

Notice is given that an ordinary meeting of the Tasman Regional Transport Committee will be held on:

Date: Thursday 26 October 2017
Time: 1.30 pm
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Tasman Regional Transport Committee

AGENDA

MEMBERSHIP

Chairperson	Cr S G Bryant
Deputy Chairperson	Cr P F Sangster
Members	Cr C M Maling Cr D E McNamara Cr D J Ogilvie Mr J Harland
Advisers	Mr W Findlater Mr F Hippolite Ms K Lee Inspector I McKenzie Ms J Murray Ms D Smith Dr K Thompson

(Quorum 2 members)

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AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 DECLARATIONS OF INTEREST

4 PUBLIC FORUM

5 CONFIRMATION OF MINUTES

That the minutes of the Tasman Regional Transport Committee meeting held on Monday, 27 March 2017, be confirmed as a true and correct record of the meeting.

6 PRESENTATIONS

Nil

7 REPORTS

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7 REPORTS

7.1 PUBLIC TRANSPORT SERVICES REVIEW

Decision Required

Report To:	Tasman Regional Transport Committee
Meeting Date:	26 October 2017
Report Author:	Dwayne Fletcher, Activity Planning Manager
Report Number:	TRTC17-10-01

1 Summary

- 1.1 Earlier this year, the Council received a public petition seeking a Wakefield-Nelson public transport express service. Following this, staff commissioned a feasibility assessment of several possible public transport services. This assessment is enclosed as **Attachment 1**.
- 1.2 The assessment indicates that none of the following services would be feasible:
 - **Wakefield-Nelson express service.** Discounted primarily because of low expected patronage and, consequently, a very high fare cost per passenger.
 - **Motueka-Nelson express service.** Discounted primarily because of low expected patronage and, consequently, a very high fare cost per passenger.
 - **Full Richmond South bus extension.** Discounted primarily on the basis that it would require significant investment in new buses as the existing service has little to no available slack in the timetable to accommodate a route extension. Nelson City Council intends to complete a fundamental review of their service in 2020/21, and this may change this situation. In the interim, a reduced extension may be viable and can be included within the scope of the business case proposed below.
- 1.3 The study indicated that a loop service in Richmond has potential and should proceed to a business case, and potentially to a trial. Staff recommend exploring several options within the scope of the business case, not just the loop route used to assess feasibility in the study.
- 1.4 The gross cost of the proposed service is estimated to be around \$200,000 per annum, although the net cost to the Council, after fare revenue and subsidy from the New Zealand Transport Agency, would be approximately \$50,000. There would also be a one-off cost of approximately \$50,000 in establishing new bus stops and shelters. The cost estimates will be refined through the business case process once a preferred service and route have been identified.
- 1.5 Staff have reviewed the feasibility study and tested the results to changes in patronage assumptions and operating costs, and agree with the conclusions drawn in the study. Staff also recommend establishing a formal car-pooling scheme to help provide transport alternatives for Wakefield, Brightwater, Motueka and Mapua.
- 1.6 Staff seek the Regional Transport Committee's:

- approval to cease further work on the services discussed in paragraph 1.2 above; and
- support for inclusion of a carpooling scheme and a new Richmond bus service in the draft Long Term Plan 2018-2028 and Tasman Regional Land Transport Plan 2018.

2 Draft Resolution

That the Tasman Regional Transport Committee:

- 1. receives the Public Transport Services Review report, TRTC17-10-01; and**
- 2. agrees that work cease on proposals for a Motueka or Wakefield public transport express service; and**
- 3. agrees that work cease on a proposal for full extension of the existing Richmond - Nelson service until Nelson City Council completes a fundamental review of their service, expected in 2020/21; and**
- 4. agrees that a new Richmond bus service proceed to a business case; and**
- 5. recommends to the Full Council that a new Richmond bus service be included in the draft Long Term Plan 2018-2028 and Regional Land Transport Plan 2018 for consultation.**

3 Purpose of the Report

- 3.1 The purpose of this report is to brief the Tasman Regional Transport Committee on the feasibility of several possible public transport services in the District, and to seek the Committee's decisions on each service assessed in the review.

