Report   15.533
Date   22 October 2015
File   TD/11/01/02

Committee   Council
Author   Paul Kos, Manager Public Transport Planning

Principles to guide IFT Fares Policies and Transition

1. Purpose

This report sets out the planning context for fares and seeks adoption of a set of principles to guide the transition of fares and products under the Integrated Fares and Ticketing (IFT) project.

2. Consideration by Committee

The matters contained in this report were considered by the by the Sustainable Transport Committee at its meeting on 27 October 2015, Report 15.530 refers. The recommendations of this report were endorsed by the Committee for the Council's consideration and decision.

3. Background

Improving the fares and ticketing system is the next significant element in the modernisation of Wellington's public transport system.

An integrated fares and ticketing system will provide a single and consistent fare structure across the region using smart technology for all travel on buses, trains and harbour ferries. Customers will be able to connect from one service or mode to another without paying any additional transfer fees.

The IFT project is currently in the investigation phase. As part of this, officers have been focusing on fares transition issues and high level ticketing requirements.

The attached discussion paper provides the context for fares transition as set out in the Regional Public Transport Plan (the PT Plan) and proposes an incremental transition approach to implement the fares component of the project. It also includes a draft set of principles to guide fares transition.

On 27 October 2015 the Sustainable Transport Committee considered the discussion paper and recommended minor adjustments to the principles. These have been incorporated into the recommendations in this report.

4. Comment

4.1 Principles to guide transition

Council adoption of the principles below are sought to assist the development of a Fares Transition Strategy, which will set out in more detail the pathway for fares transition. The Fares Transition Strategy is proposed to be reported to the Sustainable Transport Committee in December 2015.

Proposed principles to guide transition comprise:

1. Changes to fares and products will enhance customer experience, by being easy to understand and fair

2. Fares policies will help deliver the Regional Public Transport Plan objectives including achieving patronage growth and meeting farebox recovery targets

3. The fare structure will be rationalised and simplified through the transition

4. New IFT fares and products will minimise negative impacts on revenue and costs for GWRC and NZTA

5. The transition to a new fare structure will be easy to implement, and introduced in stages rather than as a single event

6. A network-wide approach will be used to rationalise fares across all modes

7. Emerging but proven payment and ticketing technologies will be considered in implementing IFT

8. Existing free transfers on and between bus and rail will be retained and any new transfers required as a result of changes to the network will avoid penalising customers

9. The new fare structure and interim solutions will improve the quality of public transport data.

4.2 Proposed transition approach

Following principle 5 (above), this report recommends taking an incremental approach to transition. This is considered as the most appropriate way to manage and reduce risk prior to and following the introduction of an integrated electronic ticketing system. The benefits include:

- PTOM tendering has different timelines for bus and rail, allowing changes to be introduced on the bus and rail networks when convenient to each mode

- Customers would have more time to understand the proposed changes and to adjust their ticketing choices accordingly

- GWRC would be able to more efficiently manage costs and risks, adjust funding (through annual planning process) and respond to customers' needs and concerns

- It would be easier politically and operationally to rationalise ticket products incrementally, with some rationalisation occurring through PTOM tendering, other tickets rationalised at implementation of electronic ticketing and further changes occurring well after electronic ticketing "go live", when better travel data are available

- A simplified set of products will reduce complexity and ease implementation to network-wide electronic ticketing, and

- Communications and marketing will be easier with an incremental approach.

5. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

5.1 Significance of the decision

Part 6 requires GWRC to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

5.2 Engagement

Fares issues are of significant interest to the public, and agencies and operators with involvement in public transport.

The information in this report is high level, and largely reflects the current approach set out in the PT Plan. Targeted communication to engage operators and stakeholders is planned to occur with the Fares Transition Strategy, expected to be reported in December 2015. A stakeholder and communications plan is being prepared to help guide this process.

6. Recommendations

That the Council:

1. **Receives** the report.

2. **Notes** the content of the report.

3. **Adopts** the principles to guide transition of fares and products:

1. *Changes to fares and products will enhance customer experience, by being easy to understand and fair*

2. *Fares policies will help deliver the Regional Public Transport Plan objectives, including achieving patronage growth and meeting farebox recovery targets*

3. *The fare structure will be rationalised and simplified through the transition*

4. *New IFT fares and products will minimise negative impacts on revenue and costs for GWRC and NZTA*

5. *The transition to a new fare structure will be easy to implement, and introduced in stages rather than as a single event*

6. *A network-wide approach will be used to rationalise fares across all modes*

7. *Emerging but proven payment and ticketing technologies will be considered in implementing IFT*

8. *Existing free transfers on and between bus and rail will be retained and any new transfers required as a result of changes to the network will avoid penalising customers*

9. *The new fare structure and interim solutions will improve the quality of public transport data.*

4. ***Notes*** *that a Fares Transition Strategy, setting out a more developed pathway for fares transition, will be reported to the Sustainable Transport Committee in December 2015, prior to report to Council.*

Report prepared by: Report approved by:

Paul Kos   **Wayne Hastie**
Manager Public Transport   General Manager, Public
Planning   Transport

Attachment 1:   Discussion Paper - IFT Fares Policies and Transition approach