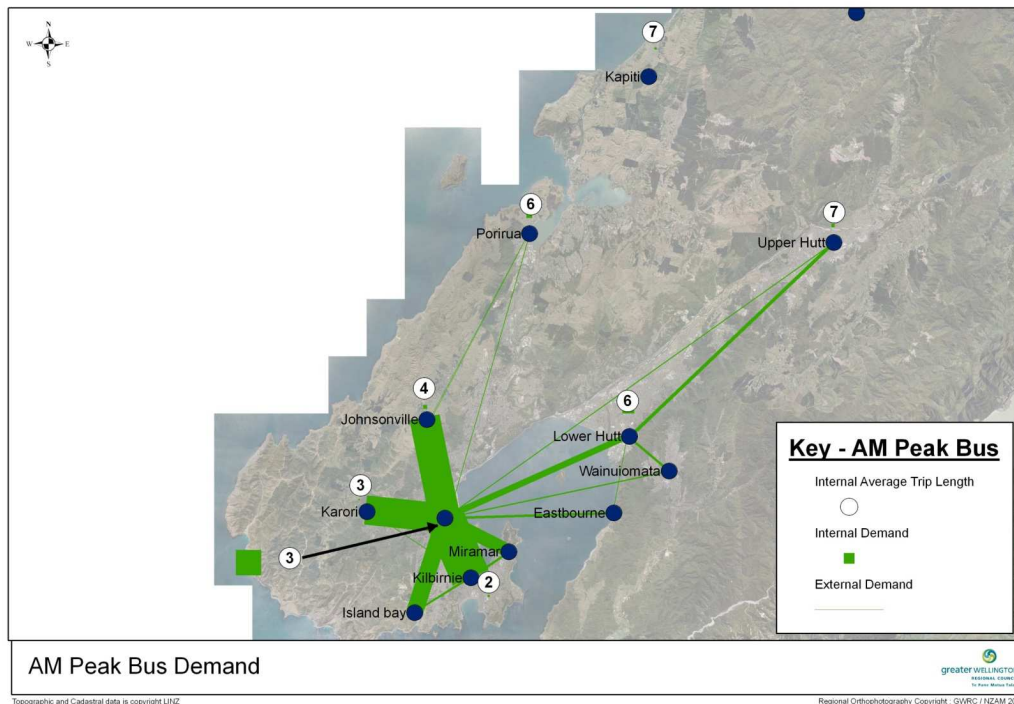


- Simple, easy to understand and use
- Encourage patronage growth
- Affordability for users
- Ease and cost of implementation and on-going administration
- Support efficient network design, operations and asset utilisation
- Deliver sufficient revenue
- Economic efficiency