4 Background and Discussion

- 4.1 Earlier this year, the Council received a public petition seeking a Wakefield-Nelson public transport express service. The Council delegated consideration of this matter to the Tasman Regional Transport Committee (RTC). The RTC approved a process for investigating the potential for the service. Also included within the scope of proposals for investigations were a Motueka-Nelson service, a Richmond loop service and an extension of the current Nelson-Richmond service to Bateup Road.
- 4.2 The investigation and assessment process included three key steps that need to be completed before a permanent service would be established:
- Feasibility study
 - Business case
 - Trial
- 4.3 Proposals step through the process only if the previous step concluded there is potential for a viable service.
- 4.4 Staff have completed the first step - feasibility - and are now seeking the Tasman Regional Transport Committee's decision on whether to proceed to a business case for each of the possible services.
- 4.5 The feasibility study was completed by Rhys Palmer of Indicate, and is enclosed as **Attachment 1**. The study indicates that none of the following services would be feasible:
- **Wakefield-Nelson express service.** Discounted primarily because of low expected patronage and, consequently, a very high fare cost per passenger.
 - **Motueka-Nelson express service.** Discounted primarily because of low expected patronage and, consequently, a very high fare cost per passenger.
 - **Richmond South route extension.** Discounted primarily on the basis that it would require significant investment in new buses as the existing service has little to no available slack in the timetable to accommodate a route extension. Nelson City Council intends to complete a fundamental review of their service in 2020/21, and this may change the situation. In the interim, a reduced extension may be viable and can be included within the scope of the business case proposed below.
- 4.6 The table below outlines the likely patronage numbers and fares for the different potential services. Estimated patronage is based on the patronage rates for similar services elsewhere, including the Richmond-Nelson service. They provide an estimate of potential patronage that staff consider is likely to be sustained in the long-run.

Service	Average Daily Patronage	Fare
Wakefield - Nelson	12	\$52
Motueka - Nelson	13	\$78
Richmond Loop	367	\$1.20

Table 1 – Likely patronage numbers and fares

- 4.7 Staff tested the sensitivity of the results to increases in patronage and reductions in operating costs (using smaller coaches). The sensitivity testing concluded that the services would remain unfeasible with any reasonable changes in patronage and/or operating costs compared to those rates used above.
- 4.8 To be feasible, the services would have to have patronage rates for their communities that significantly exceed those achieved for existing services within Nelson or in similar communities in New Zealand. For example, patronage on the Wakefield-Nelson line would need to be eight times higher than the patronage rates for the existing Nelson-Richmond service.
- 4.9 The study did indicate that a loop service in Richmond has potential and should proceed to a business case, and potentially to a trial. Should the Committee support proceeding to a business case, staff recommend exploring several options within the scope of the business case, and not just the option considered in the feasibility study. This could include a minor extension to the existing Nelson-Richmond service.
- 4.10 There is insufficient time to conclude the business case process before the Council consults on its Long Term Plan 2018-2028. Staff have included this service in the draft Long Term Plan 2018-2028 and Regional Land Transport Plan 2018 starting in year 2 (2019/2020) - pending the decisions sought in this report, support from Full Council, and the outcomes of the business case.
- 4.11 The gross cost of the proposed loop service is around \$200,000 per annum. Fare revenue is forecast at approximately \$100,000 and NZTA subsidy around \$50,000, leaving a net cost of approximately \$50,000 per annum. There would also be a one-off cost of approximately \$50,000 in establishing new bus stops and shelters. The cost estimates will be refined through the business case process once a preferred service and route have been identified.
- 4.12 The feasibility study recommended that to provide transport alternatives for Wakefield, Brightwater, Motueka and Mapua a formal car-pooling scheme could be established. Partnering with Nelson City Council would be efficient and likely to be the most effective given that a proportion of potential users will reside in Tasman but work in Nelson and vice-versa.
- 4.13 Nelson City Council's scheme is currently dated but they are in the process of implementing a national platform for ride sharing with other councils. The key incentive that Nelson City Council offers to users of the scheme is dedicated all-day car parks in locations close or within the CBD that are free of charge and this could also be explored in Richmond.

