

Zone boundaries

Recommended changes

November 2015



Background – the issue

- As per previous feedback from the Board, we need to minimise passengers being impacted by fare increases as a result of integrated fares.
- The worst impacted passengers are passengers going from current 1 stage fares to 2 zone fares (an increase from \$1.70 to \$3.30).
- Based on our modelling the current zone boundaries would result in 870,000 bus and train passenger trips going from 1 stage to 2 zones (representing 1.2% of overall patronage).
- 20% of these passengers will be school children, and during the public consultation in May/June AT received substantial feedback from some schools (particularly Rangitoto and Murrays Bay Intermediate).

Options

There are 3 viable options:

1. Do nothing – accept that these passengers will be impacted by the new fare structure and be ready for the negative feedback at launch
2. Increase zone overlaps to mitigate “losers”
3. Limit changes to school bus routes (or school bus stops)

Of the 3 options only options (1) and (2) are recommended in this paper as option (3) would result in different fares for students who use urban services for the same routes which goes against a fundamental driver of integrated fares.

Recommendations

Zone boundary	Impacted passengers	Recommendation	Passenger trips mitigated	Revenue impact
Upper North Shore / Lower North Shore	129K passenger trips of which 111K are on school buses (Rangitoto College, Murrays Bay Intermediate)	Increase overlap around Mairangi Bay by putting 11 additional stops in overlap (see attachment 1).	129K passenger trips mitigated (111K school)	-\$212K
Isthmus / Waitakere (Blockhouse Bay / Green Bay)	24K passenger trips impacted (11K school bus)	Increase overlap from zone boundary to Blockhouse Bay (see attachment 2)	24K passenger trips mitigated (11K school)	-\$21K
Isthmus / Waitakere (Avondale)	9K passenger trips (9K school bus)	No change as impacted schools are a long way from zone boundary.	-	-
Waitakere / Huapai (Westgate)	8K passenger trips (no school)	No change as very small benefit	-	-
City / Isthmus (Mt Eden)	Mt Eden is the largest contributor to 1 stage to 2 zone fares with 272K passenger trips	No change due to expected change in passenger behaviour (they can walk 1 stop to avoid the fare increase).	-	-
City / Isthmus (Orakei)	249K passenger trips impacted due to putting Orakei station into Isthmus zone	No change as Hobson Bay is logical boundary.	-	-
City / Isthmus (Newmarket)	4K passenger trips	No change as any change will result in substantial lost revenue.	-	-
Isthmus / Manukau North (Pakuranga)	22K passenger trips (4K school)	No change as limited benefit and only to students travelling outside their school zone	-	-
Manukau North / Manukau South (Puhinui and Clover Park)	90K passenger trips impacted (no school)	Increase overlap to include puhinui train station and to along puhinui road (see attachment 3)	25K mitigated	-\$57K
Summary	870K pax impacted (159K school)		178K mitigated (122K school)	-\$290

