

8.4. PT Futures Implementation - Route 7 - Replacement Report

Council report

Date of meeting	Wednesday, 22 November 2023
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Update

1. This paper has been updated to provide new information regarding Waka Kotahi funding and to include updated recommendations. The following sections have been updated:
 - Recommendations: Items 2 and 3, Notes Item 4.1 and 4.5
 - Key Points: Paragraphs 7 and 8
 - Vehicle Ordering: Paragraphs 22 - 26
 - Financial Implications: Paragraph 28
 - Risk Assessment and Legal Compliance: Paragraph 35
 - Next Steps: Paragraph 51.

Purpose

2. This paper seeks the Council's approval for the cost adjustment, from financial year 2024/25 onwards, to implement the route 7 frequency uplift, as part of the implementation of the Public Transport Futures programme approved through the Long-Term Plan I Te Pae Tawhiti 2021-31.

Recommendations

That the Council:

1. **Approves a cost adjustment of \$1.34m (\$0.66m local share, funded by Public Transport targeted rate) from 2024/25 onward, to implement the frequency uplift of Route 7, as part of the approved Public Transport Futures programme delivery.**
2. **Approves the purchase of five electric buses prior to confirmation of the 51% Financial Assistance Rate administered by Waka Kotahi.**
3. **Notes that if the cost adjustment is not approved by Waka Kotahi, Environment Canterbury will be required to fund Waka Kotahi's share of the purchase of the five electric buses, representing approximately \$435k –**

\$525k per annum until these can be deployed to replace existing diesel buses on the network.

- 4. Delegates to the Chief Executive the authority to do all things necessary to vary the existing Public Transport Operating Model Unit agreement - Unit 1, 4, 5 between Canterbury Regional Council and Kinetics (formally Go Bus Transport Limited), dated 24 February 2020, to purchase buses and implement the frequency uplift of Route 7.**
- 5. Notes:**
 - 5.1 That implementing the Route 7 frequency uplift is conditional upon Waka Kotahi's agreement to fund the cost adjustment at the normal Funding Assistance Rate of 51% through the National Land Transport Programme (NLTP).**
 - 5.2 The level of engagement for a Route 7 frequency uplift will be to 'inform' interested parties and promote the frequency uplift to stimulate patronage growth.**
 - 5.3 The ongoing work with partners to manage and mitigate the impacts of the bus priority lanes installation on Halswell Road as part of the Public Transport Futures programme.**
 - 5.4 The ongoing work with Christchurch City Council to consider terminating Route 7 at Taiora QEII, as a key activity centre.**
 - 5.5 That any delay to the decision to purchase the five electric buses for Route 7 will impact the start date for the service improvement, due to a 6–9-month lead-in time for new electric buses to be built and delivered.**

Key points

3. The Public Transport Futures Indicative Business Case (PT Futures), approved by Greater Christchurch Partnership in 2020, set out a ten-year programme of investment in Greater Christchurch's public transport system. It aims to provide an improved level of service for customers and stimulate public transport use. It also forms the foundation for future investment in Mass Rapid Transit (MRT).
4. The proposed frequency uplift for route 7 will improve the level of service offered, by increasing the frequency to 'turn-up-and-go' (TUAG). This removes the need for customers to pre-plan their journeys.
5. Route 3 is on a ten-minute TUAG frequency and is our most successful route. By making all the core routes TUAG we will establish an easy to understand and simple to use, reliable network.
6. Funding was allocated in the Long-Term Plan I Te Pae Tawhiti 2021-31 for this service improvement from year four (fiscal year 2024/25) onwards, but due to escalating

operating costs additional funding is required to implement the frequency uplift for route 7. This paper seeks approval for the cost variation.