5 Options

- 5.1 The Committee has four broad options available, described below along with an assessment of pros and cons.

Option	Description	Pros	Cons
a) Proposed package (staff recommendation)	<ul style="list-style-type: none"> • Don't proceed with: <ul style="list-style-type: none"> – Wakefield – Nelson express service – Motueka – Nelson express service – Extension of existing service to Richmond South • Proceed to business case for a new Richmond service and indicative LTP/RLTP funding starting in 2019/2020 (year 2) • Partner with Nelson City Council and deliver technology-based platform to encourage Ride Sharing and car-pooling parking incentives. 	<ul style="list-style-type: none"> • Do not spend further resources investigating services that are highly unlikely to be feasible • Strong strategic alignment - help meet transport needs of aging and highly-urban population, and large new growth areas in Richmond. • Richmond service appears feasible at early stage • NZTA subsidy likely if business case is positive • Help alleviate growing demand for parking in Richmond town centre. • The trial which would operate during year 2 and 3 will enable robust decisions to be made with the major NCC review of services to ensure the optimal mix of services in the future. • Ride share low cost to implement 	<ul style="list-style-type: none"> • Unlikely to meet expectations of petitioners • Net cost (after fare revenue and NZTA subsidy) of approximately \$0.5m cost over 10 years. This cost could be higher if patronage is lower than forecast. • To be successful, Ride Share needs regular promotional activities and incentives such as high value central car parks
b) Business case for all possible services	<ul style="list-style-type: none"> • Proceed to business case for all possible services and indicative LTP/RLTP funding starting in 2019/2020 (year 2) 	<ul style="list-style-type: none"> • As above for Richmond service • Will thoroughly investigate all potential services 	<ul style="list-style-type: none"> • Spending additional resources on investigating services that are highly unlikely to be feasible • Gross costs of approximately \$0.5-0.6 million per annum. Net costs are difficult to determine, but are likely to be in the order of \$0.5m per annum. • Indicative funding included in the LTP/RLTP, putting needless pressure on the Council's financial strategy and crowding out other possible works
c) Cease all further work	<ul style="list-style-type: none"> • Cease all further work on all possible services 	<ul style="list-style-type: none"> • Approximately \$0.5m in net operational costs 	<ul style="list-style-type: none"> • Potentially not meeting the transport needs of

Option	Description	Pros	Cons
		saved over 10 years compared to the draft LTP/RLTP 2018	aging and highly-urban population, and large new growth areas in Richmond.
d) Pick 'n' mix	Change the mix of services included in the scope of the business case investigation, with indicative LTP/RLTP funding starting in 2019/2020 (year 2)	N/A - Cannot assess without knowing the mix proposed	<ul style="list-style-type: none"> • Rationale for inclusion/exclusion unclear • Spending additional resources on investigating services that are highly unlikely to be feasible • Indicative funding included in the LTP/RLTP, putting needless pressure on the Council's financial strategy and crowding out other possible works

- 5.2 Staff recommend option a) – support the proposed package. A new Richmond service and support for ride sharing both have high strategic alignment, and further investigation through a business case is supported by the feasibility study.

