

# Implementation Committee Agenda

## 11 August 2022



Meeting conducted in the Council Chamber at Lvl 2, Philip Laing House  
144 Rattray St, Dunedin (Councillors and staff only)

Members of the public may view livestream at: [Otago Regional Council YouTube Channel](#)

### Members:

|                          |                       |
|--------------------------|-----------------------|
| Cr Bryan Scott, Co-Chair | Cr Michael Laws       |
| Cr Carmen Hope, Co-Chair | Cr Kevin Malcolm      |
| Cr Hilary Calvert        | Cr Andrew Noone       |
| Cr Michael Deaker        | Cr Gretchen Robertson |
| Cr Alexa Forbes          | Cr Kate Wilson        |
| Cr Gary Kelliher         |                       |

Senior Officer: Dr Pim Borren, interim Chief Executive

Meeting Support: Liz Spector, Governance Support Officer

11 August 2022 09:00 AM

## Agenda Topic

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### 1. APOLOGIES

No apologies were received prior to publication of the agenda.

### 2. PUBLIC FORUM

No requests to address the Committee under Public Forum were received prior to publication of the agenda.

### 3. CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

### 4. CONFLICT OF INTEREST

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

### 5. PRESENTATIONS

#### 5.1 ANNUAL REPORT FROM OTAGO CATCHMENT COMMUNITIES

Presented by Sam Dixon, Regional Coordinator at Otago Catchments Community

#### 5.2 REPORT FROM LAND INFORMATION NEW ZEALAND (LINZ)

Presented by Dr Ini-Isabee Gun and Tracey Burton of LINZ.

### 6. CONFIRMATION OF MINUTES

Minutes of previous meetings of the Implementation Committee will be adopted as true and accurate record(s), with or without changes.

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| 6.1   | <a href="#">Minutes of the 9 June 2022 Implementation Committee meeting</a>  | 3  |
| 7.    | OPEN ACTIONS FROM RESOLUTIONS OF THE COMMITTEE   | 7  |
|       | Actions from resolutions of previous Implementation Committee meetings will be reviewed with staff.  |    |
| 7.1   | <a href="#">Action Register at 11 August 2022</a>  | 7  |
| 8.    | MATTERS FOR CONSIDERATION  | 8  |
| 8.1   | <a href="#">MINISTRY OF EDUCATION MEMORANDUM OF UNDERSTANDING - REVIEW OF SCHOOL BUS SERVICES</a>  | 8  |
|       | This report seeks a decision on joining an MOU with the MOE to plan and implement a staged transition between the Ministry and public transport services with a focus on Queenstown. |    |
| 8.1.1 | <a href="#">Proposed Memorandum of Understanding between ORC and MOE</a>   | 16 |
| 8.2   | <a href="#">CONTINUATION OF HALF-PRICE PUBLIC TRANSPORT FARES</a>  | 23 |
|       | This report seeks decisions related to reduction of half-price public transport fares.   |    |
| 9.    | RESOLUTION TO EXCLUDE THE PUBLIC   | 34 |
|       | The public will be excluded under LGOIMA 48(1)(a) for consideration of the following:  |    |
|       | - Minutes of the 9 March 2022 meeting  |    |
|       | - Update on the Ministry for the Environment-funded Te Hākapupu/Pleasant River Catchment Restoration Project   |    |
|       | - Bus Driver Recruitment and Retention   |    |
| 9.1   | <a href="#">Grounds for consideration in public excluded under Section 48(1) of the Local Government Official Information and Meetings Act 1987</a>                                  | 34 |
| 10.   | CLOSURE  |    |



Minutes of a meeting of the  
Implementation Committee held in the  
Harvest Hotel Conference Centre (Cromwell) on  
Thursday 9 June 2022 at 2:55 PM

**Membership**

Cr Carmen Hope (Co-Chair)  
Cr Bryan Scott (Co-Chair)  
Cr Hilary Calvert  
Cr Michael Deaker  
Cr Alexa Forbes  
Cr Gary Kelliher  
Cr Michael Laws  
Cr Kevin Malcolm  
Cr Andrew Noone  
Cr Gretchen Robertson  
Cr Kate Wilson

**Welcome**

Co-Chair Carmen Hope welcomed Councillors, members of the public and staff to the meeting at 2:55pm. Staff present included Gavin Palmer (GM Operations), Liz Spector (Governance Support) and Jean-Luc Payan (Manager Hazards). Staff present electronically included Pim Borren (interim Chief Executive), Nick Donnelly (GM Corporate Services), Anita Dawe (GM Policy and Science), Tami Sargent (acting GM Regulatory/Comms), Andrea Howard (Manager Environmental Implementation), Michelle Mifflin (Manager Engineering), Brett Paterson (Project Manager, Engineering), and Pam Wilson (Infrastructure Engineering Lead).

## 1. APOLOGIES

**Resolution: Cr Wilson Moved, Cr Forbes Seconded:**

*That the apologies for Cr Deaker, Cr Robertson be accepted.*

**MOTION CARRIED**

## 2. PUBLIC FORUM

No public forum was held.

## 3. CONFIRMATION OF AGENDA

Co-Chair Hope declared the agenda confirmed as published.

## 4. CONFLICT OF INTEREST

Co-Chair Hope noted she had a potential conflict on item 8.2, River Management Update and would step aside for that item. She said Co-Chair Bryan Scott would take over chairing the meeting at that point. No other conflicts were noted.

## 5. CONFIRMATION OF MINUTES

**Resolution: Cr Wilson Moved, Cr Forbes Seconded**

*That the minutes of the meeting held on 14 April 2022 be received and confirmed as a true and accurate record.*

**MOTION CARRIED**

## 6. ACTIONS

The Action register at 9 June 2022 was reviewed. Cr Malcolm asked Dr Palmer to follow up with Councillors regarding a previous query as to Department of Conservation responsibilities at Tomahawk Lagoon. Dr Palmer acknowledged the request.

## 7. PRESENTATIONS

Phil Murray (Acting Programme Manager) and Richard Bowman (Chair) presented the Central Otago Wilding Conifer Control Group Annual Report to the Committee. Following Councillor questions, Co-Chair Hope thanked the two for the presentation.

## 8. MATTERS FOR CONSIDERATION

### 8.1. Environmental Implementation Quarterly Update

This report was provided to update the Committee on operational implementation activities undertaken in freshwater, biosecurity, and biodiversity as a complement to Annual Plan reporting. Andrea Howard (Manager Environmental Implementation) and Dr Gavin Palmer (GM Operations) were available to respond to questions of the report.

Councillors asked questions about the Integrated Catchment Management process and Ms Howard informed them more detail would be provided at an upcoming meeting which would allow further discussions of makeup of a governance group and proposed consultations.

