
From: Nicky Halligan <nicky@redbus.co.nz>
Sent: Monday, 26 March 2018 2:30 p.m.
To: Mailroom Mailbox
Cc: Paul McNoe
Subject: Submission to Long Term Plan
Attachments: rbl long term plan sub.pdf

Attached is the Red Bus submission to the Long Term plan. We wish to be heard on the submission.

Please acknowledge receipt of this submission.

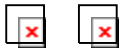
Regards

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Red Travel welcomes the Golden Oldies to Christchurch for successful and enjoyable games



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Submission: Environment Canterbury Long Term Plan 2018-28
From: Red Bus Ltd
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Postal address: PO Box 10171, Phillipstown, Christchurch 8145
Organisation role: Urban Passenger Transport and Coach Tourism Operator

Thank you for the opportunity to submit on the 2018-28 Long Term plan.

We wish to be heard on our submission.

Introduction

Red Bus acknowledges the major challenges in adapting from a well-established passenger transport network before September 2010 to a new public passenger transport model after the devastating earthquakes of February 2011. The long road to recovery for the central city and mass relocation of residents towards the west and businesses into satellite centres out of the city centre has created some unique challenges for recovery and development of public transport in Greater Christchurch.

In our view public transport remains an essential part of passenger transport mix for Christchurch. Red Bus is concerned that the cancellation of public transport services in addition to the direct and indirect community impacts will undermine confidence in public transport and the new RPTP due for release later in 2018.

Key Points

1. Public transport is an integral part of a successful transport network in a modern city with a role in mitigating congestion, environmental effects and democratizing transport accessibility. According to the American Public Transportation Association, *an investment of \$10 million in public transportation generates about \$32 million in increased business sales, and residential property values for homes located near public transit with high frequency service "performed 42% better on average.*

Benefits of public transport:

- a. Community financial benefits. USA source each \$1 invested in public transport generates \$4 in return
- b. Reduced air pollution – many people, one bus
- c. Increased fuel efficiency = lower carbon footprint

- d. Reduced traffic congestion with fewer vehicles at peak times = reduced road infrastructure investment needed
 - e. Improves safety – Buses have fewer accidents and bus passengers fewer injuries than those in cars
 - f. Saves families money – no need for 2nd car
 - g. Increases mobility and retains independence – for those who can't or don't drive
 - h. Frees time – riders can work, read, study, relax, socialize while traveling
 - i. Encourages healthy habits – physical exercise walking to and from bus stops
2. Christchurch needs a futureproofed, innovative and best practice public transport system. This is critical to our success as a city. An ad-hoc approach to transport planning will see us ending up with Auckland's grid lock as the city continues to grow.
 3. While Red Bus acknowledges the current funding shortfall that Environment Canterbury is facing we argue that to further cut services prior to developing the RPTP shows potential intent to not invest or commit to best practice public transport, a critical component of a successful integrated transport network.
 4. Public transport is the largest cost centre in Environment Canterbury's budget but not included as a key objective in the LTP. Public Transport is also a key lever in the journey to carbon neutrality in 2050 announced by Government.
Recommendation that Public Transport and Climate change mitigation be added alongside other Environment Canterbury's LTP Key Objectives.
 5. The LTP recommendations appear to be isolated from Regional Public Transport Plan (RPTP) process (planned for late 2018). While the legislative requirements are understood, all the proposal options terminate the same 6 services leaving these communities without any alternative transport option other than walking, cycling or cars which assumes all in these communities have affordable access or are otherwise capable of using these options.

If executed, these service terminations could damage the reputation of the Metro network by current and prospective users and undermine community support for any future public transport proposals that may be proposed in RPTP later in 2018.

Recommendation: implement a time bound targeted rate to bridge the gap between 1 July 2018 and implementation of the new Regional Passenger Transport Plan.

6. The three proposals provided in Environment Canterbury's LTP are models of service reduction and user pay cost increases. This flies in the face of the long-term

community desire and economic need and justification for a safe, effective and efficient public transport service. We believe that if Christchurch is to have a public transport service to be proud of it needs to provide uniform transport accessibility.

