

Summary Review Report

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1. Fare Structure review – Overview

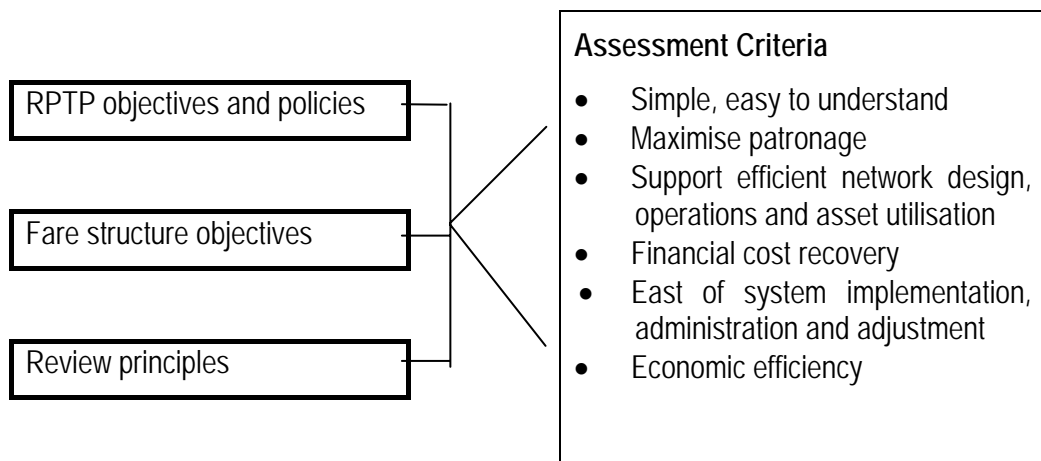
1.1 Scope of Review

- Review of fare structures required every 6 years (specified by New Zealand Transport Agency and the Regional Public Transport Plan) – last review 2005/06
- Outcome likely to apply to all (except ‘exempt’) services in the region
- Implementation likely over several years
 - Full implementation likely to depend on electronic ticketing technology
 - Important output is a phased implementation pathway

1.2 Fares Structures – components

In scope	
A: Fare Structure <ul style="list-style-type: none"> - Zonal or alternative models - Fare and ticketing integration - Zonal system design - Fare vs distance - Fare vs time period (peak/off-peak) 	B: Fare/Ticket Products <ul style="list-style-type: none"> - Cash - Stored value (smartcard) - Periodicals
	C: Fare Concessions <ul style="list-style-type: none"> - Children/students - Seniors - Other Groups
Out of scope Fare levels and ticketing systems	

1.3 Criteria for option assessment



2. Fare Structures

2.1 Fare structures – Dimensions

There are 5 key dimensions to a fare structure and these are:

- S1: Basic structure type
- S2: Geographic structures – zone-based; and/or point-to-point
- S3: Integrated fares and ticketing
- S4: Fare v distance
- S5: Fare v time period (peak/off-peak)

2.2 Fare Structures – S1: Basic structure types

Types	Description	Notes	Conclusions
Flat	<ul style="list-style-type: none"> • Same fare applied to all services in region 	<ul style="list-style-type: none"> • Generally allows free transfers within defined period 	<ul style="list-style-type: none"> • No - services cover too large an area
Sectional (distance-based)	<ul style="list-style-type: none"> • Route-based geographic 'section' or 'stage' points with fares tied to number of sections or stages 	<ul style="list-style-type: none"> • Usually apply to a single boarding • Current WGN system 	<ul style="list-style-type: none"> • No - not compatible with integrated fares (but may be role for distance-based fares)
Zonal	<ul style="list-style-type: none"> • Fares are defined by number of geographic zones in which travel takes place 	<ul style="list-style-type: none"> • Usually allow free transfers between routes and modes on zonal ticket • Zonal layout may be 'concentric' 'honeycomb' etc 	<ul style="list-style-type: none"> • Yes - consistent with integrated fares/ticketing • Dominant model in Australia, and Europe
Time-based	<ul style="list-style-type: none"> • Fares are defined by time increments (e.g. 30 mins) with an increasing fare applying for longer periods of travel 	<ul style="list-style-type: none"> • No 'pure' examples in practice? 	<ul style="list-style-type: none"> • No – not as primary type (but time constraints apply with zonal fares)