Councillor Malcolm requested a workshop be conducted with Councillors prior to the report being added to an agenda. Additional questions were considered related to development of stormwater and septic tank education programmes, control of wilding pines, the Lake Hayes restoration work programme, and rabbit control. Cr Laws asked that future reporting on rabbit control include comparisons of night count numbers as that method of counting had been historically consistently used and would provide a good basis to determine whether

current control methods were working. Ms Howard agreed to include that information in future reports.

Following further questions, Cr Malcolm thanked Ms Howard and Dr Palmer for the informative report that detailed the large amount of work underway across the ORC in the environmental implementation space. Cr Noone then moved:

**Resolution IMP22-108: Cr Noone Moved, Cr Malcolm Seconded**

That the Committee:

- 1) **Notes** this report.
- 2) **Notes** the range of implementation activities being undertaken to maintain and improve Otago Regional Council's delivery of environmental implementation activities.
- 3) **Requests** staff to arrange a workshop on Integrated Catchments prior to a paper coming to Council.

**MOTION CARRIED**

*Co-Chair Bryan Scott assumed chairing the meeting after Cr Hope sat back due to a potential conflict.*

**8.2. River Management Update**

The report provided a quarterly summary of river management operational activities, including gravel extraction consents, 2022/23 work programme development, and asset management plans for riverbank plantings. Michelle Mifflin (Manager Engineering), Brett Paterson (Project Manager - Engineering), Pam Wilson (Infrastructure Engineering Lead) and Dr Palmer (GM Operations) were available to respond to questions about the report.

Cr Wilson asked about boundary alignment of the Clutha River catchment and the Dunedin catchment, noting they don't align with catchment management zones. Dr Palmer said they were legacy boundaries mapped to territorial authority boundaries and said it made sense to reevaluate whether they should be mapped to catchment boundaries. Cr Wilson also mentioned she would like to see a riverbank planting guide developed with the community as there was much experience to be harvested in this space. Cr Forbes thanked staff for the collaborative work on the report.

**Resolution IMP22-109: Cr Wilson Moved, Cr Forbes Seconded**

That the Committee:

- 1) **Notes** this report.
- 2) **Notes** the progress that is being made with the reporting, planning and progression of the framework that supports river management activities.

**MOTION CARRIED**

**8.3. Flood Recovery 2020 Progress Update**

The report was provided to update the Committee on continuing recovery from damage resulting from flooding in February 2020. Michelle Mifflin (Manager Engineering), Brett Paterson (Project Manager - Engineering) and Dr Palmer (GM Operations) were available to respond to questions about the report. Following questions from Councillors, Cr Hope moved:

**Resolution IMP22-110: Cr Hope Moved, Cr Noone Seconded**

*That the Implementation Committee:*

- 1) **Notes** this report
- 2) **Notes** that the flood recovery programme is expected to be complete by April 2023.
- 3) **Notes** that the expected overall unbudgeted flood recovery costs remain \$3.9M as estimated in May 2020.
- 4) **Notes** the contribution of \$608,000 towards flood recovery from MBIE as part of the Climate Resilience programme.
- 5) **Notes** the expected contribution of \$598,000 towards flood recovery from NEMA.

**MOTION CARRIED**

**9. CLOSURE**

There was no further business and Co-Chair Bryan Scott declared the meeting closed at 5:18 pm.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

## OPEN ACTIONS FROM RESOLUTIONS OF THE IMPLEMENTATION COMMITTEE AT 11 AUGUST 2022

| Meeting Date | Item  | Status      | Action Required  | Assignee/s                 | Action Taken  | Due Date   |
|--------------|---|-------------|--|----------------------------|---|------------|
| 08/12/2021   | ENV2102 Decision on Future of Rabbit Control Assets   | Completed   | Report back prior to 30/06/2022 with options for the Galloway depot and oat processing equipment, to include information on values of the property, buildings and equipment.<br><b>Res IMP21-119</b> | General Manager Operations | <p><b>19/01/2022 Executive Assistant</b></p> <p>To start</p> <p><b>23/02/2022 Executive Assistant</b></p> <p>The working party comprising Cr Kelliher and staff met on 24 February 2022 to discuss how to develop options for the Galloway depot and oat processing equipment for Council consideration.</p> <p><b>01/06/2022 Executive Assistant, Operations</b></p> <p>A report was provided to the 29 June 2022 Council meeting.</p> | 30/06/2022 |
| 09/06/2022   | OPS2220 Environmental Implementation Quarterly Update | Completed   | Arrange a workshop on Integrated Catchments prior to a paper coming to Council.<br><b>Res IMP22-108</b>  | General Manager Operations | <p><b>26/07/2022 Governance Support Officer</b></p> <p>A 1.5 hour briefing on Integrated Catchment Management was conducted on 30 June 2022 at 1pm.</p>   | 30/06/2022 |
| 09/03/2022   | OPS2206 Environmental Implementation Quarterly Update | In Progress | Develop a credible methodology to measure effectiveness of the Pest Management Plan with regards to combatting the #1 pest in Otago (rabbits).<br><b>Res IMP22-102</b>                               | General Manager Operations | <p><b>28/03/2022 Executive Assistant</b></p> <p>This is currently under investigation by the Environmental Implementation Team</p> <p><b>22/04/2022 Executive Assistant</b></p> <p>A paper will be brought to the September 2022 meeting of the Data and Information Committee on the Regional Pest Management Plan Monitoring Framework</p>  |            |

### 8.1. Ministry of Education Memorandum of Understanding - Review of School Bus Services

**Prepared for:** Implementation Committee  
**Report No.** PPT2212  
**Activity:** Transport - Public Passenger Transport  
**Author:** Garry Maloney, Principal Advisor – Transport Planning  
**Endorsed by:** Gavin Palmer, General Manager Operations  
**Date:** 11 August 2022

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#### PURPOSE

- [1] This report seeks a decision from Council (ORC) to become a party to a Memorandum of Understanding (MoU) with the Ministry of Education (MoE) establishing how the two organisations will work together to plan and implement a staged transition between Ministry and public transport services (with a particular focus on Queenstown at this time).

#### EXECUTIVE SUMMARY

- [2] Reflecting statutory roles, the MoE is seeking to enter into an MoU with ORC to establish how the two organisations will work together to plan and implement a staged transition between services in the Otago region (that is, not limited to Queenstown), where the MoE determines it is providing services to ineligible students.
- [3] Noting that the MoE does not need ORC's agreement to apply its policy, Council are recommending that Council agree to enter such an arrangement. The best way to try and reduce the disruption to students that such an MoE review will have, is to actively engage and work with the MoE (and affected territorial authorities) and plan for the transition.
- [4] The proposed MoU (appended):
- provides a framework for the MoE and ORC to collaborate on the provision of school transport services within the existing public transport network in the Otago region in line with their respective policies, guidelines and funding arrangements.
  - sets out how the MoE and ORC will work together, including that they will engage with affected district councils (that is, Queenstown Lakes District and Dunedin City Councils).
  - is not legally binding on either party and has a term of three years, unless terminated earlier (with six months' notice).
- [5] The MoE estimates there are about 700 students ineligible to continue to receive its school transport assistance in the Wakatipu Basin and is seeking to transition those students to the public transport network.
- [6] The MoE has indicated their intention is for the transition of Queenstown services to be resolved as quickly as possible, with a full transition completed by January 2025.