6 Strategy and Risks

Strategic alignment

- 6.1 The proposed Richmond service and focus on ride sharing have very high strategic alignment.
- 6.2 The Council is developing its strategy and programme business cases for transport for the Top of the South through the Regional Land Transport Plan, the District through the Activity Management Plan and for Richmond through the Richmond Network Operating Framework. Work to date and the direction from the Council through workshops indicates that the strategic issues focus heavily on providing additional network capacity at congested and growing parts of the network (such as Richmond), providing transport choice and meeting the needs of the aging population.
- 6.3 The objectives for public transport in the 2015 Tasman Regional Passenger Transport Plan are to reduce congestion between Nelson and Richmond and meet the basic transport needs of the community, particularly those without access to private transport. These objectives link to two of the four key problems in the draft 2018 Regional Land Transport Plan:
- Constraints on the transport network are leading to delays affecting freight, tourism, business and residential growth.
 - Roads and footpaths inadequately support our aging population and increasing active travel demands creating barriers to utilise alternative modes of transport.
- 6.4 They also link to two of the four problem statements in the draft 2018 Transport Activity Management Plan:

- Population growth has increased traffic leading to increasing delays on arterial routes in Richmond and Motueka.
 - An aging population is creating demand for diversification of transport types.
- 6.5 The Council is also in the process of developing its car-parking strategy for Richmond and Motueka. Despite forecast growth in parking demand, this strategy does not propose significantly increasing car parking resources within Richmond town centre. Instead, the proposed strategy focuses on managing demand better and using existing resources more efficiently. The proposed Richmond service could make a significant contribution to this strategy, reducing the number of trips taken by private vehicles which require car parking.

Risks

- 6.6 The feasibility study undertaken to date was intended to give an early and approximate indication of possible patronage numbers to make a coarse assessment of feasibility. There is a risk that the forecast patronage numbers are too high. Consequently, expected fare revenue would also be too high and mean the overall net costs to the Council would rise to cover the revenue gap. The business case process should provide more confidence about the forecast, and needs to be completed before the Council decides to commence with a trial.

7 Policy / Legal Requirements / Plan

- 7.1 Assuming the RTC approves the recommendation, staff will also retain the proposed Richmond service in the draft LTP and RLTP for consultation. The Tasman Regional Passenger Transport Plan, required under the Land Transport Management Act 2003, will also be updated.

8 Consideration of Financial or Budgetary Implications

- 8.1 The gross cost of the proposed loop service is around \$200,000 per annum. Fare revenue is forecast at approximately \$100,000 and NZTA subsidy around \$50,000, leaving a net cost of approximately \$50,000 per annum. These estimates have been included in the draft LTP 2018 and RLTP 2018 to date.
- 8.2 Bus shelters cost \$10,000 each including concrete pads. Until the business case is completed and a route finalised, it is difficult to determine the number of bus shelters required but for the purposes of this report, four bus shelters have been assumed. This will cost \$50,000 inclusive of design and administration costs.
- 8.3 Promotion will generally use existing media portals (Newline, website, Facebook etc) as well as targeted advertising and creation of brochures and time-tables. The proposed cost is believed to be \$15,000 per annum, with marketing starting one year prior to the service starting.
- 8.4 These costs assume the patronage numbers in the feasibility study are achieved. Further work is required in the business case to refine these numbers, including taking into account different possible services and the impact that Goldcard users and the capped funding model recently introduced by the Ministry of Transport may have on patronage and revenue.
- 8.5 The cost of supporting ride sharing will be able to be accommodated within existing budgets.

9 Significance and Engagement

- 9.1 The decisions in this report are likely to be of high interest to a portion of the community, and low interest to most people in Tasman. The significance assessment is below.
- 9.2 Staff have met and briefed the group that presented the public petition for the Wakefield express service and other interested parties on the outcomes of the feasibility assessment. Staff are keen to work with this group to help develop and promote the ride sharing alternatives proposed in this report.
- 9.3 Assuming the RTC approves the recommendation, staff will also retain the proposed Richmond service in the draft LTP and RLTP for consultation.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	M	The decisions in this report are likely to be of high interest to a portion of the community, and low interest to most people in Tasman District.
Is there a significant impact arising from duration of the effects from the decision?	L-M	The proposed Richmond service will have an enduring impact on transport options within Richmond, but the overall impact on traffic is likely to be moderate. The cost of the proposed service is not significant in the context of the Council's Significance and Engagement Policy.
Does the decision create a substantial change in the level of service provided by Council?	L-M	The proposed Richmond service would substantially change the range of public transport services available within Richmond, but not affect the rest of the District.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	L	The net impact of the proposed Richmond service on the Council's finances are minor.