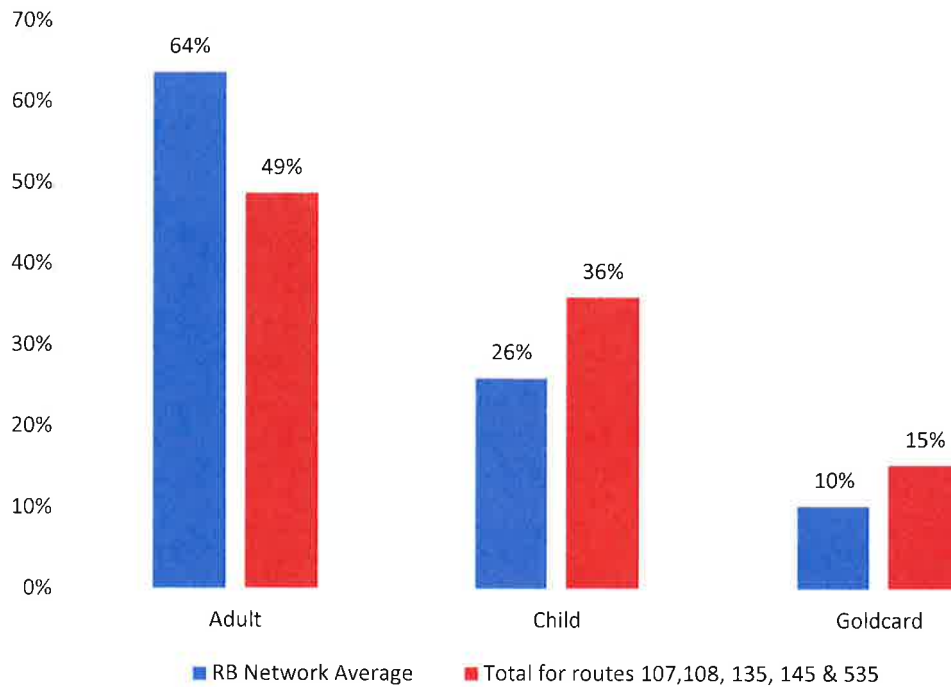
We think the Christchurch community is open to a conversation about supporting investment in future transport options for improved access and reduced environmental impacts. The rapid development of electric buses is but one example of new technologies becoming available and cost effective. China is current leading the world with more than 170,000 electric buses in service.

Recommendation: Implement the targeted rate recommended above and take the time to undertake meaningful engagement with Greater Christchurch citizens during the RPTP process. Include within that engagement ideas that tell a story of the future and test citizens support for investing in their future transport solutions.

7. Children and +65's. Both of these demographic groups potentially have lower access to alternative transport modes and higher dependence on these services.

Children represent 36% of the passenger trips across these 6 services when the network average is 26%. These children and their children are tomorrow's public transport consumers. If they don't have access, they are less likely to choose or support public transport in the future. Other than relying on parents, or family transport (which for many would not be available) or cycling, these children have few other transport options that provide independence or offer the same safety level. The successful commercial marketing model is to catch customers when they are young and impressionable and hold onto them with a great service proposition.

The table below demonstrates that compared with all the urban services operated by Red Bus the 5 services proposed for termination (also operated by Red Bus) have a higher average proportion of children (under 18) and Gold Card users (over 65).



Independent travel options are important to these groups.

Recommendation: retain a minimum service to these communities and an adequate school service as proposed later.

8. Government/NZTA support. The last paragraph of page 14 of the consultation document notes an objective to achieve a 50% or more user pays recovery of operating costs which reflect NZTA's long term expectation. Considering that the Christchurch Metro network was not achieving a 50% user pays recovery ratio before 2011 and the central city is still in recovery phase this objective seems completely inappropriate. If permitted to drive long term funding decisions this target will result in network shrinkage to the core routes and little which is clearly not consistent with a transport network in a modern city.

It is noted that NZTA's decision to cease supplementary payments in support of the post-earthquake network during the extended recovery period has also increased the financial burden on the Environment Canterbury public transport budget.

Red Bus supports Environment Canterbury requesting that the Government through NZTA reinstate the public transport supplementary payments and review the 50% user pay recovery target. Historically only Wellington and Dunedin have met or exceeded this 50% user pays target in their public transport network. Fare recovery table ex Wikipedia below.