- [7] The OtRC wants to ensure any transition from MOE provision of bus transport services for students to the provision of those services within the public transport network is as seamless as possible for the community.
- [8] The MoU has been shared with staff of both Queenstown Lakes District (QLDC) and Dunedin City councils (DCC) for comment. It will also go to the Wakatipu Transport Governance Group on 5 August 2022.
- [9] Feedback from both territorial authorities is that they should be parties to the MoU. Neither of them has overtly indicated a desire to need an approval process between all parties prior to ORC undertaking its statutory functions.
- [10] An approval process involving four signatories is not recommended by ORC staff, as the statutory function for planning and providing transport services to students in Otago sits with MoE and ORC and is consistent with ORC processes to deliver its public transport function.
- [11] Recognising that QLDC is a co-investor and its interest in this matter, Clause 8 of the proposed MoU, states that ORC will engage with QLDC in any transition planning or community engagement. This is further reinforced in Appendix A of the MoU.
- [12] In the view of staff, this is the correct means to address the issues that QLDC has raised to date (that is, actively involve them in the transition planning).

## RECOMMENDATION

*That the Implementation Committee:*

- 1) **Notes** this report.
- 2) **Agrees** to enter a Memorandum of Understanding with the Ministry of Education to work together to plan and implement staged transitions between Ministry and public transport services.
- 3) **Notes** the proposed Memorandum of Understanding provides for Council to engage with the relevant territorial authorities in planning transitions between Ministry and public transport services.

## BACKGROUND

- [13] The 9 December 2021 Council Meeting agenda<sup>1</sup> contained a report called 'Ministry Review of Wakatipu Basin School Bus Services and Dunedin Changes' that advised of a proposal from the Ministry of Education (MoE) to review the school bus services it provides in Queenstown.
- [14] The schools which the MoE has had early conversations with are:
- Wakatipu High School;
  - Queenstown School;
  - Remarkables Primary School;
  - Shotover Primary School;
  - St Joseph's School (Queenstown);
  - Kingsview School; and

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<sup>1</sup> <https://www.orc.govt.nz/media/11406/council-agenda-20211209.pdf>; Item 7.2; Report No OPS2106; pages 19 to 26.

- Te Kura Whakatipu o Kawarau (opening 2022).
- [15] The MoE transport assistance eligibility criteria are (and a child must meet all three to be eligible):
- “1. *The school must be the closest state or state integrated school your child can enrol at ...*
  2. *Your child must live more than a certain distance from the school:*
    - *Years 1-8: At least 3.2 km from the school (over the shortest public road or pedestrian route from home roadside gate to the school’s front gate).*
    - *Years 9-13: At least 4.8 km from the school (over the shortest public road or pedestrian route from home roadside gate to the school’s front gate).*
  3. *There must be no suitable public transport options.”<sup>2</sup>*
- [16] “Suitable” public transport means public transport must travel within:
- 2.4 km of the roadside gate of your home;
  - 2.4 km of the closest appropriate school; and
- the student:
- won't have to be picked up before 7:00 am;
  - can get to school before it starts;
  - can be picked up no later than one hour after school finishes; and
  - won't have to change buses more than once on a journey.
- [17] Conversations with the MoE last year indicated it thought there were about 700 students that were ineligible to continue to receive MoE school transport assistance, as Queenstown had suitable public transport. This is an MoE assessment and would mean that approximately 13 additional buses would be needed to cover the services with the addition of school student volumes. More detailed analysis during the transition planning period will be needed to confirm this.
- [18] It should be noted that in addition to MoE services, school children also currently use the Queenstown public transport service to travel to/from school (such as Wakatipu High School in Hawthorne Drive, Frankton).
- [19] Reflecting statutory roles, the MoE is seeking to enter an MoU with ORC to establish how the two organisations will work together to plan and implement a staged transition between services in the Otago region (that is, not limited to Queenstown), where the MoE determines it is providing services to ineligible students. The Draft MoU is appended.
- [20] Staff understand this is consistent with its intended approach nationally (one MoU per region where there may be a need to transition services). It is not a signal that MoE is seeking to transition its whole Otago network to Council.
- [21] Staff of the two organisations have developed the appended MoU which ORC staff are recommending Council approve.

## DISCUSSION

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<sup>2</sup> <https://parents.education.govt.nz/primary-school/your-child-at-school/school-transport-assistance/#eligibility>

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- [22] As noted above, the MoE is seeking to sign an MoU with Council and staff from both organisations have worked together to develop the appended document.
- [23] It is not the purpose of the MoU to litigate whether the MoE should apply its policy (there are other mechanisms for that). The MoU intent is to minimise disruption to students that such a transition will incur, by ORC actively engaging and working with QLDC and the MoE to plan for the transition.
- [24] It is worth stressing that ORC and MoE agreeing an MoU is desirable if the shared objective of any transition is to reduce the impact on students and their families, but failure to do so will not prevent the MoE applying its national policy and removing the transport services it is providing to ineligible students.
- [25] The proposed MoU:
- provides a framework for the MoE and ORC to collaborate on the provision of school transport services in the Otago region in line with their respective policies, guidelines and funding arrangements;
  - sets out how the MoE and ORC will work together, including that they will engage with affected district councils (that is, Queenstown Lakes District and Dunedin City Councils);
  - is not legally binding on either party and has a term of three years, unless terminated earlier (with six months' notice).
- [26] The contents of the proposed MoU (and therefore the MoU itself) are agreeable to MoE and ORC staff.
- [27] The MoE has indicated that their intention is for the transition of Queenstown services to be resolved as quickly as possible, with a full transition completed by January 2025.
- [28] Where there may be sufficient unused capacity on the public service, transition changes could take place from school Term 1, 2023. This may produce mutual benefits where the transition of students releases a Ministry bus that could then be reallocated to meet demand in the Wakatipu MoE network, while the public service would grow patronage and fare revenue.
- [29] Clauses 17 to 19 within the section called 'Transition Planning' specify how that will proceed. The key first step is to prepare a strategic area plan (SAP) for Queenstown that will set out what the transition will look like. For ORC, a key part of this work will be to ascertain bus capacity on the public network as an input to staging the transition and that work has commenced.
- [30] Preparation of the Queenstown SAP will also enable Council and its public transport partners to understand what the future cost implications may be. In regard to Waka Kotahi NZ Transport Agency, that would enable both parties to define the process to obtain financial co-investment.
- [31] It will also be useful as a potential input to the preparation of the Queenstown Public Transport Business Case.

