

New Network – South Auckland consultation and next steps

Recommendation(s)

That the Board:

- i. Endorse the final New Network for South Auckland bus services, as amended following public consultation, as the basis for the service specifications for the first round of tendering under the Public Transport Operating Model (PTOM).
- ii. Note that well-executed and well-promoted implementation of the Southern New Network is expected to result in significant patronage growth over time but that, given the scale of the changes, there may be a short-term reduction in patronage due to the loss of some disaffected current users.
- iii. Note the intention to retain some transitional arrangements to minimise this short-term reduction, in particular a limited number of express buses between Papakura and the City Centre, until the New Network, including the full electric train service, has been in place for a reasonable settling-in period.
- iv. Note that recommendations on the future of Te Mahia and Westfield train stations will be the subject of a future report.

Executive summary

This report seeks the board's endorsement of the proposed New Network for South Auckland bus services following public consultation, to enable the service specifications to be finalised in readiness for tendering.

Maps of the pre- and post-consultation South Auckland bus routes are shown on Attachments 4 and 5.

Following the board's endorsement of the Regional Public Transport Plan in March this year, the proposed South Auckland network was released for public consultation between 19 June and 2 August. Submissions were 56% in support of the proposals, with 22% opposed. The remaining 22% were neutral or "don't know".

For a full summary of the consultation process and feedback, see Attachments 1 and 2.

Of the 28 routes proposed in the consultation network, 20 have been amended as a result of the consultation, in response to customer feedback. Some of these changes are permanent in nature, whereas others are transitional.

Attachment 3 sets out the changes to be made as a result of the consultation, subject to funding (which in turn is subject to the outcome of the tendering process). Of particular note are the recommendations that, for a transitional period, the final network will retain limited peak period buses along the Great South Rd between Otahuhu and the city, and express buses from Papakura and Manurewa to the city. These will be subject to review once the patronage impact of the full electric train service, the New Network, and integrated fares is able to be assessed following a reasonable settling-in period.

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The proposed closure of Te Mahia and Westfield Stations, consulted on at the same time as the bus routes, attracted significant feedback which will be reported to the board at a later date. Decisions on the new bus network are not dependent on decisions about these two stations. There is no immediate need to make decisions on the possible station closures, although ideally decisions would be made in advance of full electric train operation on the Eastern and Southern Lines (tentatively March – April 2015).

The Southern New Network is expected to be implemented in the April – June quarter of 2015. This will be subject to the outcome of the bus service tendering process (due to commence early in the second quarter of 2014), construction of a major bus-train interchange at Otahuhu, successful roll-out of electric trains on the Southern and Eastern lines, and the introduction of integrated fares.

Strategic context

- The Regional Public Transport Plan, adopted by the AT board at its September 2013 meeting, has endorsed the principle of a legible, integrated, connective network of frequent, connector and local bus services supporting the Rapid Network (rail and the Northern Busway).
- This strategic approach has been peer-reviewed by Aurecon – see Attachment 8 – which concludes that “in our view, there is no alternative to a more connected public transport network for Auckland – the continuation of an “everywhere to everywhere” network, while benefitting some people, would be prohibitively expensive both in services and related infrastructure; and highly inefficient.

In summary, we agree that the MRC¹ approach is consistent with best-practice in public transport network planning. Our notes of caution relate mostly to the reliance of connective systems on effective interchange, and the potential to achieve best practice on bus systems, in Auckland.”²

- Reorganising the bus network is now possible because of changes to the procurement model and the legislative environment (PTOM and the June 2013 amendment to the Land Transport Amendment Act), the imminent introduction of electric trains and the current rollout of integrated ticketing.
- Although not technically part of the New Network proposal, fares and/or ticketing was the single most important theme of the consultation feedback, mentioned in 16% of all submissions. Integrated ticketing will be fully rolled out well in advance of the Southern New Network, and work is proceeding on a proposed major revamp of public transport fares, as signalled in the Regional Public Transport Plan. Integrated zonal fares need to be implemented in advance of the first phase of the New Network in order to minimise the disbenefits for customers who will need to transfer between services to complete their journeys, and to maximise use of the more legible, connected and frequent network.
- The New Network requires AT to invest in public transport infrastructure to support journeys which require customers to transfer, and to encourage patronage growth through easy connections between services. In particular, in South Auckland, a major new bus-train interchange is required to be built at Otahuhu, and this is now being progressed as a matter of urgency by the Capital Development Division.