10 Conclusion

- 10.1 Express public transport services from Wakefield or Motueka are not yet feasible and are not likely to be feasible without major changes in population or travel patterns. Instead, establishing a formal car-pooling scheme could help provide transport alternatives for Wakefield, Brightwater, Motueka and Mapua.
- 10.2 A full extension to the existing Nelson-Richmond service is not feasible at present. It will require significant investment in new buses as the existing service has little to no available

slack in the timetable to accommodate a route extension. However, this may be possible in the future.

- 10.3 A new service in Richmond appears feasible and staff recommend developing a business case for possible services and, subject to the outcome of the business case, starting a trial in 2019/2020.

11 Next Steps / Timeline

- 11.1 Assuming the Committee supports the proposed resolutions; staff will start the business case process to investigate a viable service for Richmond. As noted above, this may include assessment of a reduced extension of the Nelson - Richmond service than that which was proposed by Nelson City Council. Staff will retain the indicative funding in the draft LTP and RLTP which will undergo consultation.

12 Attachments

1. Bus Service Feasibility Report

15



Tasman District Council
Bus Feasibility Study

May 2017

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1. Introduction

Tasman District Council commissioned Indicate Limited to investigate the high-level feasibility of three bus services in the Tasman District before more significant financial commitment is made to undertake a more intensive business case.

The three services are summarised below:

1. A satellite bus service running between Motueka and Nelson via Ruby Bay, Mapua and Lower Queen Street with two services in the am peak and two services in the pm peak to cater for the commuter.
2. A satellite bus service running between Wakefield and Nelson via Brightwater, Hope and Richmond with two services in the am peak and two services in the pm peak to cater for the commuter.
3. A bus service for the Richmond residential area focussed on commuters and shoppers.

The methodology, patronage estimate service costs and likely ticket prices are grouped together for the two satellite services in section 2 of this report, whilst the Richmond service is detailed in section 3.

2. Satellite Commuter Bus Service

2.1 Route Service Description

The Motueka/Mapua service has been analysed based on four services per day, two in the am peak and two in the pm peak running between Motueka and Nelson. The route is described below starting in Motueka.

High Street with three stops near Poole, Whakarewa and College Streets,
Via Tasman with stops at Ruby Bay and Mapua,
Via SH60 to Lower Queen Street with a stop near Gladstone Road
Via SH6 Whakatu Drive with a stop on Tahunanui Drive
Terminating at Whakatu carpark in Nelson CBD

The Wakefield/Brightwater Service has been analysed based on four services per day, two in the am peak and two in the pm peak running between Wakefield and Nelson. The route is described below starting in Wakefield.

SH6 at the carpark in central Wakefield with a stop between Arrow Street and Pitfure Road on SH6,
Via SH6 to Brightwater turning left into Lord Rutherford Road with two stops in Brightwater, one near Newman Avenue and the other on Ellis Street near Spencer Place,
Via SH6 with a stop in Hope,
Via SH6/Gladstone Road with a stop near Poutama Street and another near Queen Street,
Via SH6 Whakatu Drive with a stop on Tahunanui Drive,
Terminating at Whakatu carpark in Nelson CBD.

The two routes were designed to strike a balance between maximising patronage by providing stops in the areas with the greatest population density and employment opportunity, but without excessive stops so that the travel time could be as short as possible.

2.2 Patronage Estimating

Two methods were used to determine the number of passengers who would potentially use a commuter bus service from Motueka/Mapua and Wakefield/Brightwater to travel to work in the Richmond or Nelson centres.