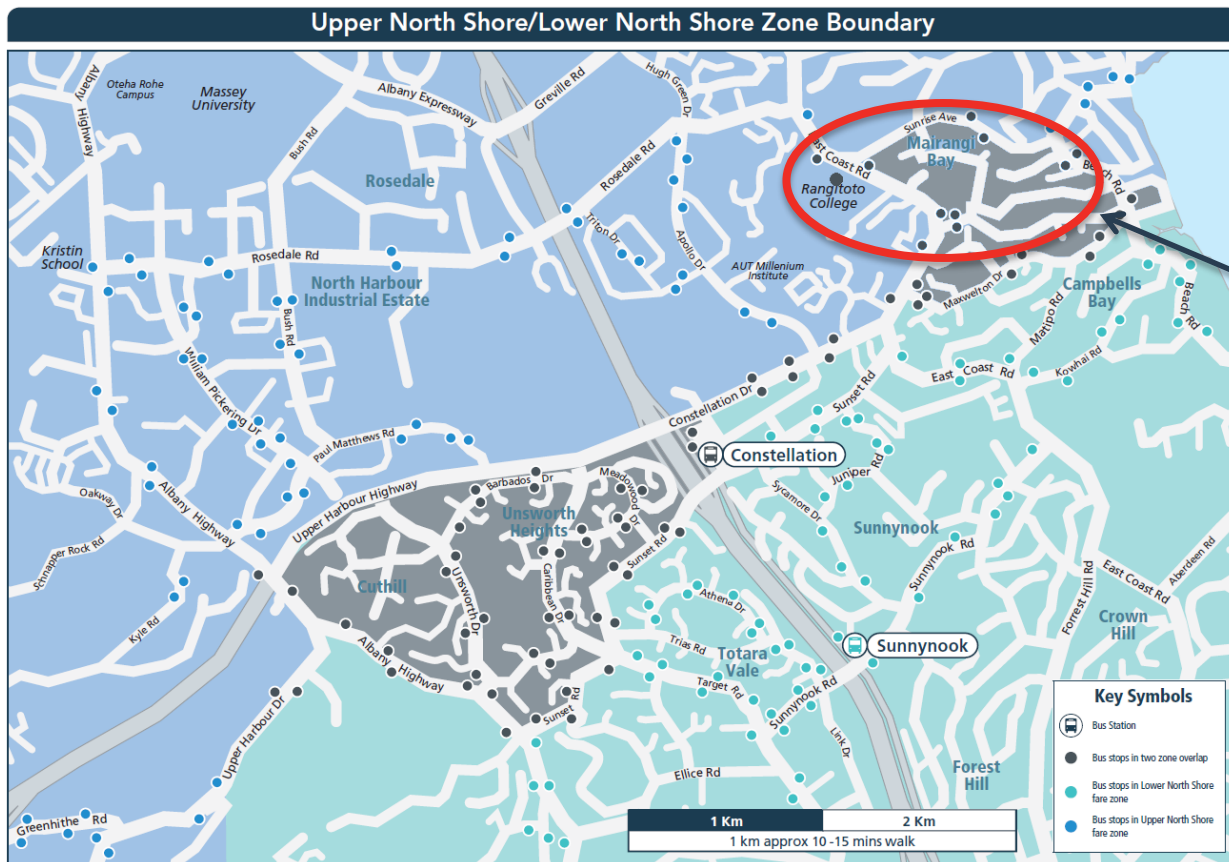
Summary

- Through increasing overlap 3 zone boundaries (45 stops) we would address 77% of impacted school trips and 8% of urban trips at a total cost of around \$300K per annum (maximum)
 - Actual lost revenue may be substantially less as these changes may result in additional patronage, and the \$300K assumes all passengers experiencing the fare increase continue to use PT (no elasticity effect which is generally around -0.34)
- One option would be to communicate that the extent of overlaps in the network may be reduced over time once passengers are used to the new zonal structure