Ratio of fares to operating costs for public transport systems (%)			
Country	System	Ratio	Year
New Zealand	Auckland	44%	2012/13
Australia	Canberra	21%	2007
Australia	Sydney	20%	2014
Australia	Melbourne	30%	2014
New Zealand	Christchurch	35%	2012/13
New Zealand	Dunedin	54%	2012/13
New Zealand	Hamilton	34%	2012/13
New Zealand	Wellington	57%	2012/13

9. Transport planning must be undertaken holistically. The current model is flawed with various entities responsible for delivery of the strategy for different bits of the transport network. The present separation does not facilitate an integrated approach to the movement of people within greater Christchurch because each entity has different processes and approval processes that focus primarily at the issues for which they are responsible. Optimising investment decisions and consistent application of regulatory and other influencing levers results in mixed messages and potentially higher service costs than otherwise is necessary.

Recommendation: That a mechanism or structure is developed that ensures an integrated methodological model that has the function and authority to develop and implement the UDS and member council strategic objectives for transport in Greater Christchurch.

10. Small urban buses removed from service. Red Bus is disappointed that the proposed service reductions will remove from service all 8 of the small Mercedes City 45 urban buses purchased by Red Bus specifically for these routes in 2017. These smaller urban buses have received very positive customer and resident feedback, reduced the service cost to Environment Canterbury and more than halved the carbon footprint across these services. We remain hopeful that Red Bus will be able to reallocate some of these Mercedes City 45 buses on other service routes through agreement with Environment Canterbury.

In summary we acknowledge Environment Canterbury's current funding shortfall and the challenge that the timing gap between the LTP and RPTP creates. Our primary concerns remains that cutting services now before releasing the RPTP with a 30 year will undermine public confidence in the Metro Network to deliver a modern day city wide solution.

The impact of these proposals may only affect 2.2% of public transport travellers (i.e. 300,000 trips out of 13.5 million passenger trips) but for those Christchurch residents they

may have no other viable or economic independent travel option available to them and be completely reliant on these services which have been in place since 2014.

Christchurch and its residents have been through some difficult times since February 2011. The current Metro network has had three major change phases which Red Bus has been an active party in implementing and these have achieved recovery to approximately 80% of pre-quake passenger trip numbers. There are no benchmarks to compare this result against but it seems a very creditable recovery performance for Christchurch given that some large central city facilities only opened recently.

Red Bus believes that public transport has a critical role to play in turning Christchurch into a 21st Century modern city and the small cost (in overall Christchurch rate terms i.e. \$10 per household per year) is entirely justifiable.

A successful and respected businessman once advised me that "if you want something and believe it is necessary ask for it". In this instance instead of cutting services I strongly request that Environment Canterbury find an interim funding solution part rates based and part government based until the revised RPTP can be implemented.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul McNoe', written in a cursive style.

Paul McNoe

Chief Executive

Alternatives to proposed service cancellations

Red Bus was sufficiently concerned about the negative effects of these proposals on the community credibility in the overall metro network to independently review the 5 services we operate for.

The following alternative service proposals substantially reduce the annual operating cost by preserving a reduced service for most of the affected communities while maintaining school services at current levels. These proposals have been shared with Environment Canterbury's passenger transport team prior to this submission.

A number of the routes have had additional destinations added to them to make them more attractive for passengers e.g. the revised 145 Westmorland route goes into the Bus Interchange. These changes will reduce costs and we believe increase service revenues.

If the Red Bus proposals are adopted as an alternative to termination they will save Environment Canterbury approximately \$1.5m annually while "keeping the faith" with the wider community until the RPTP review is finalised after public consultation and able to be implemented. Our understanding is that NZTA is obliged to match ratepayer funding \$ for \$ which effectively reduces the annual ratepayer shortfall from \$4m to \$1.25m.

1. Westmorland to City

This route replaces 50% of the existing 145 route, however importantly provides as a destination the Bus Interchange in the city. This suggestion provides a one hour frequency using a Mercedes City 45 small bus. At peak morning and afternoon times during the week there would be 3 services supplied for business and school travel. The Bus will travel down Gasson Street into the city, which is not currently serviced.

Services would begin later and finish earlier both during the week and on the weekend. This is a feature of the 4 services proposed.