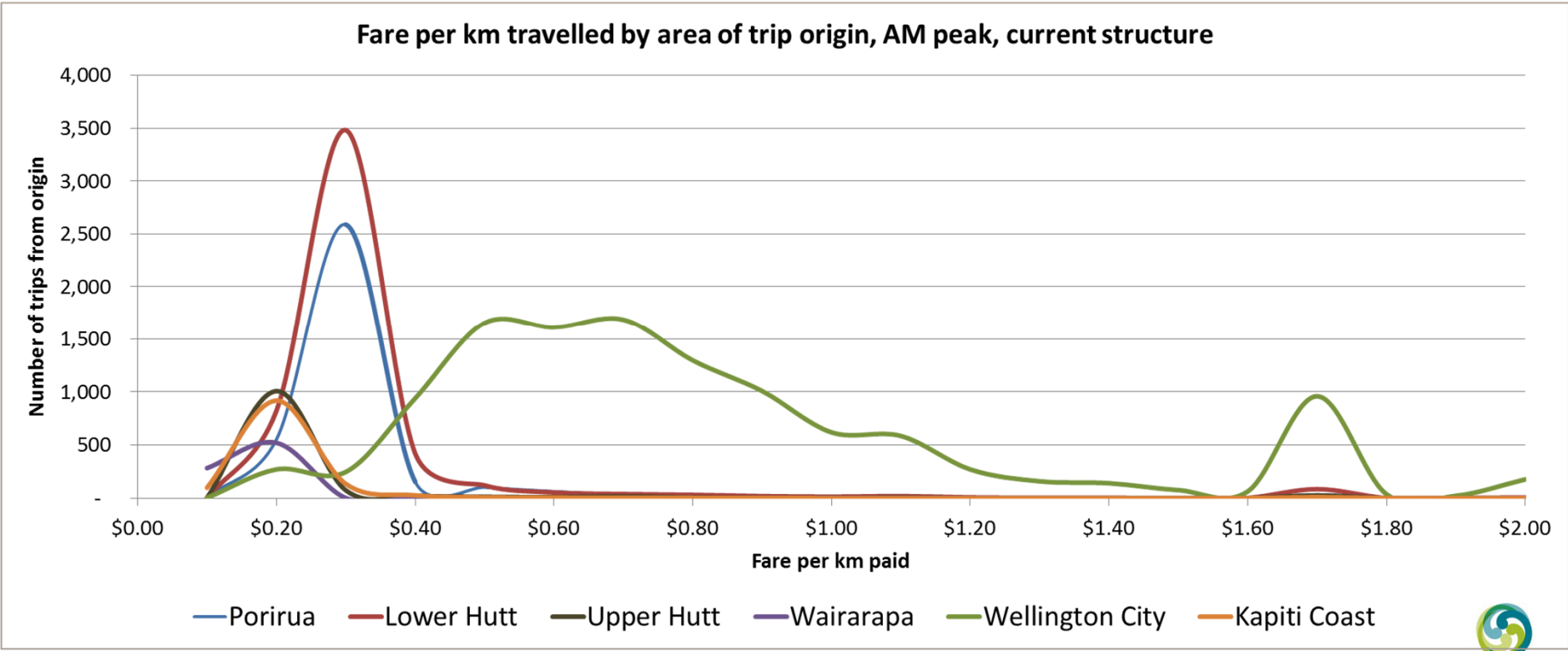
Current structure



Travel patterns bus and rail



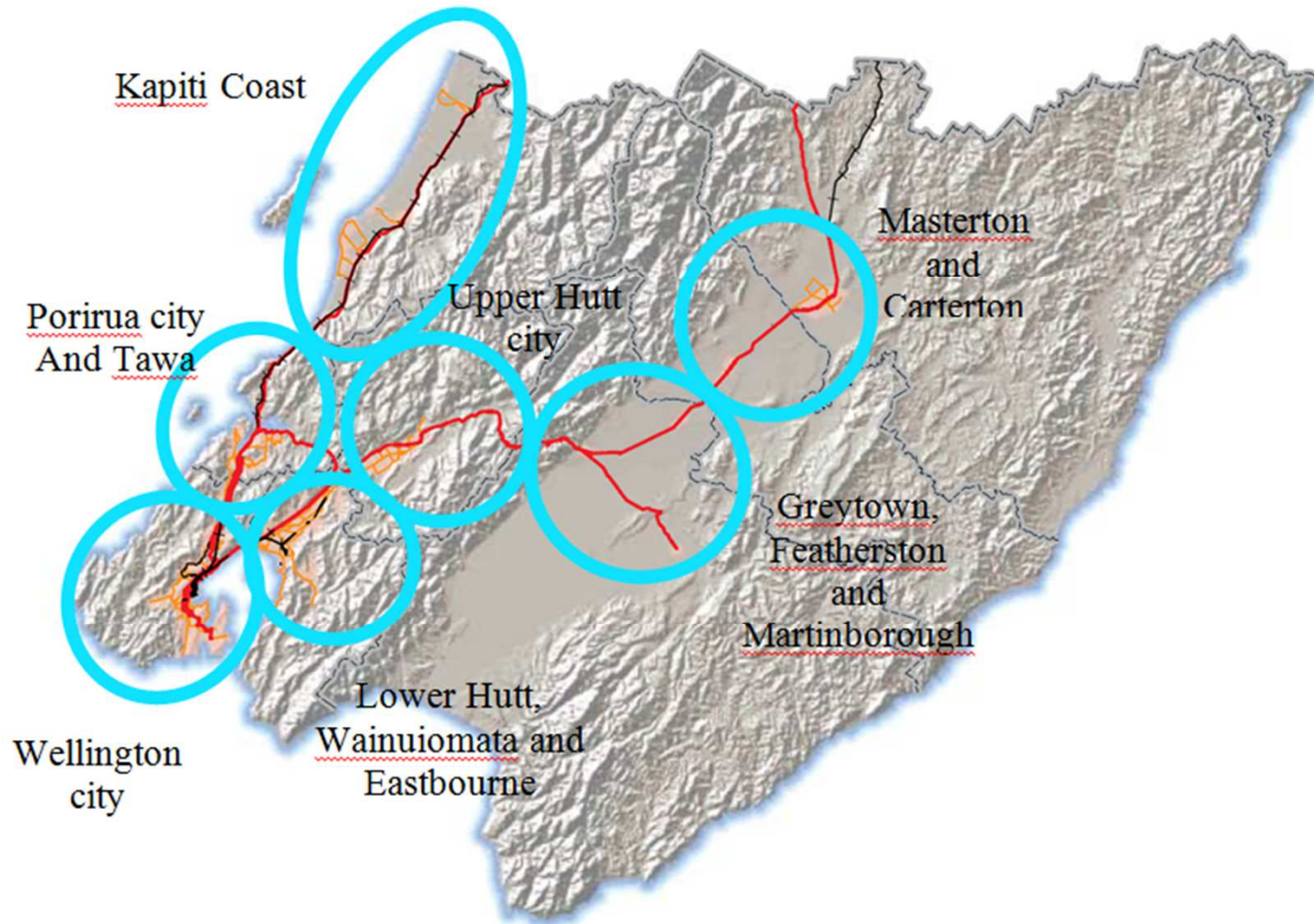
Current fare per km



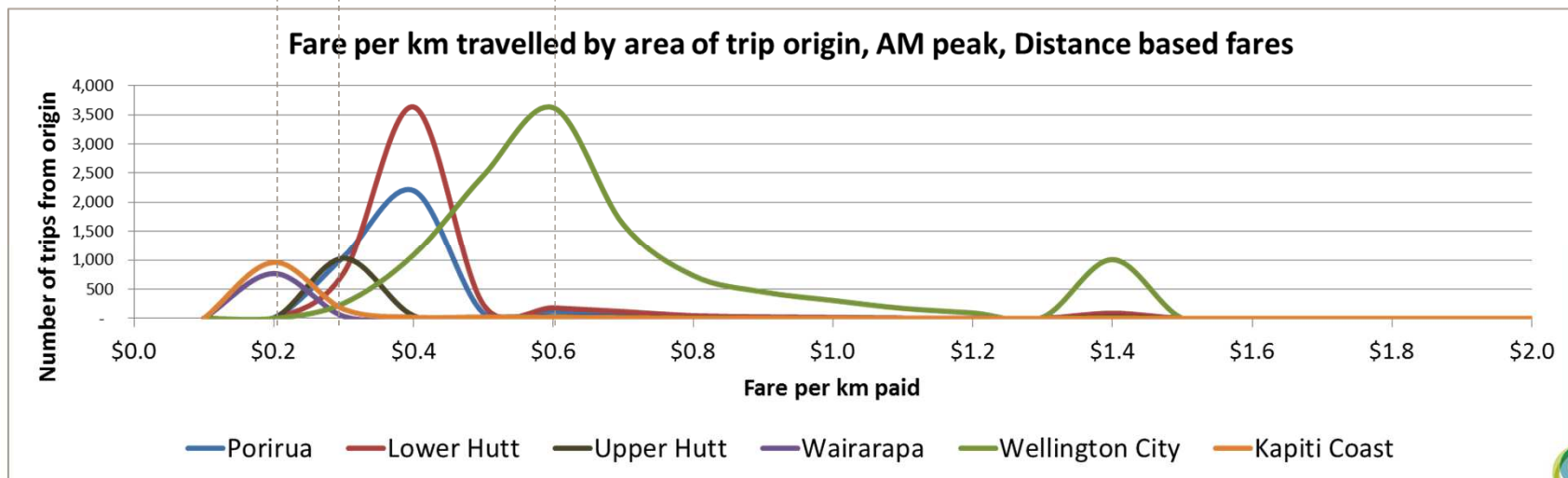
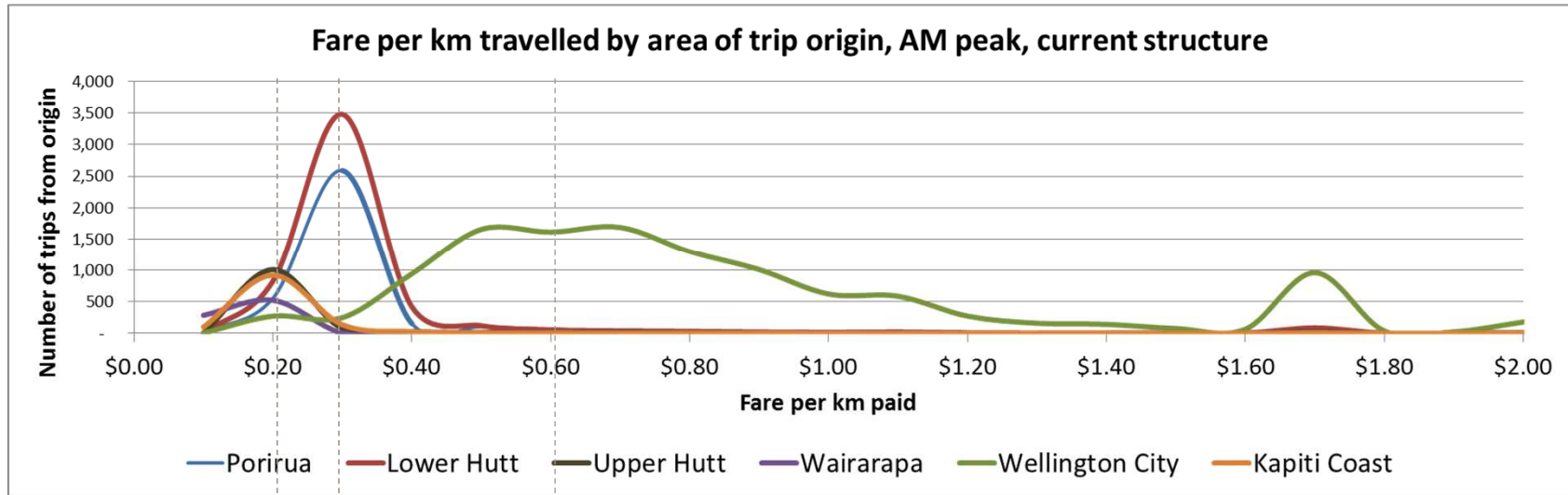
Structure options:

- 5 zones
- 7 zones
- 8 zones – 7 zones with a Wellington inner city ‘CBD’ zone
- Distance based
- revenue neutral approach

Larger zones



Distance based fares



Summary of modelling

- Short trips outside Wellington disadvantaged with both larger zones and distance based
- Introducing a short-trip fare resolves issues in Wellington only
- No compelling case to move away from concentric zones