7. Subject to the approval of the cost variation, staff will work with:
 - Waka Kotahi to seek approval of their funding contribution at the normal Funding Assistance Rate (FAR) rate of 51%. Waka Kotahi have advised that it is unlikely that funding will be confirmed until August 2024.
 - The operator to vary the contracts.
8. The new electric buses for the fleet will take 6-9 months to build and deliver. Waiting for Waka Kotahi to confirm funding will delay the start date for the frequency uplift. There is an opportunity for Environment Canterbury to proceed with the bus order prior to Waka Kotahi funding being confirmed, with Environment Canterbury effectively underwriting the risk that the cost adjustment is not approved through the NLTP.
9. Environment Canterbury staff will inform and promote the frequency uplift on route 7 with interested parties.

Background

10. The PT Futures Indicative Business Case (PT Futures), approved by the Greater Christchurch Partnership in 2020, set out a ten-year programme of investment in Greater Christchurch's public transport system. It aims to provide an improved level of service for customers and stimulate public transport use in Greater Christchurch.
11. The frequency improvement (service uplift) to route 7 is the next planned investment to enhance the core routes.
12. The inner core of the city and associated public transport network has the greatest density of residents, workers, and activity along with the highest levels of congestion and poor reliability, it is therefore the priority for high quality Public Transport. PT Futures highlighted the following benefits for enhancing the core routes:
 - Improve journey time and reliability.
 - Increased frequency reducing the wait and transfer time.
 - better punctuality through bus priority infrastructure.
 - Improve access to growth areas and destinations.
 - Catalyst for land-use intensification of inner core areas.
 - Enhanced access to the central city employment and retail.
 - Targets neighbourhoods with low car ownership.
 - Remove barriers to uptake of Public Transport
 - Removes the need to consult timetables with turn-up-and-go frequencies.
 - Bus journey times that are more competitive with private car journey times.
 - More predictable bus arrival and departure times.

Turn up and Go frequency uplift for route 7

13. Frequency levels of ten minutes or better are referred to as ‘turn up and go’ (TUAG), which means customers no longer have to pre-plan their journeys. Increasing bus frequency improves usability and accessibility because the waiting times between services is reduced. This improves the attractiveness of the service.
14. The most popular service on the Metro network, route 3, already runs on a TUAG frequency.
15. The first stage of PT futures is to make all the core routes within the Christchurch boundary TUAG routes. Table 1 (below) outlines the proposed frequencies for route 7. On average, customers will only need to wait five minutes for the next bus on weekdays.
16. Five additional buses are required to support the proposed service uplift to TUAG.

Table 1- Route 7 level of service improvements

	Existing frequency	Proposed frequency
Monday-Friday	15 minutes peak 15 minutes interpeak	15 minutes from 5.30am-7.00am 10 minutes 7.00am-6.30pm 15 minutes from 6.30pm-11pm
Saturday	15 minutes peak 30 minutes interpeak	15 minutes from 6.00am- 8.00pm 30 minutes from 8.00pm-11.00pm
Sunday	20 minutes peak 30 minutes interpeak	15 minutes from 6.00am- 8.00pm 30 minutes from 8.00pm-11.00pm

Supporting Infrastructure

17. As part of the nationwide NZUP programme, Waka Kotahi is installing bus lanes to increase bus reliability and improve bus journey times along [SH75 Halswell Road](https://www.nzta.govt.nz/projects/sh75-halswell-road-improvements/) (https://www.nzta.govt.nz/projects/sh75-halswell-road-improvements/) between Dunbars and Curletts Roads. Between Dunbars Road and Augustine Drive/ Monsaraz Boulevard, bus lanes will operate full time. Between Augustine Drive/ Monsaraz Boulevard and Curletts Road, bus lanes will operate during peak hours as follows:
 - Monday to Friday, 7am-9am in the inbound (to city) direction
 - Monday to Friday, 3pm-6pm in the outbound (from city) direction
 - Saturday, 10am-2pm in both directions
18. Improved bus shelters will be implemented at all inbound bus stops and several outbound bus stops. Bus stops and shelter locations will be optimised to ensure they are located close to side-streets and intersections to maximise accessibility. [Christchurch City Council](https://ccc.govt.nz/transport/improving-our-transport-and-roads/transport-projects/lincoln-road-bus-lanes/) (https://ccc.govt.nz/transport/improving-our-transport-and-roads/transport-projects/lincoln-road-bus-lanes/) have already installed peak hour bus lanes along Lincoln Road to improve bus journey times and reliability. The second phase will install more peak hour bus lanes between Whiteleigh Avenue and Curletts

Road. This includes bus stop infrastructure improvements along the inner core of route 7. Waka Kotahi and Christchurch City Council are working together on these infrastructure improvements and are seeking complementary outcomes along the south-west corridor to ensure seamless bus journeys for customers.