Reference Group preference: Focus further work on zonal based structures

2.3 Fare Structures – S2: Geographic structures

- **Zonal Structure**
 - Number of zones e.g. existing 14 (Figure 1), district fine 7, district coarse 5
 - Fare based on number of zones travelled
 - Could use a variety of fare products



Figure 1: Existing 14 sections/zones

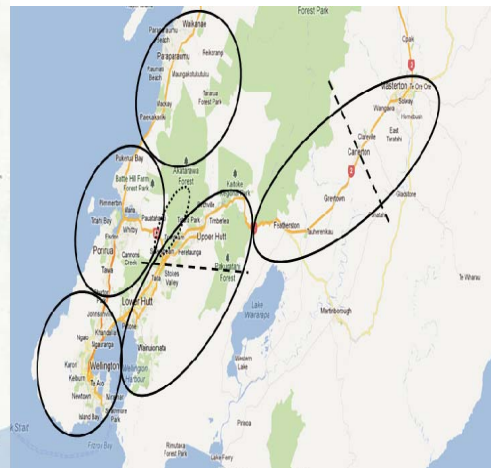


Figure 2: District zones

- **Point-to-Point**

- Fare based on distance between start and end points of journey
- Deliver integrated fares and ticketing without the need for zones
- Relies on stored value payment (not suitable for cash fares)

There are also various measures of distance for this option which will need to be considered if it progresses to be part of a final preferred option e.g. crow flies, shortest road distance etc..

Reference Group preference: Use of zonal structure for cash and periodical tickets (e.g. monthly passes) and point-to-point for smartcard stored value tickets

2.4 Fare Structures – S3: Integrated fares and ticketing

- This can be achieved with zone-based or point-to-point fare structures – need to provide for free transfers between modes, routes
- Any ‘integrated’ ticket needs to be subject to time limits (between first tag-on and last tag-off) e.g. 1.0 hours for short journeys, up to 3.0 hours for long journeys

Reference Group preference: Focus further work design of integrated ticketing to support zonal and/or point-to-point structure options

2.5 Fare Structures – S4: Fare v distance

- **Current fare structure**

- Fare/boarding is approx constant linear function of distance (as for taxis):

$$F = A + B * \text{kms}$$

A (flagfall) c. \$2.00

B (distance charge) c. \$0.13/km

- **Options**

- S4.1 – Existing (Linear)
- S4.2 – B reduces with distance ('fare taper')
- S4.3 – B increases with distance:

2.6 Fare Structures – S5: Fare v time period (peak/off-peak)

- **Current fare structure**

- Limited number of off-peak discounts at present

- **Options**

- Differential fare Y/N?

If Yes what then

- Time periods?
- Discounts?
- Directional?

- **Comments/Assessment**

Analyses in progress to examine how costs/passenger and cost recovery vary by different time periods.

3. Fare/Ticket products

Current Products	Future Proposals/Options	Comments
<ul style="list-style-type: none"> • Products tend to be zonal based with adult & child options • Cash • Stored value/e-purse (S/C) Bus • Periodicals (main products) <ul style="list-style-type: none"> – Rail 10-trip (paper) – Rail monthly (paper) – Rail school term (paper) – Bus school term different versions by area/operator – Bus monthly (S/C & paper), different versions by area/operator 	<p>Principles</p> <ul style="list-style-type: none"> • All zonal-based • Integrated – not mode-specific • Single cash fares similar to existing, but increased price premium and free transfers <p>P1.2: Stored value and limited no. of periodicals</p> <ul style="list-style-type: none"> • Load on single S/C • Periodicals valid for defined zone combinations only • SV used for trips outside these zones <p>Options (Stored value/periodicals)</p> <p>P1.1: Stored value only:</p> <ul style="list-style-type: none"> • Charge 'standard' SV rates for 10 most expensive trips in calendar week • Free for any additional trips in week <p>P1.2: Stored value and limited no. of periodicals</p> <ul style="list-style-type: none"> • Load on single S/C • Periodicals valid for defined zone combinations only • SV used for trips outside these zones 	<ul style="list-style-type: none"> • Encourage use of S/c to decrease loading times and thus reduce journey time. Also reduces opportunity for fraud (e.g. overriding) • Relatively simple, provides incentive to frequent users • Could be 10 or 9 trips/week • Could be discounted/free for additional trips •