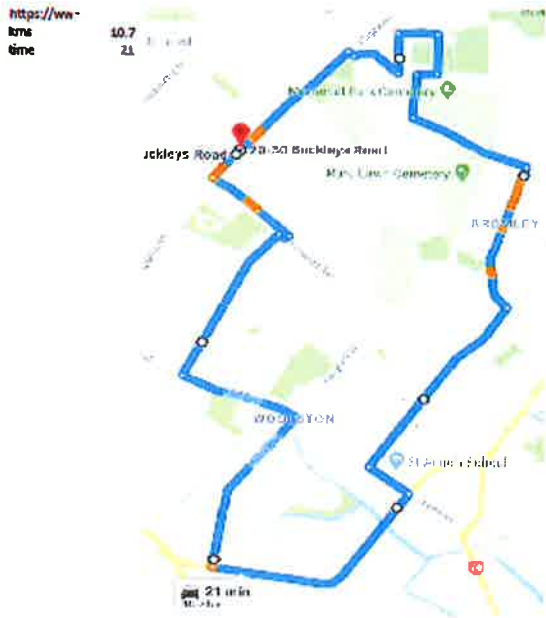
Westmorland - City



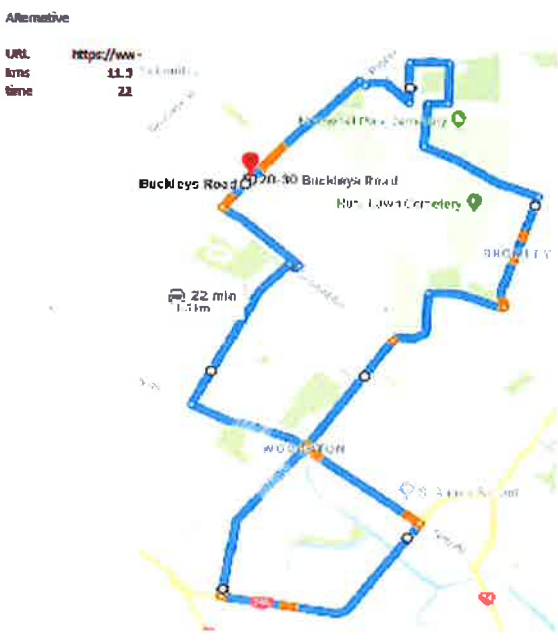
2. Woolston Bromley Loop

This route covers the majority of the remaining service from the 145, together with elements of the 535 through Bromley. Importantly this service has now got a second destination of "The Tannery" in addition to Eastgate. The service will have a 30 minute frequency using a Mercedes City 45 small bus. With a relatively short route operating in an anti-clockwise direction, passengers will not be seriously inconvenienced by the circular route.

Woolston/Bromley Loop



Time	Trip starts by block		
	Blk 1	Sat	Sun
6:00			
6:30	1		
7:00	1		
7:30	1		
8:00	1	1	
8:30	1	1	
9:00	1	1	1
9:30	1	1	1
10:00	1	1	1
10:30	1	1	1
11:00	1	1	1
11:30	1	1	1
12:00	1	1	1
12:30	1	1	1
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16:00	1	1	1
16:30	1	1	1
17:00	1	1	1
17:30	1	1	1
18:00	1	1	1
18:30	1	1	
19:00	1	1	
19:30	1	1	
20:00	1		
20:30	1		
21:00			
Total	28	26	19