Attachments

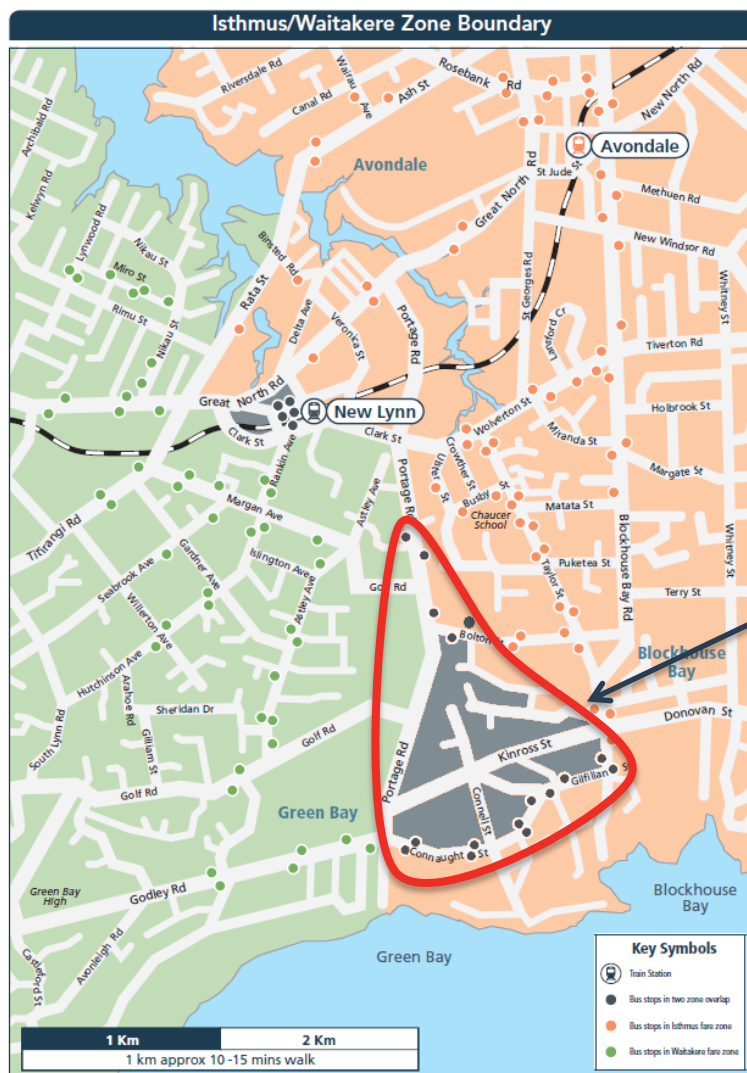


Attachment 1 – Upper/Lower North Shore



11 stops added to overlap

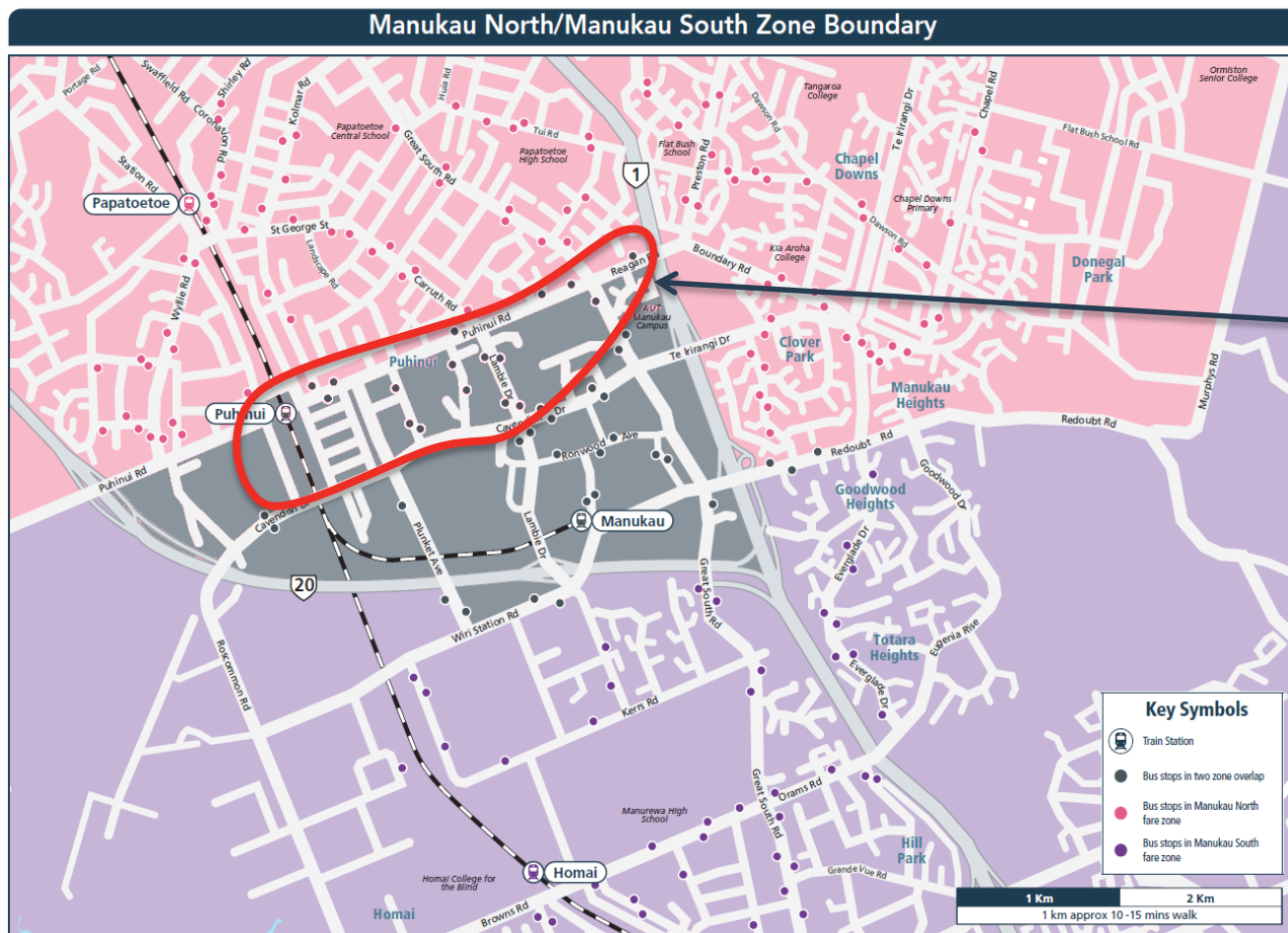
Attachment 2 – Blockhouse Bay / Green Bay