19. Environment Canterbury staff are working with Waka Kotahi and Christchurch City Council to understand the timing and impact of the temporary traffic management. Mitigations will be developed to minimise the impact to public transport users, where feasible, including proactive joint communications to impacted communities.

Potential future change

Queenspark end terminus extension to Taiora QEII recreation centre

20. Prior to 2013, the Parklands/Queenspark area had a strong direct connection to Taiora QEII via Bower Avenue. Within the last five years the recreation centre has been rebuilt and two major secondary schools have relocated to the Taiora QEII site. Staff are undertaking further analysis on the cost and benefits of re-establishing the previous route and using Taiora QEII as the north-eastern terminus for route 7. In principle, the Christchurch City Council is supportive of this proposal, but further work is needed to confirm the requirements of establishing Taiora QEII as the terminus.
21. If it is found that this is a viable option, a further Council decision will be required for the additional funding and vehicles.

Vehicle Ordering

22. The current lead-times for delivery of the new buses is 6-9 months. We are working with Waka Kotahi to confirm the cost adjustment through the NLTP for the Route 7 uplift, at the normal Funding Assistance Rate. Waka Kotahi have advised staff that it is unlikely that this will be confirmed until August 2024. If we wait until August 2024 to order the buses, this will delay the frequency improvement for Route 7 to mid 2025.
23. It is recommended that Environment Canterbury agree to underwrite the cost of ordering buses and chargers for Route 7 now, while funding confirmation through the NLTP is confirmed. This should allow us to provide the frequency uplift around August / September 2024.
24. If we order the new buses now, but the cost adjustment is not approved through the NLTP, the route 7 frequency uplift would not be implemented unless Environment Canterbury agrees to fund the service improvement in full.
25. Environment Canterbury would also need to fund central governments share of the bus purchase, representing approximately \$435k – \$525k per annum, until NLTP funding is approved to deploy the buses elsewhere on the network. Customers would still benefit from emissions reductions and better-quality buses through the replacement of older diesel buses with the new Electric vehicles.

26. Ordering the buses now would enable Environment Canterbury to deliver the frequency uplift in 2024, subject to NLTP funding.
27. In addition, Environment Canterbury staff are working to purchase additional EVs through existing budgets, to support express services which are at capacity. There are economies of scale which can be achieved by aligning the purchases of the new EV buses required for the express services with the vehicles required for the Route 7 service improvement. The cost saving would enable us to procure two additional buses and chargers for the express services, rather than one, within existing budgets.

Cost, compliance and communication

Financial implications

28. Environment Canterbury's Long-Term Plan I Te Pae Tawhiti 2021-31 includes funding for the frequency uplift for route 7 from 2024/2025 onwards. Since the plan was approved, operational costs have substantially increased due to increases in driver wages, the cost of zero emissions vehicles and associated charging infrastructure, and higher than forecast inflation. We are therefore seeking approval to fund the \$0.66M pa (local share) cost adjustment required to implement the route 7 frequency uplift in line with the agreed PT futures programme. This contract price is based on several assumptions which means the final contract price is subject to change. The cost adjustment is subject to the funding approval from Waka Kotahi for the standard Funding Assistance Rate (FAR) of 51%.
29. If Environment Canterbury proceed with the bus order in advance of the approval of NLTP funding and this funding is not forthcoming, Environment Canterbury would be required to fund central governments share (51%) of the bus purchase. This would represent an approximate cost of between \$435k and \$525k per annum until Waka Kotahi funding is approved to deploy the buses elsewhere on the network.