- [32] Following the development of the Queenstown SAP, is more detailed transition planning and then implementation.
- [33] In regard to transition planning, Appendix A of the proposed MOU makes it clear that ORC and the MoE will establish a project team to assist with that planning that will include QLDC representation (the same would happen with DCC if the parties were reviewing services in Dunedin).
- [34] As noted above, the first stage of a transition will be trying to match numbers of ineligible students with current available capacity on the Queenstown public transport network. That should not come at any additional cost to ORC; that is more likely for later transition stages.
- [35] For the later transition(s), staff anticipate that will involve conversations with the community in regard to the service that may be provided. For example, a current issue relates to whether or not within the bus's legal loading limit, students should have to stand if all the seats are taken. If ORC has to respond to that issue, options that we can offer the community include retaining the practice or not. Should the community not want the practice to be retained, that will come at an extra cost, and we should seek a view on that from the community. That choice should also apply to whether Council provides dedicated school buses, etc.
- [36] It is the view of ORC staff that this is the key part of the proposed transition – how we plan for the change. That is a more a matter between ORC and public transport co-investor partners, than for the MoU.
- [37] It is likely that the removal of free MoE bus services would not be met positively by the Queenstown community (and schools). That notwithstanding, the final decision on whether MoE services are removed will be the MoEs.
- [38] It's likely that even if the MoE services are replaced by the exact same public service (that is, the same routes and free to use), the change will still be opposed by some. And it is also likely that with the latter, based on experience in Tauranga where the MoE removed services catering to several thousand school students, some parents will choose to transport their children to school by car instead of using the replacement public service.

#### **District Council Engagement**

- [39] As noted earlier in the report, the geographic scope of the proposed MoU is the Otago Region and that currently encompasses public transport services in Queenstown and Dunedin.
- [40] The appended MoU has been shared with staff of both QLDC (on two occasions) and DCC for comment. It will also go the Wakatipu Transport Governance Group meeting on 5 August 2022.
- [41] It appears that QLDC does not favour the MoE reviewing the provision of its services in Queenstown, especially given many students will likely no longer be eligible to access free MoE school transport.

- [42] QLDC has also raised other issues such as students having to stand on buses, signage on buses carrying students, the impact that transitioning students from free to fare-paying services may have on increase in private vehicle travel, etc.
- [43] These are operational matters that need to be resolved in a transition, but they are not what the MoU is about. The MoU is about the MoE applying its national school transport assistance policy in the Queenstown area (as it no doubt will be doing in other places) and wanting to work with the public transport authority (ORC) to reduce the impact of that policy's application.
- [44] The only feedback to date from staff at DCC is a view that DCC should be a party to the MoU.
- [45] Council should note, the MoE does not need ORC's agreement to apply its policy. It can do that with or without Council's approval.

### **OPTIONS**

- [46] As to how Council responds to the approach from the MoE, the Council has two options as follows:
- Option A – agree to enter an MoU with MoE; or
  - Option B – do not agree to enter an MoU with MoE.
- [47] Staff recommend Option A. That is because whether there is agreement or not at a philosophical level with the MoE's proposed action to review its Queenstown services, the MoE is acting within its mandate and policy. As noted earlier, the MoE does not need approval or otherwise from local government to do so (and that's not what the MoU is about).
- [48] Staff suggest that the best place to raise a philosophical disagreement of a central government department undertaking or proposing to undertake its function in the Queenstown area, would be at the Grow Well Whai Ora Partnership Governance Group, rather than try to address it in any MoU.
- [49] If the objective is to try and reduce the disruption to students that such a review will have, the best way to do so is to actively engage and work with the MoE (and affected territorial authorities) and plan for the transition.
- [50] Should Council agree to enter an MoU, it also has the following options in regard to its territorial authority partners:
- Option 1 – seek the inclusion of the Queenstown Lakes District and Dunedin City Councils as parties to the MoU; or
  - Option 2 – restrict the MoU to ORC and MoE but ensure it the MoU specifies that ORC will engage with the territorial authorities in any transition planning or community engagement.
- [51] Feedback from both territorial authorities seems to be that they should be parties to the MoU. While that is not the preferred option of MoE, MoE staff have verbally indicated that based on simply amending the appended MoU to add the two territorial authorities as "parties", they would be agreeable to such a change.

- [52] The recommended option is Option 2.
- [53] As noted in the proposed MoU, the statutory function for providing school transport services to students in Otago sits with MoE and ORC. That is where the decisions are made and that is what the MoU reflects. This is also consistent with ORCs current governance processes relating to its public transport function.
- [54] Recognising that QLDC is a co-investor and its interest in this matter, clause 8 of the proposed MoU states that ORC (and MoE) will engage QLDC in any transition planning or community engagement. This is further reinforced in Appendix A of the MoU.
- [55] In the view of staff, this is the more important part of the process and the correct means to address the issues that QLDC has raised to date (that is, actively involve them in the transition planning).
- [56] It should also be noted that ORC is already part of three formally agreed partnerships (Grow Well Whai Ora, Way to Go and Connecting Dunedin) that provide mechanisms to address the matters raised to date by QLDC.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [57] ORC's 2021/31 Long-Term Plan outlines how activities undertaken by Council will help to achieve community outcomes. One of the Community Outcomes that ORC aims to achieve is sustainable, safe, and inclusive transport. Council working with QLDC and the Wakatipu Basin school communities will help deliver this outcome.
- [58] The current Regional Public Transport Plan (RPTP) does not specifically address the current approach from MoE, other than noting that *"the ORC will in the long term, not contract bus services specifically for school children"* (section 5.3.2, page 54).

### **Financial Considerations**

- [59] There are no financial considerations at this time relating to the proposed MoE Queenstown school bus transition, but as outlined earlier in the report, implementing the later stages of a transition will likely come at additional cost.
- [60] Agreeing to become a party to the MoU does not mean that Council is obligated to incur those costs. Clearly this will be a conversation it will need to have with its community and that needs to take place as part of a larger conversation on implementing the outcomes from the Public Transport Business Case (currently in preparation).
- [61] We have assessed the additional required resources at approximately 13 buses at peak school periods, a cost which ORC will bear. However more detailed analysis will be needed to confirm this as part of the transition period.

### **Significance and Engagement Considerations**

- [62] There are no significance considerations.
- [63] As noted earlier in the report the MoE has communicated with schools that may be affected by its review and ORC has engaged with QLDC and DCC staff (and reported on subsequent feedback from both territorial authorities).

**Legislative and Risk Considerations**

- [64] There are no legislative considerations in regard to the proposed decisions sought in this paper.
- [65] As mentioned in the report, if the objective is to try and reduce the disruption to students that such a review will have, the best way to do so is to actively engage and work with the MoE (and affected territorial authorities) and plan for the transition and the staff recommendations reflect that approach.