4. Fare Concessions

4.1 Fare Concessions – C1: Infants (age <5)

Current Arrangements	Future Proposals/Options	Comments
<ul style="list-style-type: none"> • Free Travel (accompanied by fare-paying passenger) 	<ul style="list-style-type: none"> • As current 	<ul style="list-style-type: none"> • Free travel for 'infants' is policy adopted almost everywhere

4.2 Fare Concessions – C2: Children

Current Arrangements	Future Proposals/Options	Comments
<ul style="list-style-type: none"> • Children aged 5 to 15 & secondary school students aged 16 to 19 in school uniform or on production of a current school ID photo are eligible for a concession • Generally child tickets give discount up to 50% (longer trips) off corresponding adult ticket • To/from school: <ul style="list-style-type: none"> – school term passes – discounted 25% from SV/10-trip child tickets • General trips: <ul style="list-style-type: none"> – typically discounted up to 50% off adult cash or 10-trip/SV fares – but no specific off-peak child fares 	<p>C2.1: Retain similar policy, but extend to include all children aged 5 to 19 in full time primary & secondary education</p> <p>C2.2: Replace by general 'youth' concession scheme, for all age 5-19 inclusive (covers children, students and young workers):</p> <p>Further investigation of is required to:</p> <ul style="list-style-type: none"> • Review rates for school term passes (relative to adult fares for similar trips) • Discounts for general trips as a % off adult fares 	<ul style="list-style-type: none"> • C2.1 Need to review how we obtain proof of in full time education • C2.2 Easy to administer as via proof of age (birth certificate, photo ID (passport/drivers licence • C2.2 approved (in principle?) by GW in previous Fare Structure Review, but not implemented.

Reference Group preference: Introduction of a “Youth” concession scheme (option C2.2).

4.3 Fare Concessions – C3: Tertiary students

Current Arrangements	Future Proposals/Options	Comments
<ul style="list-style-type: none"> No concessions – pay adult fares 	<p>C3.1: As current, but extension of off-peak fares to buses may be available and would be equitable to all users</p> <p>C3.2: 'Youth' scheme option available to all students under 20 years</p> <p>C3.3: Extend 'Youth' scheme option to include all full time tertiary students</p>	<ul style="list-style-type: none"> Currently Christchurch, Dunedin, Hamilton & Wellington offer no specific discounted travel to tertiary students C3.2 Easy to administer as via proof of age (birth certificate, photo ID (passport/drivers licence)) C3.3 Similar to current AKL policy (introduced 2008), for SV, 10-trip tickets C3.3 Complex to administer as how is a student classified as full time

Reference Group preference: Introduction of a “Youth” concession scheme, but not extended to include all fulltime tertiary students (option C3.2).

4.4 Fare Concessions – C4: Seniors (SuperGold cardholders)

Current Arrangements	Future Proposals/Options	Comments
<ul style="list-style-type: none"> Free travel all times except weekday peak periods (<0900, 1500-1830) Operators reimbursed for 'revenue forgone' by central government (through NZTA) – no effect on GW budget 	<p>C4.1: As current</p> <p>C4.2: Extend free travel period to also cover PM peak (ie 1500-1830)</p>	<ul style="list-style-type: none"> C4.2 Will require some additional service capacity in PM peak particularly around school finishing times and the peak of the peak in the evening C4.2 Will be required to be fully funded by ratepayers and fare payers i.e. will receive no central government funding C4.2 This is scheme operated in AKL

Reference Group preference: To retain the existing scheme (option C4.1).

4.5 Fare Concessions – C5: Disabled and beneficiaries

Current Arrangements	Future Proposals/Options	Comments
<p><i>Disabled</i></p> <ul style="list-style-type: none">• Limited concessions on rail (e.g. blind, IHC)<ul style="list-style-type: none">– tends to be equivalent to child fare– All other pay adult fares– small no. of users <p><i>Beneficiaries</i></p> <ul style="list-style-type: none">• Limited beneficiary fare for Wellington City residents (available only on the Go Wgtn services to war veterans, the blind, and people on certain benefits (including domestic purposes, widows, and invalids, but not unemployment or sickness benefits)• Currently being phased out, with no new permits issued from 2008(?).	<p>C5.1: As current, but extension of off-peak fares to buses may be available and would be equitable to all users</p> <p>C5.2: Phase out existing concessions, no new concessions, but extension of off-peak fares to buses may be available and would be equitable to all users</p>	<ul style="list-style-type: none">• If concessions are provided to these groups they will need to be funded by ratepayers and other fare payers i.e. there will be no central government support

Reference Group preference: To phase out existing concessions (option C5.2).