¹ MRCagney, who assisted AT staff to develop the original New Network proposal which has since been incorporated into the Regional Public Transport Plan.

² This refers to the ability to optimise reliable bus service performance, in particular through effective on-road bus priority.

Background

Key Aspects of the Proposal

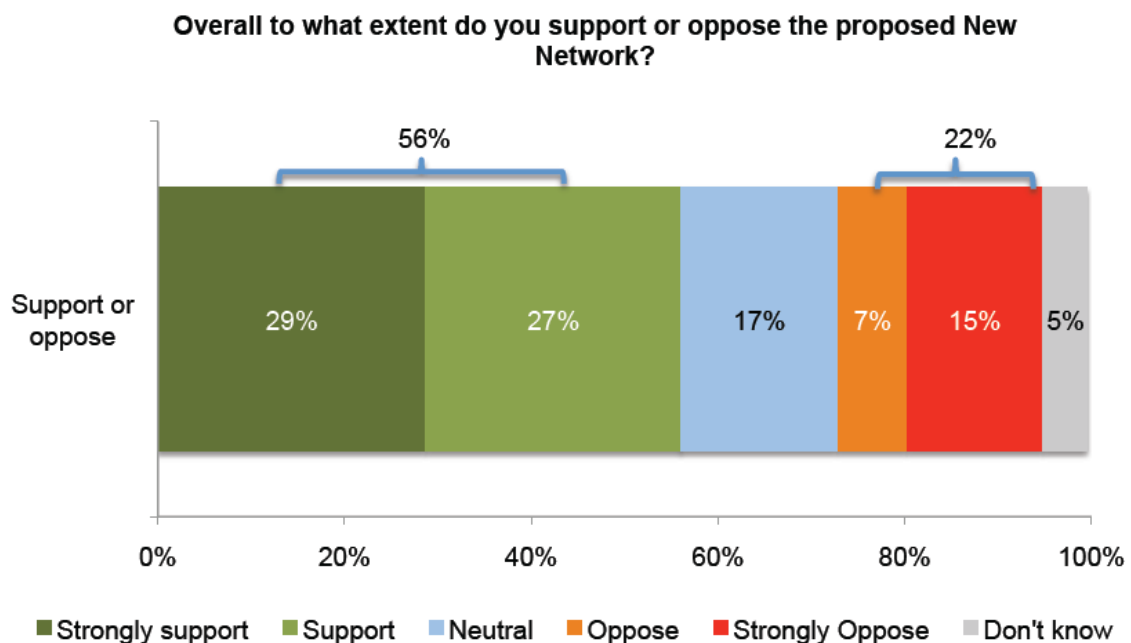
The Southern New Network was released for public consultation between 19 June and 2 August 2013. Key aspects of the proposal were:

- Twenty eight bus routes were proposed in total for South Auckland to create a New Network of buses and trains that will change the way people travel – including the need for some passengers to transfer at key interchanges, especially a new bus-train interchange to be built at Otahuhu.
- All the current bus services in South Auckland would be replaced by the New Network which would provide local connections and would introduce four new frequent bus routes, two of which were made up of 30 minute connector services timed to create a 15 minute frequent service along the common route, before splitting off to different destinations.
- Buses would no longer run from South Auckland all the way into central Auckland, except for two services from Mangere. Passengers would be required to make local bus to train connections at Papakura, Manurewa, Manukau, Papatoetoe, Otahuhu or Onehunga. A major bus-train interchange will be required to be constructed at Otahuhu, in addition to the interchange already proposed for Manukau.
- Some bus services that take people direct from their home to their destination would be replaced with generally more frequent services which may require a transfer.

In response to these proposals Auckland Transport received 1148 official feedback forms – 565 online and 583 hard copy plus 31 free form key stakeholder submissions.

Overall, 56% of participants supported the proposed new network and 22% were opposed, as shown in the Figure 1 below:

Figure 1:



Base: 1122 responses. Due to rounding percentages may add to slightly over/under 100%.

In addition the following petitions were received:

Save Te Mahia Station Petition	1503 signatures
Save the Express Buses Petition	205 signatures
Westfield Meatworkers Petition	135 signatures

Full details of the consultation process and feedback, and decisions taken in response to the consultation, are in Attachments 1 – 6. The final decisions on the network are listed on pages 14 and 15 of the main report.