**Climate Change Considerations**

- [66] A review by MoE of its services will result in change. One of the outcomes from that will likely be an increase in private vehicle travel as parents/caregivers choose that mode over public transport to transport their children to/from school (that is, an increase in carbon emissions).
- [67] The best way to respond to that outcome and reduce additional emissions is to work with the MoE and community to plan for the transition.

**Communications Considerations**

- [68] As noted above, MoE has communicated with the potentially affected schools in Queenstown.
- [69] There are no other communications considerations at this time relating to the staff recommendations. However, should Council agree with the staff recommendations, staff will need to prepare and action a comprehensive communication and engagement plan.

**NEXT STEPS**

- [70] If Council agrees with the staff recommendations, the next steps are:
- Chief Executive to sign the MoU;
  - develop a project plan including a Communications and Engagement component; and
  - commence work on the SAP.

**ATTACHMENTS**

1. Proposed MoE ORC MoU [8.1.1 - 7 pages]



SCHOOL TRANSPORT: TRANSITION TO PUBLIC TRANSPORT  
MEMORANDUM OF UNDERSTANDING BETWEEN

MINISTRY OF EDUCATION AND OTAGO REGIONAL COUNCIL

THIS MEMORANDUM OF UNDERSTANDING (MOU) IS ENTERED INTO BETWEEN:

The Ministry of Education, hereinafter referred to as “MOE”, having its head office at **PO Box 1666, Wellington 6140**, and being represented by James Meffan, General Manager School Transport,

AND

Otago Regional Council, hereinafter referred to as “ORC”, having its head office at **Private Bag 1954, Dunedin 9054**, and being represented by Gavin Palmer, General Manager Operations.

Both hereinafter referred to as the “Participants” collectively, or “Participant” individually.

There is no intention that this Memorandum of Understanding (MOU) be legally binding on either Participant.

**Purpose**

1. This MOU provides a framework for the Participants to collaborate on the provision of school transport services in the Otago region in line with the respective Participants’ policies, guidelines and funding arrangements.
2. Taking this collaborative approach will help reduce disruption to school transport users while better enabling the Participants to achieve their respective organisational objectives.
3. This MOU recognises that while both organisations are engaged in providing school transport services to students, the Participants operate within different policy and funding constraints and towards different objectives. Each Participant is responsible for ensuring that any operational decision made as a result of the collaboration guided by this MOU aligns with their organisation’s policies and objectives.

**Background and Scope**

4. MOE routinely reviews all MOE funded School Transport bus services to ensure ongoing alignment with policy. Where possible, MOE wishes to engage with Regional Councils to align with Regional Councils’ funding planning cycles and ensure smooth transition through any resultant changes.

5. MOE is currently undertaking an extensive review of routes in the Otago Region. MOE and ORC undertake to collaborate to identify changes to their respective current network operations and develop and execute transition plans as appropriate. That does not imply ORC will as of right, replace out of policy MoE services with like for like or any service.
6. The first part of the review will focus on the Queenstown services. Further information on this review is provided in Appendix A.

#### **How the Participants Will Work Together**

7. The relationship between the Participants will be based on:
  - a. Trust – the Participants will be open, honest and trusting in their communication and interactions with each other;
  - b. Co-operation – the Participants will work co-operatively with each other in undertaking their actions and assisting the other in carrying out their respective roles;
  - c. Communication – the Participants will work together in a transparent and collaborative way sharing relevant information, engaging in early meaningful consultation, listening and valuing each other’s input;
  - d. No surprises – the Participants will adopt a “no surprises” approach with each other;
  - e. Good faith – the Participants will act in good faith in all their dealings with each other; and,
  - f. Best Endeavours – the Participants will use their best endeavours to ensure the timely implementation planning for, funding and implementation.
8. The Participants agree to engage with Queenstown Lakes District Council and Dunedin City Council (as relevant to the services proposed for transition) on matters relating to transition planning and any associated community engagement. ORC will lead engagement with Queenstown Lakes District Council and Dunedin City Council regarding any resulting changes to their public transport networks through existing Way to Go and Connecting Dunedin partnering arrangements. MOE will provide support to ORC on an as required basis.

#### **MOE policies and objectives**

9. MOE is funded through Vote Education, receiving a dedicated school transport appropriation to assist caregivers in meeting their responsibility to get their children to school by helping students overcome barriers to education.
10. MOE is required to spend government funds in line with agreed policy. This means that school transport assistance is only available to those students who meet all three of the following eligibility criteria:
  - a. They are attending their closest (State or State-integrated) school
  - b. They live more than a certain distance from school:
    - 3.2km for Years 1 - 8
    - 4.8km for Years 9 - 13

c. There is no suitable public transport available

11. "Suitable" public transport means, public transport must travel within:
- 2.4 km of the roadside gate of your home, and
  - 2.4 km of the closest appropriate school

The student:

- won't have to be picked up before 7am
- can get to school before it starts
- can be picked up no later than one hour after school finishes
- won't have to change buses more than once on a journey

#### **ORC objectives**

12. Part 5 of the Land Transport Management Act 2003 (LTMA) regulates public transport in New Zealand.
13. One of the key principles of the LTMA is that *"regional councils and public transport operators should work in partnership and collaborate with territorial authorities to deliver the regional public transport services and infrastructure necessary to meet the needs of passengers."*
14. The LTMA enables regional councils to prepare Regional Public Transport Plans (RPTP) and to regularly review those.
15. The current (2021) Otago RPTP contains a vision to have inclusive, accessible, and innovative public transport that connects Otago and contributes positively to its community, environment and economy.
16. ORC has 5 key objectives as set out in the 2021-2031 Otago Regional Public Transport Plan:
- Contribute to carbon emission reduction and improved air quality through increased public transport mode share and sustainable fleet options.
  - Deliver an integrated Otago public transport network of infrastructure, services and land use that increases choice, improves network connectivity and contributes to social and economic prosperity
  - Develop a public transport system that is adaptable.
  - Establish a public transport system that is safe, accessible, provides a high-quality experience that retains existing customers, attracts new customers and achieves high levels of satisfaction
  - Deliver fares that are affordable for both users and the community.

#### **Transition Planning**

17. The Participants agree to develop joint strategic area plans (SAPs) that reflect the matching geographic coverage of MoE and ORC networks for the purpose of quantifying at a high level the scale of the transition to be addressed. At a minimum, each SAP will address:

- a. the scale of the current and forecast out of policy transport demand that will arise from MOE restoring routes to policy;
  - b. the current and forecast available capacity of the public transport network; and
  - c. proposed transition implementation timeframe.
18. Following the development of the SAP, the Participants intend to develop transition plans to give effect to the SAP. At a minimum, each transition plan will provide greater detail on the contents of the SAP, including a communication and engagement plan.
19. Following preparation of the SAP, ORC will continue to collaborate with MoE to develop and implement transition plans (at its discretion), recognising that MoE will determine which routes need to be brought back within policy.