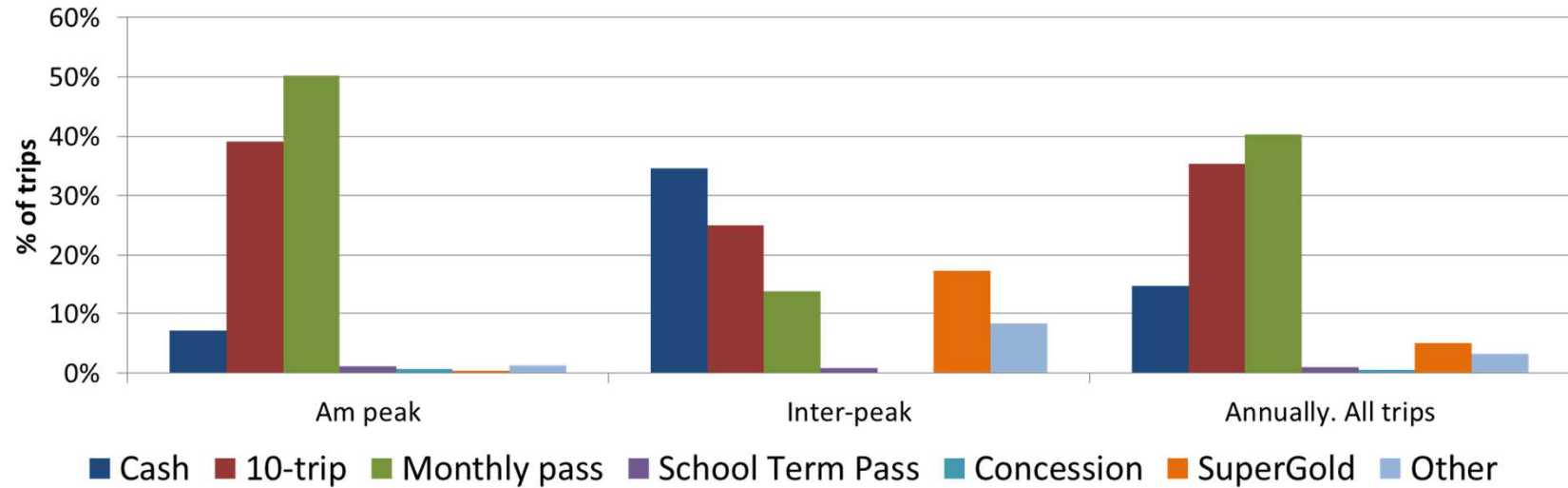


Products

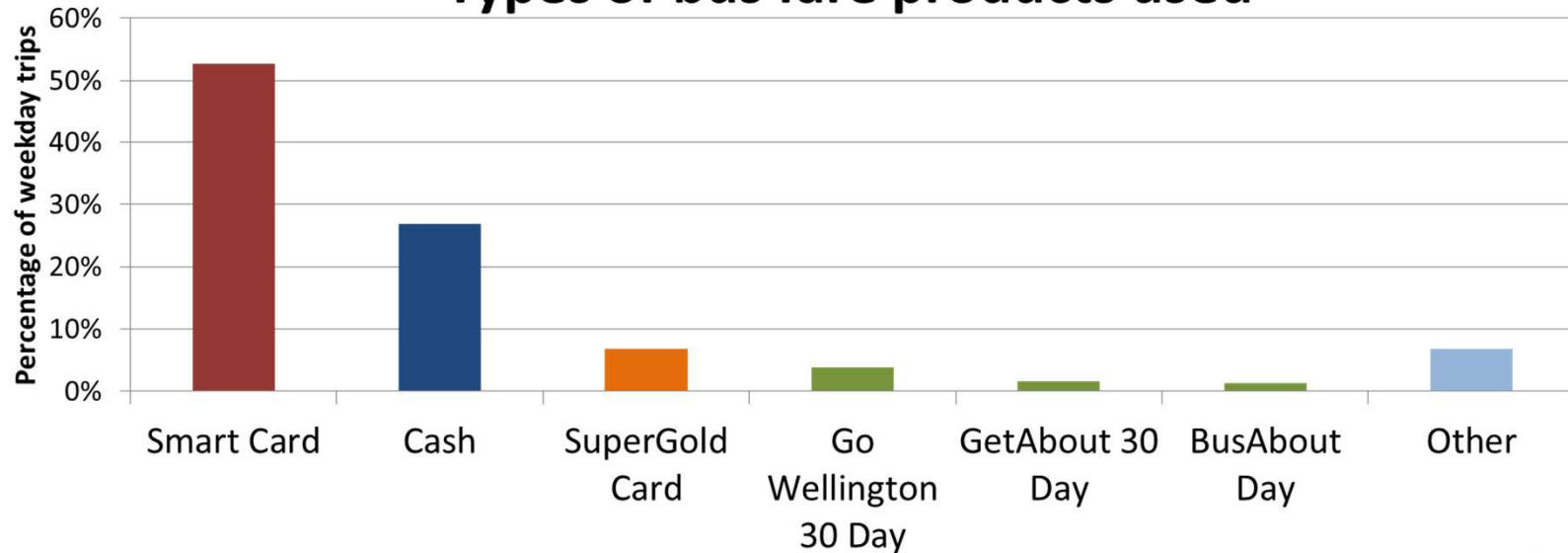
- Currently have approximately 250
- 56 are the standard zonal fares
- 70 commercial (airport flyer, cable car ...)
- Options:
 - Off peak fares
 - Fare caps vs passes
 - Concession groups