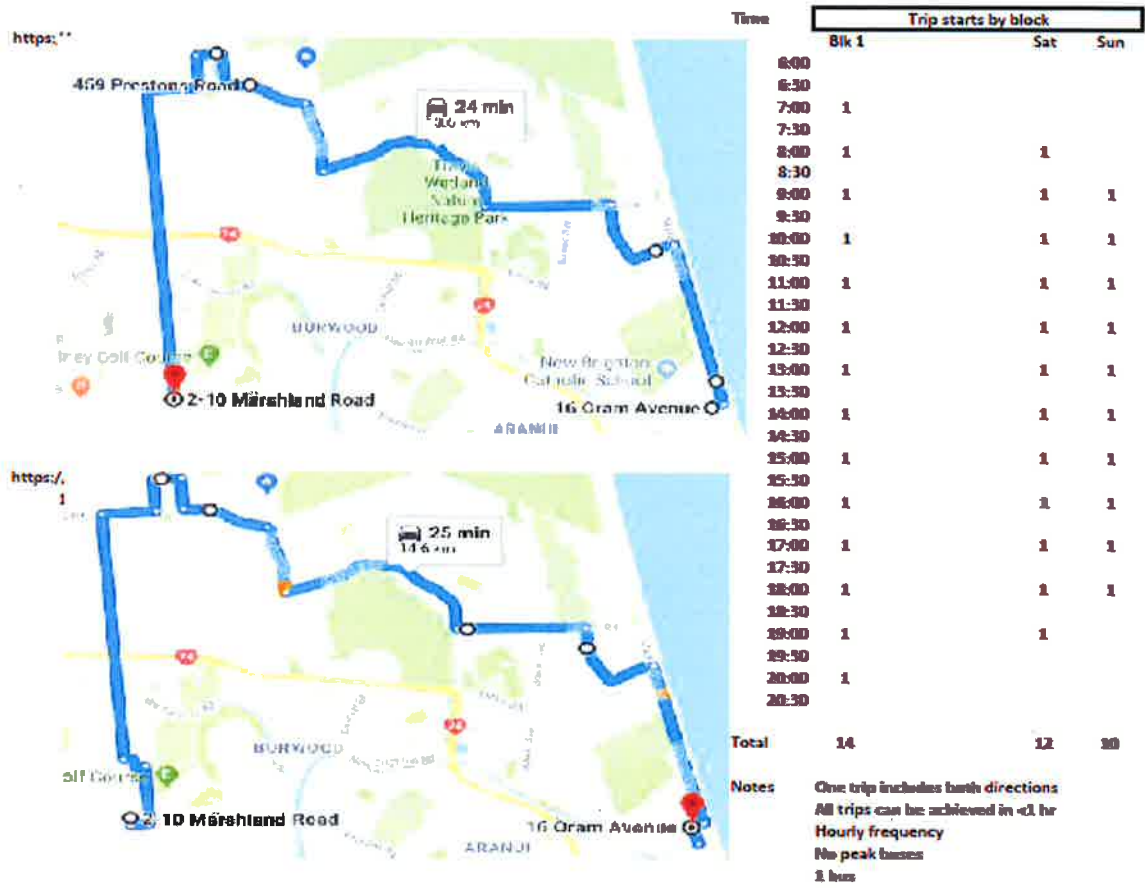
Notes
 One trip includes one complete loop
 All trips can be achieved in <.3 hrs
 1/2 Hourly frequency
 No peak buses
 Routes in Bromley not shown correctly
 due to limitations in Google Maps
 1 bus

3. New Brighton – Palms

This route is in substitution for route 135. Although providing less frequency it adds a second destination being "The Palms" as well as New Brighton. The route also provides services to the very large Prestons sub-division. It also replaces some of the service from the low frequency 150 route.