#### **Exclusions**

20. Nothing in this MOU shall affect, fetter or restrict the Participants' statutory decision making, rights or obligations under all relevant legislation.
21. Nothing in this MOU shall limit or affect any obligations of the Participants under any prior existing strategy, policy or agreement it has entered into.

#### **Confidentiality, Privacy and Disclosure**

22. The Participants agree to share resources including but not limited to: applicable intellectual property, applicable data, applicable procedures, joint communications.
23. Information provided by one Participant to the other may not be disclosed to any third party without the prior written consent of the Participant that supplied the information, except where a Participant is authorised or required by law to disclose the information.
24. Publications and public communications on joint activities are to be co-ordinated.
25. The contents of this MOU and any subsequent memorandums may be reported on, disclosed to any person, including pursuant to an official information request under legislation.

#### **Memorandum Not Binding**

26. The Participants acknowledge that this MOU is intended as a statement of mutually agreed intentions. It is not intended to create legally enforceable rights or obligations. However, the Participants agree that they will apply the principles of the MOU in good faith. The provisions of this MOU are subject to any Government direction or policy change.

#### **Financial Obligation**

27. Co-operative activities under this MOU are subject to and dependent upon the availability of funds and personnel. Decisions on funding for joint activities will be made by mutual arrangement between the Participants. Neither participant is required to administer funds pursuant to this MOU.

**Duration**

28. This MOU will remain in effect for a period of **[three (3)]** years from the date of signature. This MOU may be amended or extended by prior written consent between the Participants, with the understanding that either Participant may terminate this MOU by sending at least six (6) months prior written notice to the other Participant.

**No legal rights or obligations**

29. This MOU does not create any legal rights or obligations.

**Representatives and oversight**

30. Representing the MOE at the Senior Manager level will be Rhona Hewitt, Manager Planning & Liaison. MOE will be represented at the Operational Level by Niall Duncan, Service Design & Planning Lead.
31. Representing ORC at the Senior Manager level will be Doug Rodgers, Manager Transport and at the Operational Level will be Garry Maloney, Principal Advisor – Transport Planning.
32. Operational staff agree to meet at least once a month, with biannual meetings between Senior Managers.
33. Participants will in good faith attempt to resolve any difference of opinion in the spirit of this MOU. Any issues that cannot be resolved in a timely manner between officers at Senior Manager Level will be escalated to James Meffan, Group Manager School Transport (MOE) and Gavin Palmer, General Manager Operations (ORC).

**Notices and Communications**

34. The primary contacts to be used by the Participants for written or verbal communications in relation to this MOU are:
- a. MOE: Niall Duncan; E: [niall.duncan@education.govt.nz](mailto:niall.duncan@education.govt.nz); M: [TBC].
  - b. ORC: Garry Maloney; E: [garry.maloney@orc.govt.nz](mailto:garry.maloney@orc.govt.nz); M: 021 929 310.

**FOR THE  
MINISTRY OF EDUCATION**

**FOR  
OTAGO REGIONAL COUNCIL**

\_\_\_\_\_  
*Name  
Title*

*Date:*

\_\_\_\_\_  
*Name  
Title*

*Date:*

DRAFT

## Appendix A

### Queenstown Route Review Scope

1. A recent analysis by MOE of the school transport service provision in Queenstown has identified a significant number of students currently receiving MOE travel assistance do not meet their eligibility criteria and likely need to be transitioned off their services. Ideally, these students will be transitioned to suitable public transport services.

### Project Planning

2. The Participants agree to establish a project team with Queenstown Lakes District Council representation (relevant to the services proposed for transition) to assist with the transition planning.

### Stakeholder Engagement

3. The Participants agree to engage with the following parties around the transition of services:
  - Queenstown Lakes District Council (QLDC)
  - Schools
    - Wakatipu High School;
    - Queenstown School;
    - Remarkables Primary School;
    - Shotover Primary School;
    - St Joseph's School (Queenstown);
    - Arrowtown School;
    - Kingsview School; and
    - Te Kura Whakatipu o Kawarau

### Potentially affected services:

- MOE
  - D130411, D130412, D130413, D130414, D130415, D130416, D130417, D130418, D130419, D130420, D130421, D130422, D130423, D130424, D130425, D130426, D130431, D130434.
- ORC
  - 1, 2, 3, 4, 5
- Further routes/services in Queenstown may be included by mutual agreement between the Participant Senior Managers, and the Appendices updated as planning progresses.

## 8.2. Continuation of Half-Price Public Transport Fares

**Prepared for:** Council  
**Report No.** PPT2210  
**Activity:** Transport - Public Passenger Transport  
**Author:** Garry Maloney, Principal Advisor – Transport Planning  
**Endorsed by:** Gavin Palmer, General Manager Operations  
**Date:** 11 August 2022

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### PURPOSE

- [1] This paper seeks decisions from Council on whether to:
- continue the current half price public transport fare initiative until the end of January 2023;
  - implement central government’s Community Connect half-priced public transport fare initiative from February 2023, for Community Service Card holders using public transport; and
  - extend the eligibility hours for SuperGold Card concession travel.

### EXECUTIVE SUMMARY

- [2] On Monday, 14 March 2022, the Prime Minister announced as part of a package to reduce the impact of high fuel prices on the country, that “all public transport fares will be half price for the next three months” (1 April to 30 June 2022) to make public transport more affordable.
- [3] At the 23 March 2022 Council meeting, Council considered whether to implement central government’s half-priced public transport fare initiative and resolved that it:
- *“2) Approves reducing Total Mobility, Dunedin and Queenstown bus and Queenstown ferry public transport fares by 50% between 1 April and 30 June 2022.*
  - *3) Approves the implementation of the half fares within the constraints of the current vehicle/vessel fleets (that is, Council will not introduce extra capacity to meet excess demand).”*
- [4] On 19 May 2022, as part of budget announcements, central government advised that it would continue *“to support half-price public transport until August, as well as implementing an ongoing 50 percent concession for Community Services cardholders”* (CSC)<sup>1</sup>.
- [5] On 17 July 2022, central government announced half price public transport fares would be extended to 31 January 2023.
- [6] As Council resolved on 23 March 2022, staff recommend it agree to extend the half price fares to the end of January 2023.