Issues and options

By far the most commonly mentioned positive attribute of the new network was the proposed increase in service frequencies. Participants felt this would mean less time waiting at bus stops, and faster journey times, especially during the weekend. Some also liked the way this would allow them to ‘turn up and go’ rather than having to refer to / rely on a timetable.

Conversely, the most frequently mentioned reason for not liking the new network was the need to transfer from one service to another, and the impact this would have on convenience and journey times. There were concerns about the loss of direct routes (particularly into the city centre along Great South Road) and express services. Some participants felt this change was unnecessary and inefficient, and would increase journey times.

Overall themes analysis

Table 1:

The table below outlines the themes and a summary of Auckland Transport’s response.

Overall theme	Responses	Proportion of 1148 responses	AT Response
AT HOP/Cost of tickets/Integrated Fares	184	16%	All feedback sent to the AT HOP and fares/ticketing team for review, action or inclusion within their work programme
Express bus routes and services	154	13%	Retaining a limited peak express service from Papakura to the CBD (360x). Amending the proposed 301 to follow the 309 route in Mangere/Favona/Mangere Bridge and creating a peak express service (309x)
Great South Road buses / direct routes to the city	123	11%	Providing a frequent service along the length of Great South Road between Papakura and Otahuhu (33A becomes 33) to provide frequent connections to train services at Papakura, Manurewa, Manukau and Otahuhu Retention of a peak only service from Otahuhu to the city along the Great South Road (322)

New network is too reliant on trains	104	9%	South Auckland will have a full electric train service by the time the Southern New Network is implemented. Electric trains will be more reliable and will have increased passenger capacity. The completion of the rail upgrade and electrification programme will mean that rail system shutdowns will be occasional rather than regular events.
Closure of Te Mahia station	74	6%	No decision has yet been made on the proposed closures of Te Mahia and Westfield Stations. As mentioned elsewhere, detailed reports will be developed separately to address those proposals and decisions are not included within this report
Closure of Westfield station	48	4%	

Across all questions concerning the new network, the most frequently mentioned theme concerned costs, fares, integrated ticketing and the AT HOP card. A number of participants were concerned about the potential for fare increases under the new network if an integrated system wasn't introduced – and conversely a number of people talked about the benefits of an integrated ticketing system. Also, people mentioned a range of issues associated with buying tickets and the HOP card (such as the ability to purchase them on board and at other locations).

The Public Transport Network Management team in conjunction with an external consultation analysis company (Ben Parsons and Associates) analysed all of the feedback and most submissions have resulted in one of the following:

- changes to the New Network routes/frequencies,
- no changes but with an explanation of why not or rationale behind the final decision,
- development of FAQs to respond to concerns/issues that need to be responded to but don't require changes to the New Network,
- included within an infrastructure list to be reviewed by the relevant team in regards to bus stops, shelters, interchanges etc.
- sent to the AT HOP and fares/ticketing team for review, action or inclusion within their work programme,
- sent to the Rail team in regards to the proposed closure of Te Mahia or Westfield stations or the opening/design of new stations,
- sent to other teams if not related to the New Network or Public Transport at all

How did feedback affect the decision making process?

The feedback received has resulted in several changes to the proposed bus network. In short Auckland Transport (AT) originally proposed 28 bus routes within the south Auckland area and we are proposing to make changes to 20 of those routes. In addition we are creating 1 new route and retaining a limited express service from Papakura to the CBD. As a result of consultation feedback there are 30 routes under the final South Auckland New Network.

Te Mahia and Westfield Stations

The consultation included the proposed closure of two train stations, Te Mahia (approximately 1 kilometre south of Manurewa) and Westfield (approximately 1 kilometre north of Otahuhu). These are two of the three least used stations on the network (the third is Waitakere). The fate of the these stations is not linked to the implementation of the bus network. There was considerable feedback directly relating to both stations, Te Mahia in

particular. Those who gave this feedback will be notified that no decision has yet been made on the future of these stations and that AT will consider the matter further in 2014.

Financial impact

The financial impact of these changes will be known when the proposed services have been put out to tender. Should tender prices be higher than expected, there will need to be a negotiation with the preferred tenderer(s) to arrive at an affordable level of service.