16 stops added to overlap

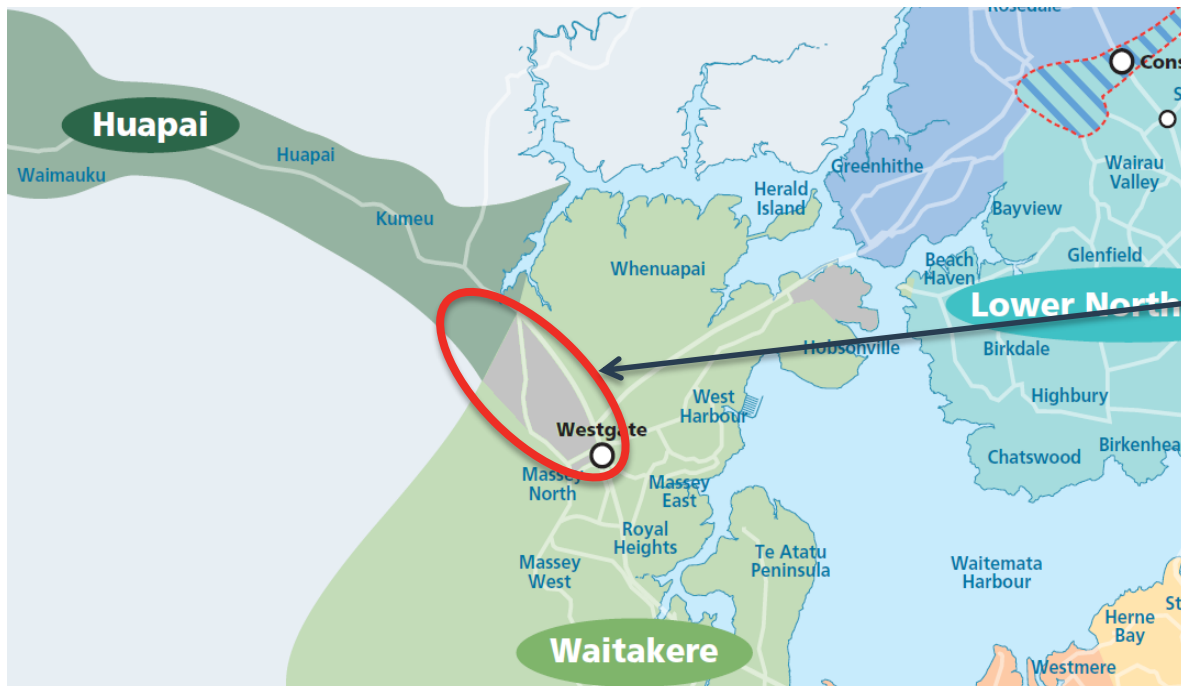


Attachment 3 – Puhinui / Clover Park



16 stops added to overlap

Attachment 4 – Westgate



16 stops added resulting in a reduction of one stage to two zone passenger trips of 7.8k and zone revenue by \$28k