Types of Rail fare products used

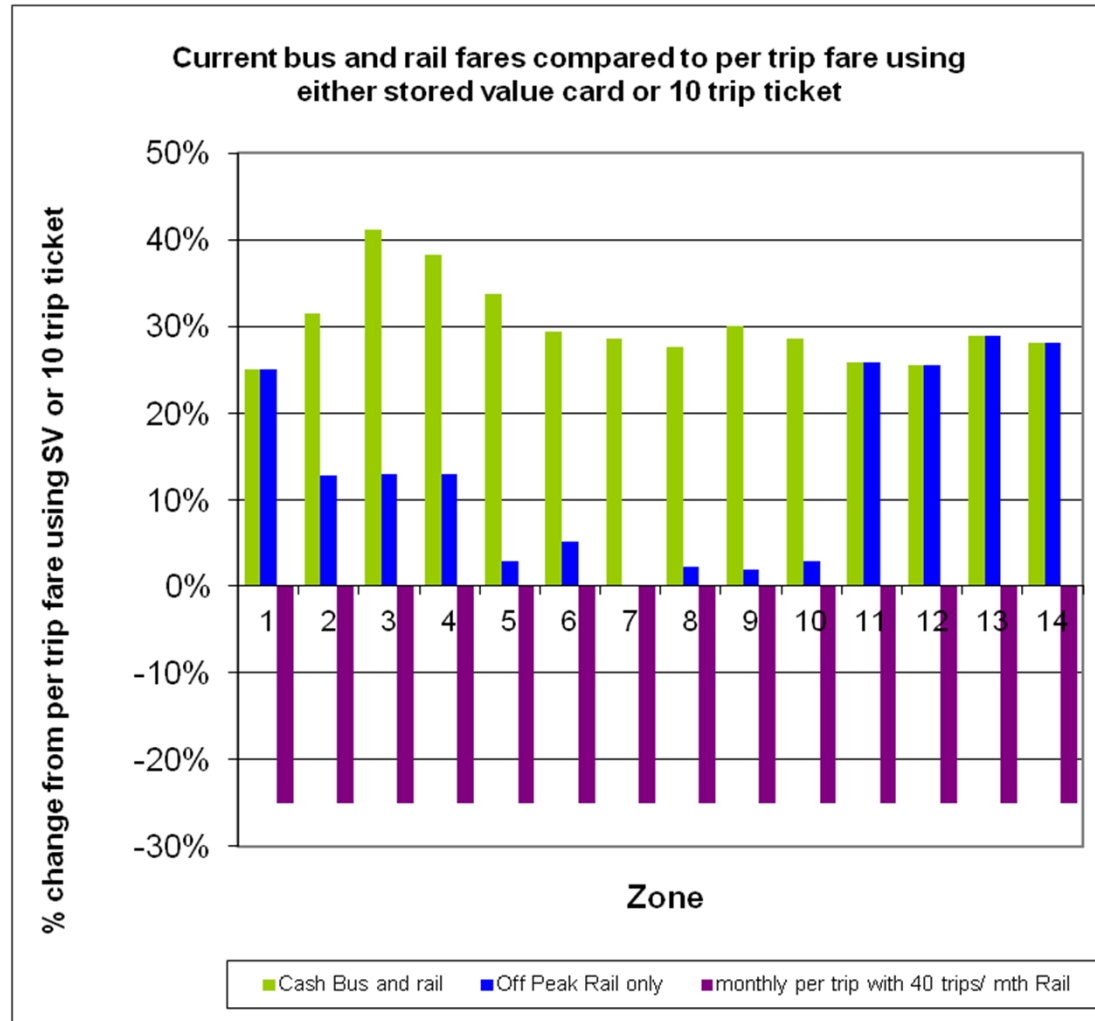
(Source: Rail survey 2010)