Risk assessment and legal compliance

30. The PT Futures programme approved frequency uplifts to the core networks in the short term. This means that some communities and users may be unhappy with the proposed change as they have expressed a desire for wider scale route reviews to improve accessibility and connectivity. This is outside the scope of the route 7 frequency uplift and forms part of the Rest of Network Detailed Business Case (RoN DBC), which is subject to funding approval.
31. We have stated that we are considering a change to the Queenspark terminus, and we are working with the Christchurch City Council to understand if it is a viable option to terminate the route at the Tairora QEII recreation centre. This would provide the opportunity to provide better facilities for drivers and customers with a fit for purpose terminus site. We know there is interest from the Halswell community on increasing coverage in response to growth and we are keen to explore this through the Rest of Network Detailed Business Case (RoN DBC). Knights Stream is a new purpose-built terminus location. It offers drivers an area for rest breaks, access to bathrooms and an

area for lay overs. There is no other clear terminus location around Halswell that could be used at this time. Any extension would result in additional driver hours and kilometres resulting in additional cost.

32. The level of engagement required for a frequency improvement will be to 'inform' interested communities and customers. With clear community interest and requests for improved coverage, customers may feel this process does not allow them the opportunity for engagement and feedback.
33. Any feedback outside the scope of the route 7 frequency improvement will need to be considered as part of a wider network review through the Rest of Network Detailed Business Case (RoN DBC), subject to funding approval.
34. If we defer the decision for the cost adjustment there will be an implementation delay of around 6-9 months, as we wait for buses to be ordered and built. In this case, the frequency uplift would be delayed until January-June 2025. Through this paper we are looking to implement the service improvement in the first quarter of the 2024/25 financial year, subject to funding through Waka Kotahi and the delivery time for the new buses.
35. There is a risk that the approval times for the cost adjustment through the NLTP, administered by Waka Kotahi, may delay the implementation date.
36. If NLTP funding was not approved Environment Canterbury would be required to fund the full cost of bus purchases for a period until the buses could be redeployed on the network. It should be noted that PT futures indicative business case has been approved by all Greater Christchurch partners, including Waka Kotahi.
37. Media around PT Futures and the acceleration of infrastructure investment (\$78m announced by the Minister of Transport for the Christchurch City Council earlier this year) has increased community expectations regarding the pace and scale of delivery of service improvement and customers may feel this improvement does not meet their expectations.
38. The road works required to install the bus priority lanes on Lincoln Road will result in delays, the extent of these delays is not known as contracts are under tender. Environment Canterbury will continue to work with partners to ensure we manage and mitigate impacts to public transport, and we plan to provide proactive communication. By taking the bus, residents will be able to support reducing delays, by removing cars from the road. There are no ideal conditions in which to implement a frequency improvement, as the reality of Christchurch roading network is that it is constantly subject to road works following the earthquakes. Without this uplift, journey time delays for our customers will be more significant.

Engagement, Significance and Māori Participation

Engagement with Mana Whenua

39. Environment Canterbury will inform Rehua Marae, Te Taumutu Rūnanga and Te Rangimarie Centre as part of informing the communities across route 7.

Engagement with partners

40. Environment Canterbury staff are working closely with Waka Kotahi regarding the cost adjustment required through the NLTP 2024-27.
41. The strategic transport functions of the Greater Christchurch Partnership Committee include monitoring the delivery of the strategic public transport work programme in Greater Christchurch. Regular updates are provided to partners through this forum.
42. This service uplift is being progressed in partnership with the Christchurch City Council and Waka Kotahi to ensure alignment of the required infrastructure to support the changes, alignment of funding etc.