The results of the tendering will be known by approximately September 2014. The tender prices will be gross, meaning that they will reflect the cost of operating the services without accounting for revenue. Revenue will accrue to AT and will therefore be offset against the contract prices. Because the new services will be implemented towards the end of the 2014/15 financial year, there will not be a full financial year impact until 2015/16.

Upon confirmation of gross costs, existing fare revenue through the AT HOP system, and forecast patronage change in the first year following implementation, final service levels within net budget can be confirmed.

The recommendations include that, for a transitional period, the final network will retain limited peak period buses along the Great South Rd between Otahuhu and the city, and express buses from Papakura and Manurewa to the city. Because of the high cost of retaining these duplicative services (in the sense that they will provide bus capacity in the rail corridor over and above the substantial increase in train capacity provided by the electric train fleet), these services will be subject to review once the patronage impact of the full electric train service, the New Network, and integrated fares is able to be assessed following a reasonable settling-in period.

Stakeholder engagement

In addition to the public consultation carried out between 19 June and 2 August this year, AT Public Transport staff engaged face-to-face over 130 times with key stakeholders regarding the proposed new network in the year prior. We held onsite presentations (e.g. Local Boards, MPs, bus companies, community groups) or group presentations e.g. Universities presentation in the Town Hall Council Chambers. In some cases these presentations were briefings on both the RPTP and the South Auckland New Network.

Key stakeholders included:

- Members of Parliament
- Ministry of Education; Education Providers
- Local boards; Maungakiekie-Tamaki, Howick, Mangere-Otahuhu, Otara-Papatoetoe, Manurewa, Papakura, Franklin
- Auckland Council and Auckland Transport teams: Southern Community Development, Southern Initiative, Transport Committee, Travel Planning Business Network, Auckland Transport Board, Mayor Len Brown, Regional Facilities Auckland, ATEED,
- Advisory Panels; Disability Strategic Advisory Group, Ethnic Peoples Advisory Panel, Pacific Peoples Advisory Panel, Transport Accessibility Advisory Group, Youth Advisory Panel
- Community Groups, Nga Manga o Mangere Community Network, Papakura Social Services Network, Manurewa Clendon Community Workers network, Papatoetoe Community Network, Otara Community Network, Greater East Tamaki Business Association, Grey Power Public Forum, Ngati Maru Runanga

- Public Transport Operators

Risks and mitigations

1. Tender prices too high, meaning service levels need to be less than what was consulted on or will be tendered for (ie, AT can't afford to fully deliver the promised Frequent Network). Some contingency will be built into the tender specifications.
2. Successful tenderers not ready to commence services on "Go Live" date.
3. Critical infrastructure, in particular the Otahuhu bus-train interchange, not completed in time for service commencement.
4. Integrated fares not in place in time for service commencement.
5. Patronage levels will not recover quickly following implementation of the New Network. To reduce this risk, AT will be committed to a high level of customer information leading up to and immediately following implementation, and ongoing intensive marketing of the New Network to attract new users.
6. Lack of resolve to withstand pressure to reverse changes in the days following implementation of the New Network. Given the scale of the changes, there will inevitably be substantial "noise" at that time. Some current customers will be negatively impacted by the changes. To mitigate negative feedback as much as possible, an intensive marketing and communications programme will be planned well in advance of the implementation date.

Customer impact

These network changes are being implemented in order to create a simple, connected and more legible, frequent and convenient bus service for South Auckland. As with any service change, especially on this scale, and as noted above, we would expect to receive a significant amount of negative feedback in the first few days and weeks after implementation, and there may be some loss of patronage in the short term as a result.

Patronage Impacts

While we are confident that, over time, the New Network will generate significant new patronage, we do not have a specific transport model that will predict the patronage impact of such a comprehensive overhaul of the network. The modelling tools currently available to Auckland Transport (AT) to assess the impact of service changes on patronage are suitable for modelling small service changes, such as doubling frequency on an existing route. For such changes, the models are able to start from existing demands to which they apply well-established "elasticities" that measure the responsiveness of demand to changes in service levels.

The New Network will have many unknown and complex impacts upon travel patterns – as existing users re-assess their public transport trip making options and potential new users assess the enhanced levels of service and hours of operation (especially interpeak and weekends) against their current mode of transport and trip-making patterns. Effective marketing and promotion of each aspect of the New Network will be critical at this stage.