Types of bus fare products used



Current product discounts

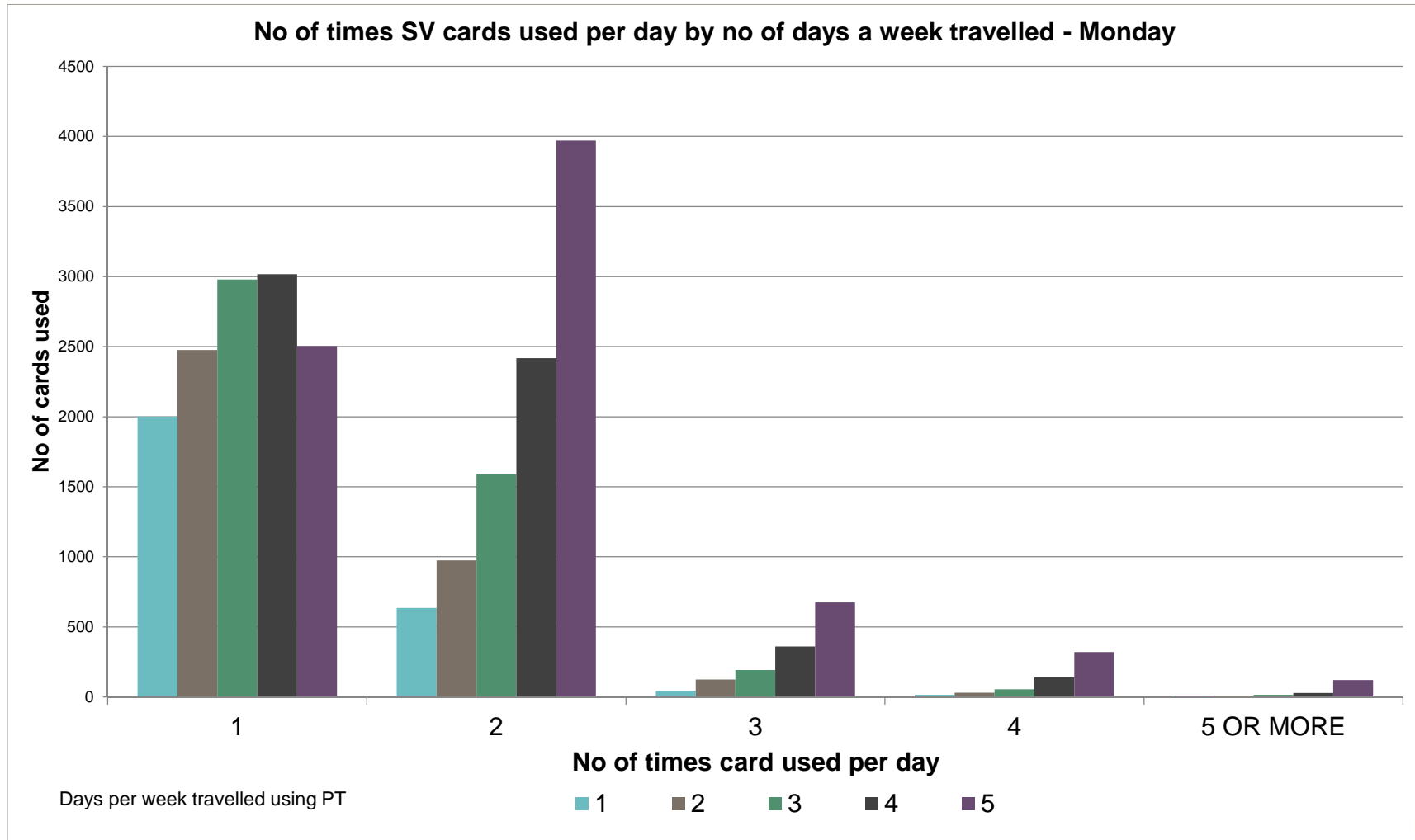


Reference Group view

Philosophy around products should be to:

- Products should mode neutral
- Reward desirable behaviours
 - Off peak travel
 - Multiple trips or frequent travel
- Reduce the number of products
 - Easier to understand and use
 - Facilitates integrated ticketing

Bus users – trips per day



Future Products

- Monthly and daily products replaced with daily and/or weekly caps
- Existing integrated passes replaced with standard approach to transfers
- Standardised approach to off peak fares, school passes, etc
- Proposed new weekend family pass



People with a disability and beneficiaries

- Options include
 - Do nothing
 - Phase out
 - Off peak concession for all users
 - Replace with standard concession with eligibility through Total Mobility or Invalids Benefit scheme
- Advocacy for national approach

Tertiary students

With tertiary fare

- Bay of Plenty
- **Horizons**
- **Auckland**
- Taranaki
- Hawkes Bay
- Tasman / Nelson

Without tertiary fare

- **Canterbury**
- Gisborne
- Marlborough
- Northland
- **Otago**
- Southland
- **Waikato**
- **Wellington**

Tertiary students

- Options include:
 - Do nothing
 - All day concession
 - Off peak concession for students or all users
 - Bulk purchase scheme
- Preferred option – bulk purchase scheme or introduce off peak fare for all PT users

Developing potential fare packages

