

Report 15.530
Date 21 October 2015
File TD/11/01/02

Committee Sustainable Transport Committee
Author Paul Kos, Manager Public Transport Planning

IFT Fares Policies and Transition Approach

1. Purpose

This report (and attached discussion paper) sets out the planning context and proposed approach to fares transition in the lead up to Integrated Fares and Ticketing (IFT).

2. 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 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.

3. Comment

3.1 Principles to guide transition

The discussion paper puts forward for consideration, nine principles to guide the transition of fares, products and ticketing media through the IFT project.

Endorsement of these principles are sought to assist in 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:

1. Changes to fares and products will enhance customer experience, being easy to understand, logical, well-communicated and perceived as equitable
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 through and beyond the transition to a new fare structure
9. The new fare structure and interim solutions will improve the quality of public transport data.

3.2 Proposed transition approach

Following principle 5 (above), the discussion paper 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.

4. 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.

4.1 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.

4.2 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.

5. Recommendations

That the Committee

1. ***Receives the report.***
2. ***Notes the content of the report and attached discussion paper.***
3. ***Recommends that Council adopts the principles to guide transition of fares and products:***
 1. *Changes to fares and products will enhance customer experience, being easy to understand, logical, well-communicated and perceived as equitable*
 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 through and beyond the transition to a new fare structure*
 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.*

Report prepared by:

Paul Kos
Manager Public Transport
Planning

Report approved by:

Wayne Hastie
General Manager, Public
Transport

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