5. Summary of options for Consultation

5.1 Fare Structure

Component		Proposals	Options
S1	Basic types	<ul style="list-style-type: none"> Zonal System 	
S2	Geographic structure		<ol style="list-style-type: none"> Zonal – existing (14+1 zones) Zonal – district 'fine' zones (7) Zonal – district 'coarse' zones (5) Point-to-point Combination of Zonal & Point 2 Point
S3	Fare/ticketing integration	<ul style="list-style-type: none"> Fare for any journey independent of modes, routes used – free transfers (within time limits) Any journey can be completed on single ticket 	<ul style="list-style-type: none"> Usually allow free transfers between routes and modes on zonal ticket Zonal layout may be 'concentric' 'honeycomb' etc
S4	Fare vs distance (number of zones)		<ol style="list-style-type: none"> Current - linear Reducing fares for longer trips Increasing fares for longer trips
S5	Fare vs time period		<ol style="list-style-type: none"> No off-peak fares Off-peak fares <ol style="list-style-type: none"> Time period - wide/narrow Level of off-peak discounts (e.g. 25%, 40%, 50%) Directional - one/both directions

5.2 Fare/Ticket products

Component		Proposals	Options
P1	Cash	<ul style="list-style-type: none"> Single ride cash tickets, similar to existing <ul style="list-style-type: none"> zonal basis purchase on vehicle or at stop/station Allow free transfers on cash tickets 	<ol style="list-style-type: none"> Increase price premium relative to SV fares? Allow free transfers
P2	Stored Value (SV)	<ul style="list-style-type: none"> Integrated (multi-modal) purchase on vehicle or at stop/station etc.. Stored value (smartcard) <ul style="list-style-type: none"> integrated ticketing (free transfers within validity period) 	<ol style="list-style-type: none"> Stored value only, charge based on 9(?) most expensive trips in week, additional trips free Stored value e-purse (similar to existing but extend to include all buses and rail) and limited number of periodical products e.g. <ul style="list-style-type: none"> Monthly pass School term pass

5.3 Fare concessions

Component		Proposals	Options
C1	Infants (<5)	<ul style="list-style-type: none"> No charge – free travel 	
C2	School children/students (5-19)		<ol style="list-style-type: none"> Retain similar policy, but extend to include all children aged 5 to 19 in full time primary & secondary education General 'youth' concession scheme, for all age 5-19 inclusive (covers children, students and young workers): <p>Further investigation of is required to:</p> <ul style="list-style-type: none"> Review rates for school term passes (relative to adult fares for similar trips) Discounts for general trips as a % off adult fares
C3	Tertiary students		<ol style="list-style-type: none"> As current – no discounts Extend School children option 1 to include all full time tertiary students Extend School children option 2 to include all full time tertiary students
C4	'Seniors' (SuperGold cardholders)	<ul style="list-style-type: none"> Retain current (central govt) scheme as minimum 	<ol style="list-style-type: none"> As current Extend to allow free travel in PM peak
C5	People with disabilities/beneficiaries		<ol style="list-style-type: none"> As current (limited concessions) Phase out existing, no new concessions

6. Review Stages and Indicative Timetable

Stage		Notes	Timetable (indicative)
A	Preliminary		Oct/Nov 11
B/C	Data collection and option development	<ul style="list-style-type: none"> Data collection, assessment criteria, option development, selection of 'candidate' options Council approval of candidate options (2 May) 	Dec 11 – April 12
D	Initial targeted group consultations (e.g. PT users, resident groups, PT advocates) on 'candidate' options	<ul style="list-style-type: none"> Develop consultation material including website Meetings with targeted groups (5 weeks from end of Jun) Public consultations on 'candidate' options 	May – Sept 12
E	Development of preferred option	<ul style="list-style-type: none"> Appraisal of consultation views Further development and assessment of candidate options Selection of preferred option 	Oct - Dec 12
F	Final consultations	<ul style="list-style-type: none"> Develop consultation material including website Meetings with targeted groups Consultations on 'preferred' option 	Jan - Mar 13
G	Final design and approval	<ul style="list-style-type: none"> Appraisal of consultation views More detailed specification of preferred option Approval by EWC/Council 	Apr-Jun 13
H	Implementation plan	<ul style="list-style-type: none"> Detailed implementation planning 	Jun 13