

4.14. Levels of Service Increases

Picton and Renwick Trial Bus Service Review

(Report prepared by R Coningham)

R800-003-003-01

Purpose of report

1. To provide Council with an update on the Renwick and Picton trial bus services.
2. To consider whether to extend, expand or discontinue the contracted trial bus services.

Executive Summary

3. During the 2018-28 LTP decision process Council allocated additional gross funding of \$150,000/yr to enable additional bus services to be trialled in the 2018-21 period. Once fare revenue and Waka Kotahi financial assistance of 51% is considered, the net impact on rates is approximately \$66,000 per annum.
4. The trial period for the Renwick and Picton bus services was originally proposed to terminate in June 2021 but was reviewed and extended to 30 June 2023.

RECOMMENDATION

That Council cease the Renwick bus service and move the Picton bus service from a trial to a permanent service.

Background/Context

5. Post the decision to extend the trial bus services for Renwick and Picton, efforts were made to further promote the bus services to the residents of Renwick in particular. This included additional advertising and a leaflet drop to the residents of Renwick. Despite this, the average cost per passenger has increased for the Renwick bus service.
6. The average cost per passenger for the Renwick bus service is \$23.46 per passenger compared to \$17.17 per passenger in April 2021.
7. The average cost per passenger for the Picton bus service is \$5.20 per passenger compared to \$6.77 per passenger in April 2021.

The Renwick Service

8. The Renwick Service commenced in February 2020.
9. Since July 2021 the Renwick service consists of four off peak return trips on Tuesdays and Thursdays, and two return trips on Saturdays. Prior to July 2021 the service ran during peak and off-peak hours, but a review determined the peak hour service determined it wasn't viable to proceed and was ceased.
10. Table 1 identifies the Renwick trial service costs, revenue, and cost to Council per annum:

| Renwick | Annual No. of Passengers | Gross | Fares | Net | NZTA | MDC |
|---------------|--------------------------|--------|-------|--------|--------|--------|
| 2019-20 | 344 | 30,481 | 310 | 30,171 | 15,387 | 14,784 |
| 2020-21 | 1681 | 84,933 | 2,393 | 82,540 | 42,095 | 40,445 |
| 2021-22 | 605 | 30,194 | 679 | 29,516 | 15,053 | 14,463 |
| 2022-23 (Jan) | 321 | 15,579 | 208 | 15,371 | 7,839 | 7,532 |

Table 1 - Renwick Trial Service Costs

11. The costs for 2019-20 are only for 5 months from February through to June. 2020-21 is a full year's costs including the commuter service. In July 2021 the Renwick commuter service was removed and this is reflected in the varying gross costs in the table above.
12. Patronage trip numbers have been steady but remain low, averaging at 50 each month.
13. The Renwick service does carry wheelchair users between Renwick and Blenheim; however, the Total Mobility Scheme also operates in Renwick with 28 current patrons. This service ensures that disadvantaged users are still able to.

The Picton Service

14. The Picton service commenced in August 2019 and consists of two off peak return trips on Tuesdays and Thursdays, between 9am – 3pm.
15. Table 2 identifies the Picton trial service costs, revenue, and cost to Council per annum:

| Year | Annual No. passengers | Gross service cost | Fare revenue | Total Net cost | NZTA contribution | MDC contribution |
|----------------|-----------------------|--------------------|--------------|----------------|-------------------|------------------|
| 2019-20 | 2565 | 46,409 | 1,891 | 44,517 | 22,704 | 21,813 |
| 2020-21 | 3092 | 51,453 | 3,151 | 48,302 | 24,634 | 23,668 |
| 2021-22 | 3085 | 54,021 | 2,878 | 51,143 | 26,083 | 25,060 |
| 2022-23 Jan | 2469 | 27,566 | 1,369 | 26,197 | 13,361 | 12,836 |

Table 2 - Picton Trial Service Costs

16. On establishment, the Picton trial aimed for a minimum of 192 passenger trips per month. Over 2021-22 the average passenger trips per month were 257 for the last financial year.
17. Patronage is steadily increasing since the Covid lockdowns ended, as shown in Figure 1 below. The increase in passenger trips leads to a decrease in cost per paying passenger. Super Gold Card users are subsidised 100 % by Waka Kotahi and MDC when they use the service in non – peak time:

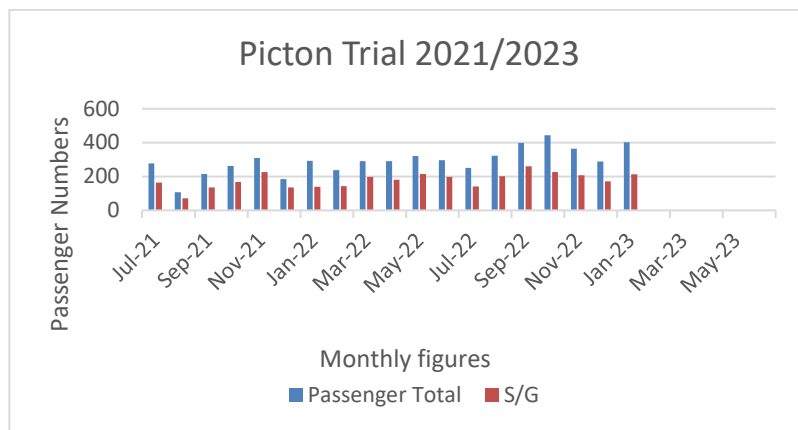


Figure 1 – Picton Trial Service Patronage

Other Considerations

18. There is an approval process required through Waka Kotahi to add new services under the Super Gold Card travel scheme. Waka Kotahi has indicated that there is additional funding available to MDC to continue to fund Public Transport throughout the region at the 51% FAR rate.

Option One - To cease the Renwick bus service and to formalise the Picton bus service from a trial to a permanent service

Advantages

- 19. Provides a bus service to Picton which is patronised well and has a similar cost per passenger to the existing Blenheim bus services.

Disadvantages

- 20. Increase in budget for 2023 to provide the Picton bus service moving forward.

Option Two – Continue the existing trial bus services for Renwick and Picton for a further 12 months to June 2024

Advantages

- 21. Provides a continuation of bus services to both Renwick and Picton.

Disadvantages

- 22. Lengthens Trial period.
- 23. Increase in budget for 2023 to provide both the Renwick and Picton bus service.
- 24. Patronage for Renwick is decreasing as opposed to increasing meaning a higher cost per passenger to Council for the Renwick bus service.

Option Three – Discontinue both Renwick and Picton bus services at the end of their trial period of June 2023

Advantages

- 25. Cost saving to MDC.

Disadvantages

- 26. The Picton bus service is patronised well and has a similar cost per passenger to the existing Blenheim bus services.
- 27. Once the service is lost it will be harder to re-instate with the current supplier.

| | |
|------------|---|
| Author | Richard Conningham, Assets and Services Manager |
| Authoriser | Mark Wheeler, Chief Executive |

| Summary of decision-making considerations | | | |
|--|--------------------------|--------------------------|--------------------------|
| Fit with purpose of local government | | | |
| The proposal enables democratic local decision-making and action by, an on behalf of communities and relates to providing a public service. | | | |
| Fit with Council policies and strategies | | | |
| | <i>Contributes</i> | <i>Detracts</i> | <i>Not applicable</i> |
| LTP / Annual Plan | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |
| Financial Strategy | <input type="checkbox"/> | ✓ | <input type="checkbox"/> |
| Infrastructure Strategy | <input type="checkbox"/> | <input type="checkbox"/> | ✓ |
| Social well-being | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |
| Economic development | <input type="checkbox"/> | <input type="checkbox"/> | ✓ |
| Environment & RMA Plans | <input type="checkbox"/> | <input type="checkbox"/> | ✓ |
| Arts & Culture | <input type="checkbox"/> | <input type="checkbox"/> | ✓ |
| 3 Waters | <input type="checkbox"/> | <input type="checkbox"/> | ✓ |
| Land transport | ✓ | <input type="checkbox"/> | <input type="checkbox"/> |
| Parks and reserves | <input type="checkbox"/> | <input type="checkbox"/> | ✓ |
| This proposal contributes to the categories identified by allowing public bus services to continue for Picton at a comparable cost rate to the existing Blenheim bus services. | | | |
| Nature of the decision to be made | | | |
| The options do not involve a significant decision in relation to land or a body of water. | | | |
| Financial considerations | | | |
| This would require additional funding from general rates. | | | |
| Significance | | | |
| The decision is not considered of high significance under Council's Policy. | | | |
| Engagement | | | |
| No public engagement has occurred | | | |
| Risks: Legal / Health & Safety etc | | | |
| There are no known significant risks or legal implications. | | | |
| Climate Change Implications | | | |
| In assessing the preferred option, staff have considered the effects of climate change. | | | |