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<sup>1</sup> <https://budget.govt.nz/budget/2022/wellbeing/investments/rising-cost-of-living.htm>

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- [7] The CSC concession (called Community Connect) will apply from that date and be applied to the adult smart card fare (not youth smart card fares, or cash fares). It will not apply to the Total Mobility scheme and does not have an announced end date.
- [8] Council has two options available to it. They are:
- Option 1: reduce the adult Bee Card bus and ferry fare by 50% for Bee card holding CSC holders (that is, implement Community Connect); or
  - Option 2: not reduce the adult Bee Card bus and ferry fares by 50% for Bee card holding CSC holders (that is, not implement Community Connect).
- [9] Staff recommend Option 1.
- [10] With respect to Community Connect, the fares that will be charged to customers from 1 February 2023 are shown in Figure 1.

#### Dunedin Bus Fares - 50% Community Connect reduction

|                   | Bee Card   |        | Cash   |
|-------------------|--|--------|--------|
|                   | Adult  | Youth  | All    |
| All               | \$2.00   | \$1.20 | \$3.00 |
| Community Connect | \$1.00   | \$1.00 | \$3.00 |
| SuperGold Card    | Free weekday 9:00 am - 3:00 pm, after 6:30 pm; all weekend |        |        |

#### Queenstown Bus Fares - 50% Community Connect reduction

| Zones travelled   | Bee Card   |        | Cash    |        |
|-------------------|--|--------|---------|--------|
|                   | Adult  | Youth  | Adult   | Youth  |
| All               | \$2.00   | \$1.50 | \$5.00  | \$4.00 |
| Community Connect | \$1.00   | \$1.00 | \$5.00  | \$4.00 |
| Airport           |  |        | \$10.00 | \$8.00 |
| SuperGold Card    | Free weekday 9:00 am - 3:00 pm, after 6:30 pm; all weekend |        |         |        |

#### Queenstown Ferry Fares - 50% Community Connect reduction

|                   | Single  | Return  | 10-Trip Concession |
|-------------------|---------|---------|--------------------|
| All               | \$10.00 | \$15.00 | \$50.00            |
| Community Connect | \$5.00  | \$7.50  | \$25.00            |

**Figure 1: Community Connect Fares**

- [11] To manage capacity and financial risks however, staff also recommend that if half price fares are implemented it is under the constraints of the current vehicle/vessel fleets. That is, Council will not attempt to introduce extra capacity in response to excess demand. That may mean some bus customers are left at stops to await the next service.
- [12] Should Council decide to implement the Community Connect fare concession there are some implementation issues to be overcome.
- [13] On 21 July 2022 ORC received via Chair Noone a request from Grey Power Otago Ltd for Council to extend the weekday eligibility period for the SuperGold Card concession, so that it is free from 9:00 am each day.
- [14] The cost to Council this financial year would be approximately \$7,500 per month. Staff are not recommending that the eligible period be extended, primarily for reasons of

equity (that is, there are other groups that could no doubt submit a similar rationale why they should also not pay a fare [e.g., tertiary students]) and the potential to impact on service utilisation at peak times.

## RECOMMENDATION

*That the Committee:*

- 1) **Notes** this report.
- 2) **Approves** extending the 50% reduced Dunedin and Queenstown bus and Queenstown ferry fares to 31 January 2023 in accordance with the Government extension to the initiative.
- 3) **Approves** reducing the Dunedin and Queenstown bus and Queenstown ferry adult Bee Card fare by 50% for those card holders that also are Community Services cardholders from 1 February 2023.
- 4) **Approves** the implementation of the half price fares within the constraints of the current vehicle/vessel fleets (that is, Council will not introduce extra capacity to meet excess demand).
- 5) **Declines** to extend the eligible period for weekday SuperGold travel from 3pm to 6:30pm as requested by Grey Power Otago Ltd.

## BACKGROUND

- [15] On Monday, 14 March 2022, the Prime Minister announced as part of a package to reduce the impact of high fuel prices on the country, that “*all public transport fares will be half price for the next three months*” (1 April to 30 June 2022) to make public transport more affordable.
- [16] At the 23 March 2022 Council meeting, Council considered whether to implement central government’s half-priced public transport fare initiative and resolved that it:
- “2) Approves reducing Total Mobility, Dunedin and Queenstown bus and Queenstown ferry public transport fares by 50% between 1 April and 30 June 2022.
  - 3) Approves the implementation of the half fares within the constraints of the current vehicle/vessel fleets (that is, Council will not introduce extra capacity to meet excess demand).”

[17] Figures 2 and 3 show bus patronage in Dunedin and Queenstown over the past five years including the period since the introduction of half price fares.

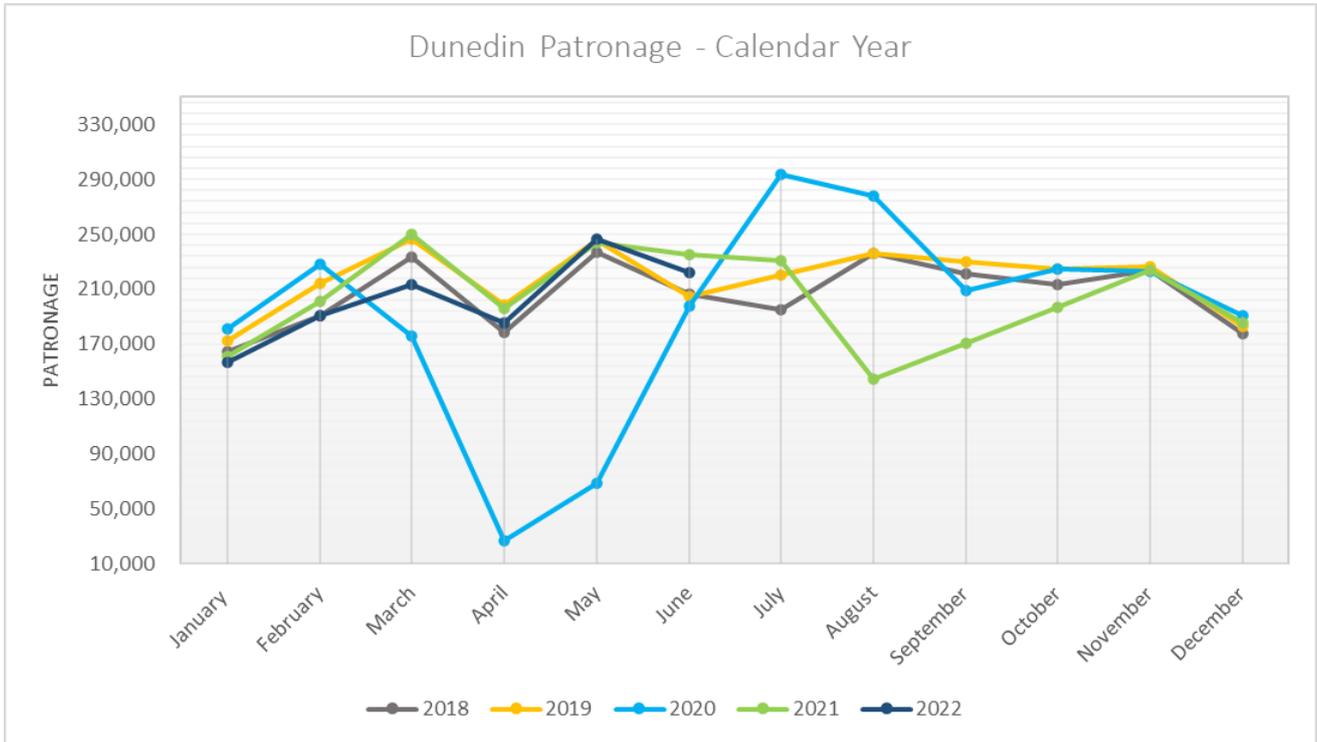


Figure 2: Dunedin Bus Patronage by Month (annual comparison)