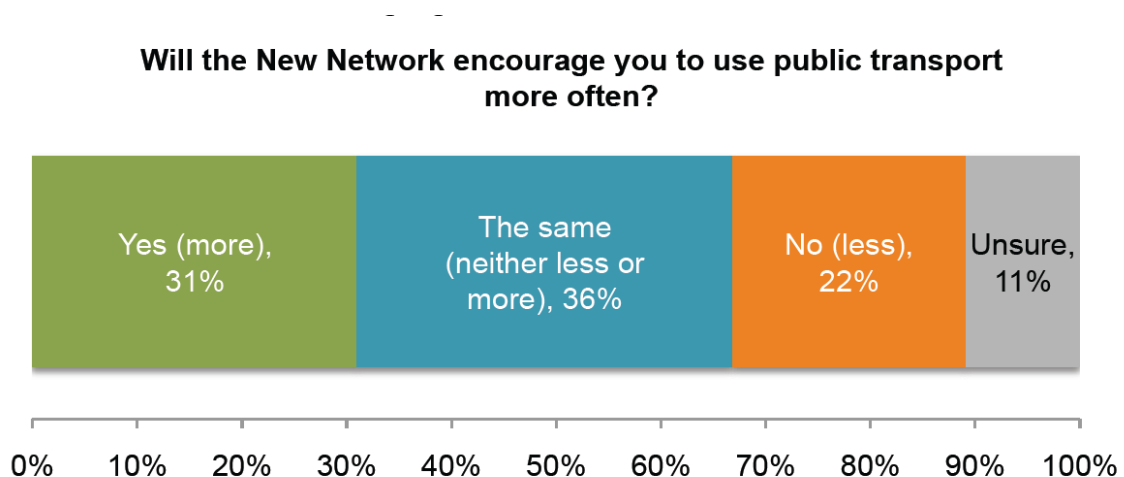
AT has worked with MRCagney - who assisted AT to develop the initial thinking around the New Network, prior to its incorporation in the RPTP - to forecast the potential demand impact of the changes in the South. Several strands of evidence have informed this, as follows:

- Evidence from bus network changes in Auckland in recent years
- Annual 2012 patronage data for all Auckland bus routes – to develop a regression model for forecasting the patronage impacts of changes in key variables;
- Evidence of patronage impacts from a similar radical bus service network restructure in the western suburbs of Brisbane;
- Analysis of coverage changes that will likely impact patronage in South Auckland;
- Analysis of potential patronage loss from the withdrawal of long-distance express bus services from South Auckland to the City Centre.

Overall, the analysis indicates that the annual impact of the proposed changes in South Auckland will be in the order of 2.5m additional passengers per annum – an increase of 5.6% in total (all of Auckland) bus patronage from the 2012 system total of 45.5m.

See Attachment 7 for the full MRCagney report.

Figure 2 below, from the Consultation Report, supports the view that the changes are likely to generate additional patronage over time.



Base: 1101 responses. Due to rounding percentages may add to slightly over/under 100%.

Regression Model Development

The statistical model that was developed indicated that several key variables impact patronage growth / decline in the Auckland market:

- Increased coverage of the city increases demand, by making PT an effective choice for more Aucklanders – 10% more population and employment coverage results in approximately 5% more patronage;
- Increasing the number of service kilometres operated increases demand – 10% more kilometres results in around 6% more patronage;

- Running shorter (and thus more reliable) and more legible routes increases demand – a 10% increase in route length reduces demand by around 2%;
- Increasing frequency increases demand – reducing the gap between services by 10% increases demand by 2%;
- Building frequent routes/corridors (and promoting that frequency through branding), seem to have strong positive impacts on demand, although the causal relationship is difficult to disentangle. Both seem to have about a 5% upward impact on demand, when existing Auckland routes are considered.

Whilst all of these impacts are intuitive and in line with the type of response that we would envisage from the changes, this is the first time that Auckland-specific estimates have been derived from actual patronage data at the route level.

The Experience of other Cities

Evidence from overseas suggests that, after an initial drop, patronage subsequently grows strongly to ultimately reach a level well above that seen before the network re-structure.

For example, analysis of the impact of a major network re-structure in Brisbane's western suburbs found that an initial 20% drop in patronage immediately post-restructure turned into a net 10% to 15% increase after 12 months. We would hope that the initial patronage drop will be less extreme in South Auckland, given the extent to which we have addressed concerns raised through the consultation process, and the intensive customer information programme we are planning for.