Method 1: Apply bus patronage rates from similar satellite commuter services in other parts of New Zealand

Analysis of Journey to Work data from the 2013 Census showed that rural settlements, with a similar commuter bus service to their closest regional centre¹, had an average bus patronage rate of 0.4% by residents in employment. Applying this rate to the total employed population² in each of the four Tasman settlements indicated the following number of passengers would potentially use a commuter bus service (Table 1). The number going to Richmond or Nelson was based on the Census 2013 data for the proportions of residents working in each location. The number was doubled to allow for return trips and multiplied by the average monthly number of working days to give a monthly estimate of potential patronage.

Table 1: Estimated monthly passenger numbers on commuter satellite service, applying Method 1

Settlement	Estimated monthly passengers to/from Richmond	Estimated monthly passengers to/from Nelson CBD
Wakefield	139	53
Brightwater	111	53
Motueka	94	64
Mapua	87	94

Method 2: Apply bus patronage rates for Richmond residents who work in Nelson.

Analysis of Journey to Work data from the 2013 Census showed that for Richmond residents who drive or bus work in Nelson CBD, the proportion who travel by bus is 1.8%. Applying this rate to the number of residents in each settlement who currently drive to work in Richmond or Nelson³ indicated the following number of passengers would potentially use a commuter bus service (Table 2). The number was doubled to allow for return trips and multiplied by the average monthly number of working days to give a monthly estimate of potential patronage.

Table 2: Estimated monthly passenger numbers on commuter satellite service, applying Method 2

Settlement	Estimated passengers to Richmond	Estimated passengers to Nelson CBD
Wakefield	70	28
Brightwater	70	38
Motueka	35	25
Mapua	35	45

2.3 Service Costs

Both Suburban Bus Lines and Bromells Coachlines were approached to provide indicative service costs for the two satellite Services. The estimated costs received plus comparison

¹ Regional centres analysed: New Plymouth, Palmerston North, Hastings, Napier and Hamilton.

² Total employed population based on 2013 Census data, adjusted by 10% to allow for population growth since 2013 and Census population undercount. The estimated population for Motueka was also adjusted to represent those living within 500m of a bus stop, given that Motueka is bigger and more spread out than the rural settlements in the comparison data.

³ Data sourced from 2013 Census Journey to Work data, adjusted as above. Residents currently travelling to work by other means, such as company car, as a passenger, or by motorbike were excluded as being unlikely to switch to travelling by bus.

against the service costs included in the Nelson City Council Nbus contract indicate a likely cost for four Motueka/Mapua services per day of approximately \$900+gst with \$800+gst per day for the four daily Wakefield/Brightwater services.

2.4 Fare Cost

To achieve a fare recovery ratio of 50% (NZTA's national target ratio), fares need to be set at a level where the estimated passenger numbers provide total fare revenue which is half the operating cost of the service with the other half coming from a combination of rates and NZTA subsidy.

Based on the indicated monthly passenger numbers in Tables 1 and 2 and estimated operating costs, fares would need to be set at the following rates to achieve a 50% fare recovery ratio:

Table 3: Fares to achieve 50% Fare Recovery Ratio on commuter satellite service

Origin	Fare to Richmond		Fare to Nelson	
	Method 1	Method 2	Method 1	Method 2
Wakefield	\$23	\$55	\$31	\$73
Brightwater	\$15	\$36	\$23	\$55
Motueka	\$31	\$73	\$46	\$109
Mapua	\$15	\$36	\$31	\$73

These calculations assume the following:

- all values are GST inclusive unless otherwise noted.
- fares for Mapua to Nelson, Wakefield to Nelson, and Motueka to Richmond would be equivalent, with Motueka to Nelson fare set at 1.5 times those fares and Brightwater to Nelson fare set at $\frac{3}{4}$ of those fares.
- two passengers each day would join one of these services to travel Richmond-Nelson and return for an express trip to Nelson city centre. (2013 Census data showed 15 Richmond residents travelled by bus to work in Nelson City Centre.)

Note: estimated operating costs is commercially sensitive information and consideration should be given to the sections on Fares and Costs being reported as Public Excluded.