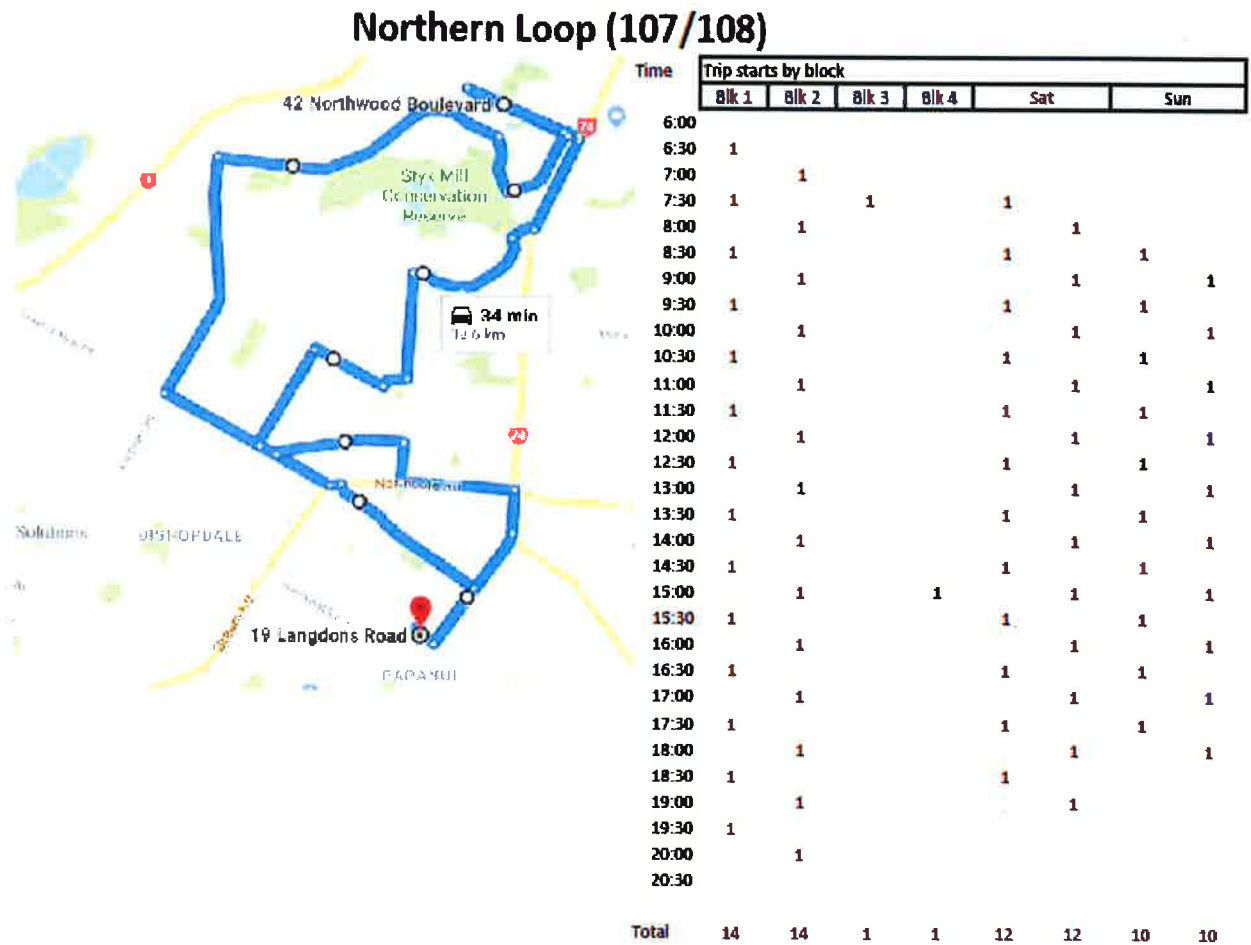
This route would have an hourly frequency and be serviced by 1 Mercedes City 45 Bus. It will continue to provide a link for the older residents of the area to Burwood Hospital.

New Brighton - Palms



4. The Northern Loop

This service is in replacement for the current separate 107 and 108 routes. It combines the two routes with a frequency of 30 minutes. 2 Mercedes City 45 buses would service the route compared to the current 4. One morning and afternoon assist bus would be used for the school children who currently travel at these times. We note this area continues to experience new housing growth, for example the Highsted subdivision.



The new proposed services do not address cancelling of services to Rapaki. In addition to the proposals above, this could again be provided by linking some services on the 28 Service which currently terminates at Lyttelton. This arrangement has been used in the past although we note it would again introduce larger buses on the road from the Lyttelton to

Rapaki. The Mercedes City 45's which currently operate on this stretch of the road are much more fit-for-purpose.

Fare Structure Revision

Unlike Wellington and Auckland which typically have higher fares, the present Environment Canterbury fare structure has substantial daily and weekly discount thresholds for Metrocard users. Our analysis (which has been shared with the Environment Canterbury passenger transport team) across the Red Bus operated urban services during 2017 revealed a GST inclusive revenue close to \$6m and an average passenger trip fare of \$1.71. By comparison the average fare without these discounts was calculated at \$2.40. The \$1.71 fare is a 29% discount from \$2.40.

The annual cost of this Metrocard discount across the Red Bus service routes alone equates to \$2.3m (2017) and is estimated at approximately \$6.9m across the Greater Christchurch Metro network. This analysis ignores the extra effect of the 2 hour transfer time window being used to achieve a return trip for the cost of a one way trip.

We think there is an opportunity through minor adjustments on the present fare discount structure and transfer window to generate additional revenue without raising the base fare above that proposed under the LTP.