	Revenue impact	Patronage impact
Integrated fares / transfers	x	✓
Fare capping	x	✓
Child fare	-\$0.7m	-
25% Peak/Off peak differential	-\$4.5m	3%
25% student concession, all day or off peak	-\$1.5m (all day) -\$1m (off peak)	7% / 5% (student) 1% overall
50% student concession, all day or off peak	-\$4m (all day) -\$3m (off peak)	14% / 9% (student) 1-2% overall
Removal of rail monthly pass	\$2m (if no transition)	-3% (rail); -1% overall
Weekend family pass	-	✓

Recommended package

- Revenue neutral
 - Structure: refined concentric zone model
 - Concessions: children and young people 18 years and younger
 - Products: phase out little used or redundant products, and rail monthly discount after electronic ticketing introduced
 - Potential new products: weekend family pass
- Integrated fares / transfers
- Potential additions to revenue neutral package
 - Fare capping (in principle only and subject to further work)
 - Introduce a peak / off peak differential
 - Phase out existing concessions for beneficiaries and people with disabilities as off peak fare introduced

Next steps

- Economic Wellbeing Committee – May 2013
- Decision around structure, some products and concessions, subject to consultation
- Consultation through the draft Regional Public Transport Plan process
- In principle decision around new and replacement products subject to further work on products through the Integrated fares and ticketing project



Questions