2.5 Discussion

The high level analysis of potential patronage levels and service costs result in estimated fare levels of between \$31 and \$73 for the trip between Motueka and Richmond and \$23 to \$55 for the trip from Wakefield to Richmond. This fare cost analysis is based on a 50% fare recovery ratio and that shows that the service is unlikely to be financially viable.

In order to gain the New Zealand Transport Agency's support to operate a public transport trial they require it to run for a year so that the seasonal impacts can be determined and the impact of any shorter term marketing campaign is understood before any service is made permanent. This comes with a gross operating cost for both the Motueka/Mapua and Wakefield/Brightwater services in the order of \$425,000pa on the worst-case assumption of no patronage.

The timetable as proposed in section 2.1 above would not impact on the viability of the school bus services provided by the Ministry of Education, however if the service travelled

within 2.4km of the school (e.g. via Salisbury Road) and the afternoon service left within one hour of school finish time then some current school services may be impacted⁴.

3. Richmond Bus Service

3.1 Route Investigations

Two routes were initially investigated to service the Richmond Area.

- 1, An extension of the current NBus service that runs between the Richmond and Nelson centres to the western edge of Richmond via Wensley Road.
- 2, A standalone Richmond loop service.

Following discussions with Suburban Bus Lines, the operator of the current NBus service, the extension of the current Richmond to Nelson service was not investigated further as it would require significant investment in at least three new buses as there is little available slack time between runs to accommodate the additional route length.

The standalone Richmond loop service that was investigated further is shown by the red dashed line in the map below. The properties highlighted in blue are within 400m walk of the route, the typical distance people are willing to walk to access public transport.

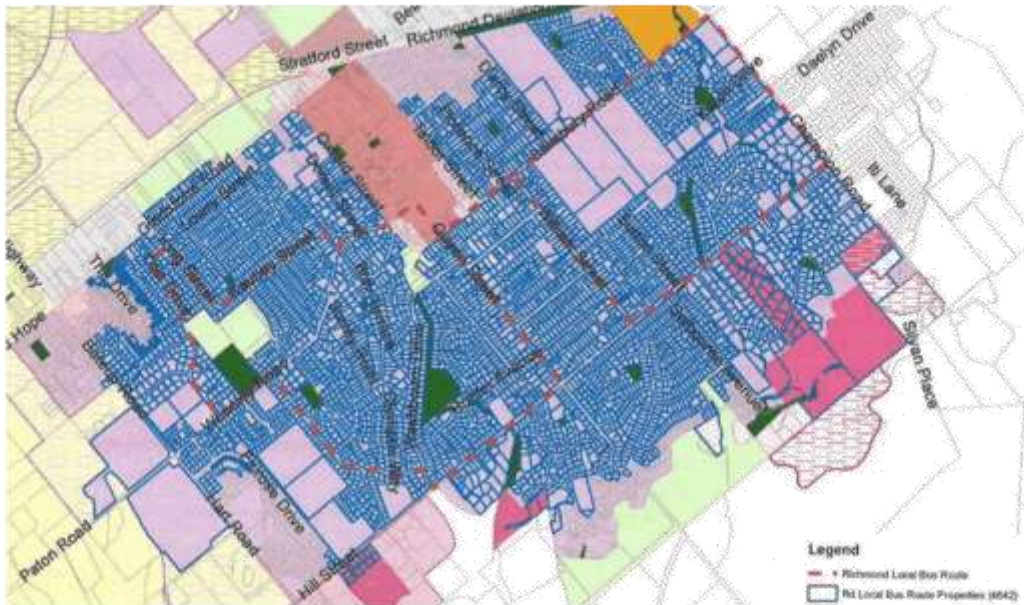


Figure 1 – Richmond loop service

3.2 Patronage estimating

Method: Apply the NBus bus patronage rate for households within 400 metres of the current Nbus service to the households within 400m of the proposed Richmond loop bus service (excluding those households already within 400m of the current NBus service).