Overseas experience also suggests that the extent of the initial patronage drop and the subsequent rate of recovery is driven by the following key factors:

- The scale of the benefits (i.e. more legibility and frequency, better span of service hours) offered by the New Network;
- The effectiveness and maturity of the pre-change network – effectively it becomes harder to make big gains where the pre-change network was already effective;
- The degree to which and manner in which changes are communicated to existing passengers;
- The tools that are available to existing passengers and potential new passengers to plan their journeys in the new network.

These are all important aspects of the New Network implementation that Auckland Transport needs to continue to work hard on to minimise the inevitable initial dip and then grow patronage into the future.

Coverage

Whilst the New Network was designed to maintain total coverage across Auckland, any change will generate winners and losers.

Analysis of the impact of this in South Auckland – comparing the existing network against that which has been recommended post consultation – shows that there is a net gain in coverage (as measured based on 500m walk distance to a bus stop).

The New Network is effectively serving a net additional 10,000 residents and net additional 3,000 jobs.

In addition:

- 12% of South Auckland's population currently live within 500m of an existing frequent network - a public transport service that operates at least every 15 minutes. With the proposed New Network, this will increase to 30%.
- 31% of South Auckland's jobs are within 500m of an existing frequent network. With the proposed New Network, this will increase to 48%.
- The proposed New Network would increase the number of hospitals in South Auckland within 500m of a Frequent public transport service from 33% to 100%.
- The proposed New Network would increase the number of high schools and tertiary institutions within 500m of a Frequent public transport service from 14% to 37%.
- The proposed New Network will increase the number of maraes within 500m of a Frequent public transport service from 0% to 39%.

Negative Patronage Impacts

As well as the initial loss of disaffected current passengers noted above, there may well be an immediate patronage loss associated with removal of express bus services from South Auckland³ – with some trips that can currently be made on a direct bus service, now involving a bus connection to onward rail service.

Analysis undertaken indicates that this downside risk is small, with approximately 0.1% of total patronage at risk from this impact.

Legal and regulatory issues

Under the newly established LTMA 2013, AT has the legal ability to change all PT services not provided as Exempt Services. Through the PTOM contract tendering, all bus services in South Auckland will be contracted rather than operated as Exempt Services.

RPTP 2013 permits under LTMA AT to contract these services.

Next steps

Once the Board endorses the Southern New Network as described in this report, the consultation report and supporting documents will be released. At that time we will inform the public, submitters and key stakeholders that the southern network has been confirmed. All submitters will be notified by email or letter and the report and updated maps will be published on the consultation website. In addition key stakeholders (approx. 50) will receive a personalised response to their submissions. The public will be informed of the decisions by a website update, an email newsletter to subscribers (currently 2480 people), advertising in the regional and local papers, media releases, a story in Our Auckland, and internal communications. Briefing memos will be sent to MPs, Councillors, Local Boards, and Advisory Groups etc. Prior to the information being released publicly the Call Centre and Customer Services staff will be briefed to prepare for calls and questions.

The route descriptions and timetables for the new services will then be finalised for inclusion in the tender specifications to be released to the market in the second quarter of 2014. The

³ Retention of some of these services is discussed elsewhere in this report.

current programme anticipates choosing a preferred tenderer in the third quarter of 2014 and implementing the new services in mid-2015.

Attachments (Bound Separately)

Number	Description
1	New Network (South Auckland) Consultation Summary and Decisions Report (internal)
2	South Auckland's New Network for Public Transport: Consultation Feedback Report (Ben Parsons & Associates)
3	Table: Final Decisions by Route (internal)
4	Map: Pre-Consultation Southern New Network (internal)
5	Map: Post-Consultation Southern New Network (internal)
6	Table: Responses to Key Issues (internal)
7	Patronage report (MRCagney)
8	Peer Review: Auckland Public Transport Planning Review (Aurecon New Zealand Ltd)

Document ownership

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Approved for submission	David Warburton Chief Executive	

Glossary

Acronym	Description	Business Unit
Frequent Network	Services in the New Network intended to be operated at least every 15 minutes between 7.00 am and 7.00 pm, seven days a week.	
LTMA	Land Transport Management Act as amended in June 2013	
PTOM	4Public Transport Operating Model, the new nationwide public transport procurement mechanism, now given legislative effect under the LTMA.	
RPTP	Regional Public Transport Plan adopted by AT under the Land Transport Management Act in September 2013	