Engagement with community

43. Subject to cost adjustment funding being approved by the Council and through the NLTP, staff will inform relevant communities of the route 7 frequency uplift and proposed timeframe for implementation.
44. We will engage directly with key interested parties who have approached Environment Canterbury directly through deputations and submissions, such as the Halswell Residents Association, and North Beach Residents Association to ensure they have clarity around the scope of the route 7 frequency improvement.
45. The General Manager for public transport attended the Halswell Residents Association meeting on 2 October 2023, to provide an update on the PT futures programme and the scope of the route 7 frequency uplift.
46. The recent Greater Christchurch Partnership's Huihui Mai engagement on the Greater Christchurch Spatial plan found that respondents want direct and reliable public transport services (Figure 1), this frequency improvement aligns with this feedback. Research has consistently shown service frequency is the most important strategy to improving service reliability.

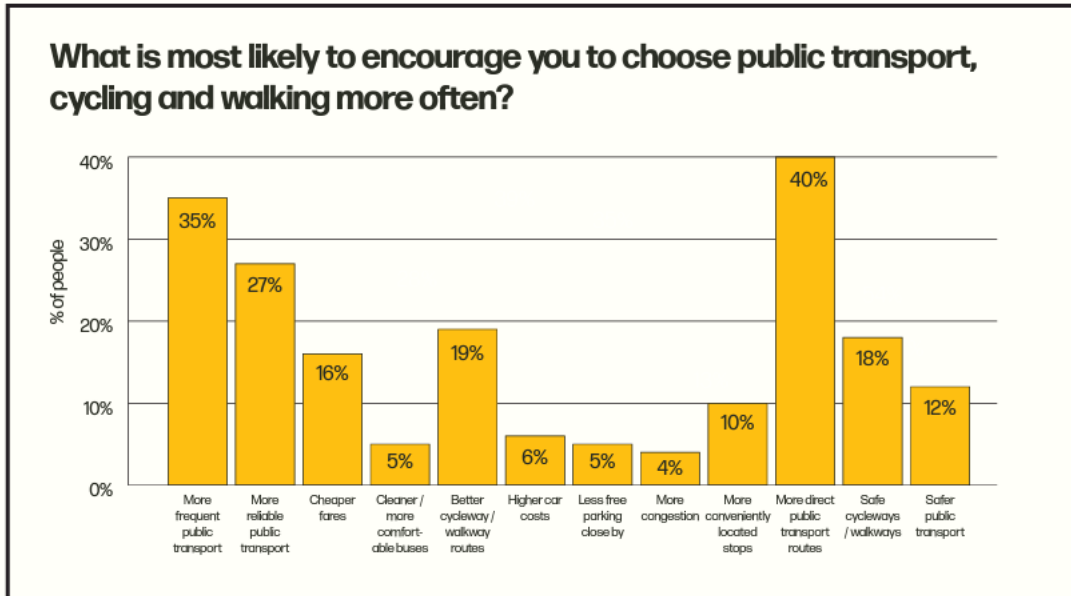


Figure 1- Graph from HuiHui Mai Community Engagement Report.

Consistency with council policy

47. This paper is consistent with the Regional Public Transport Plan, Environment Canterbury's Long-Term Plan I Te Pae Tawhiti 2021-31 and the approved PT Futures investment programme.

Climate Change Impacts

48. Enhancing our level of service through improved reliability and efficiency will make public transport a more attractive mode choice, reducing reliance on high emission, single occupant vehicle thereby reducing vehicle kilometres travelled.
49. More people using public transport leads to improved environmental and social outcomes for our community.
50. Environment Canterbury is working towards a zero-emission fleet by 2035.

Communication

51. See engagement section.

Next steps

52. Subject to approval of the cost adjustment staff will:
- work with Waka Kotahi to secure funding at the FAR rate of 51% through the NLTP (2024-27).
 - work with the operator to vary the contract and order the new buses required.

- inform the relevant communities and promote the service improvement.
- continue to work with the Christchurch City Council and Waka Kotahi to align infrastructure changes and mitigate impacts from road works.

Attachments

Nil

Legal review	Robyn Fitchett, General Counsel
Peer reviewers	Len Fleete, Senior Strategy Advisor, Strategy and Planning, Public Transport Sonia Pollard, Manager, Strategy and Planning, Public Transport