In 2013, there was an average of 30,723 trips each month on the NBus daily services, which serviced an estimated 15,550 Nelson and Richmond households within 400m of a bus route. This is approximately two trips a month for every household. Applying this rate to the

⁴ Refer <https://education.govt.nz/school/running-a-school/using-school-transport/> for further details.

estimated 4027 households which would be within 400 metres of the proposed loop bus services, the following number of passengers would potentially use a loop bus service (Table 3). A conservative estimate (low scenario) was made based on half this number and an optimistic estimate (high scenario) was made based on double this number.

Table 3: Estimated monthly passenger numbers on Richmond loop service

Low patronage scenario	At NBus patronage rate	High patronage scenario
3,978	7,956	15,912

3.3 Cost model and estimated fares

To achieve a fare recovery ratio of 50% (NZTA's national target ratio) fares need to be set at a level where the estimated passenger number provide half the total fare revenue or half the operating cost of the service with the other half coming from a combination of rates and NZTA subsidy.

Based on the indicated monthly passenger numbers in Tables 1 and 2 and estimated monthly operating costs of \$16,600+gst per month, fares would need to be set at the following rates to achieve a 50% fare recovery ratio:

Table 3: Fares to achieve 50% Fare Recovery Ratio on Richmond loop service

Low patronage scenario	At NBus patronage rate	High patronage scenario
\$2.40	\$1.20	\$0.60

These calculations assume all values are GST inclusive unless otherwise noted.

Note: estimated operating costs is commercially sensitive information and consideration should be given to the sections on Fares and Costs being reported as Public Excluded.

3.4 Discussion

The analysis shows that there is merit in considering a Richmond loop service. This however is based on the key assumption that patronage levels that are currently experienced across the greater Nelson Richmond area currently served by the NBus could be expected in a more local Richmond service. This key assumption needs further assessment in any further work as the walk distances from the loop to the key attractions within Richmond are typically smaller than is perhaps experienced across the current NBus coverage area.

4. Summary

The high-level analysis shows that based on census data and patronage from similar centres that a commuter bus service to the towns of Wakefield, Brightwater, Mapua and Motueka is highly unlikely to be financially viable. For example, to achieve a fare recovery ratio of 50% the fare from Motueka to Richmond would need to be in the order of \$30 to \$70 one way.

The high-level analysis shows that extending the existing bus service that runs between Nelson and Richmond is not feasible as there is not enough slack in the timetable to allow the extra distance without significant investment in at least three additional buses.

A Richmond loop bus service could be successful based on the average NBus patronage levels currently experienced across the wider Nelson Richmond area. The sensitivity analysis shows that the fare cost to achieve a 50% fare recovery ratio would range between \$0.60 and \$2.40.

5. Recommendations

5.1 Satellite Commuter Bus Service

For the satellite towns of Motueka, Mapua, Brightwater and Wakefield a commuter bus service to Richmond and Nelson is unlikely to be able to be justified at current population densities and further analysis via a business case is not warranted.

It is recommended that to provide transport alternatives to the private motor vehicle for the satellite towns that a formal carpooling scheme could be established. Partnering with the Nelson City Council would be efficient and likely to be the most effective given that a proportion of potential users will reside in Tasman but work in Nelson and vice versa. Nelson's scheme is currently dated but they are in the process of implementing a national platform for ride sharing with other Councils. The key incentive that Nelson City Council offers to users of the scheme is dedicated all day car parks in locations close or within the CBD that are free of charge⁵.

5.2 Richmond Bus service

The high-level analysis shows that a Richmond loop bus service could be financially viable. The recommended next steps are as follows:

- Develop business case in accordance with New Zealand Transport Agency guidance for a new bus service. This could be either a one year trial or permanent service depending on the results of the business case;
- Include findings of the business case in the Regional Public Transport Plan;
- Include the activity in the 2018 Regional Land Transport Plan review in order to seek funding via the National Land Transport Fund 2018-2021;
- Include the service within the NBus contract via a documented Memorandum of Understanding with Nelson City Council.

⁵ Refer <http://nelson.govt.nz/services/transport/carpool-2/> for further details of Nelson City Councils current carpooling scheme.