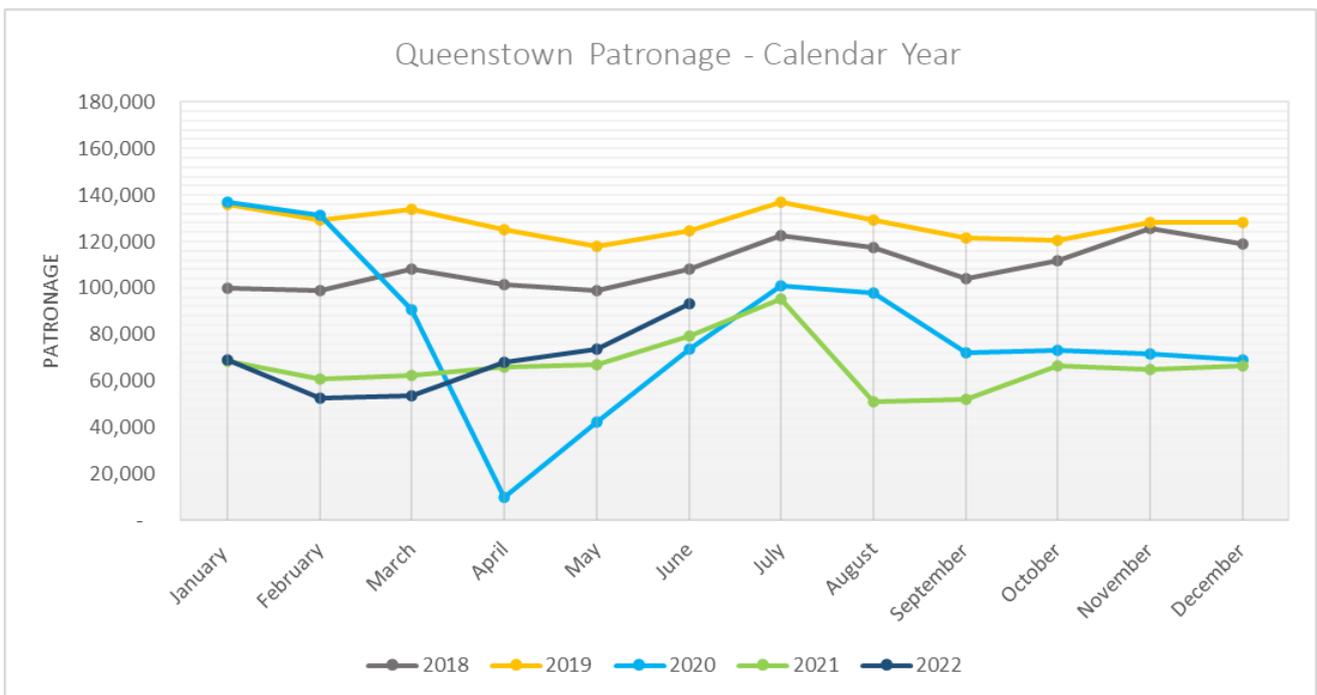


Figure 3: Queenstown Bus Patronage by Month (annual comparison)

- [18] On 19 May 2022, as part of budget announcements, central government advised that it would continue *“to support half-price public transport until August, as well as implementing an ongoing 50 percent concession for Community Services cardholders”* (CSC)<sup>3</sup>.
- [19] The CSC concession (called Community Connect) will be applied to the adult smart card fare (not youth smart card fares, or cash fares).
- [20] The Community Connect scheme does not apply to the Total Mobility scheme and does not have an announced end date.
- [21] As for the March 2022 central government announcement, staff again understand that it is Council’s decision to opt in to the Community Connect proposal.
- [22] If Council chooses, the initiative will apply to Council’s contracted public transport services – Dunedin and Queenstown urban bus services and with its agreement, the Queenstown ferry service.
- [23] On 17 July 2022, central government announced half price public transport fares would be extended to 31 January 2023<sup>4</sup> (and the Community Connect concession will apply thereafter). The half price fares will also continue to apply to Total Mobility until that time.
- [24] On 21 July 2022 ORC received a request via Chair Noone from Grey Power Otago Ltd for Council to show some *“compassion”* and extend the eligibility period for the SuperGold Card concession, because:
- *“for some time now the older people have been encouraged to stay home;*
  - *our survey has shown there are two effects from this(a) loneliness and (b) availability to have cash on hand;*
  - *we are aware of increasing social isolation as a result of the lockdowns and many are no longer going to their clubs or exercise classes;*
  - *with the current orange light system we are encouraging our people to go back to their normal activities in the hope they will feel more comfortable and resume their previous social activities;*
  - *with the disruption to bus timetables, we are concerned that this will result in people staying home because they cannot use the free travel as their normal buses are not available; and*
  - *we are being told the increasing cost of living is impacting quite badly on them and therefore there may be the reluctance to spend another \$1 on a bus fare”*<sup>5</sup>.
- [25] *“The SuperGold Card scheme was introduced in 2008. It allows cardholders to travel free on scheduled off-peak urban public transport — between 9.00am and 3.00pm and after 6.30pm from Monday to Friday, and all day on weekends and public holidays”*<sup>6</sup>.

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<sup>2</sup> As of May 2022, the Otago Region (not just Dunedin and Queenstown) had about 44,000 Community Services Card holders.

<sup>3</sup> <https://budget.govt.nz/budget/2022/wellbeing/investments/rising-cost-of-living.htm>

<sup>4</sup> <https://www.beehive.govt.nz/release/govt-provides-more-cost-living-support>

<sup>5</sup> E-mail from J Millar, President Grey Power Otago Inc, to D Rodgers, Manager Transport, ORC, 21 July 2022.

<sup>6</sup> <https://www.transport.govt.nz/area-of-interest/public-transport/supergold-card-scheme/#:~:text=Providing%20all%20eligible%20New%20Zealanders,peak%20travel%20on%20public%20transport.>

- [26] *“Originally the Government funded the scheme by reimbursing regional councils for individual fares ... in 2016/17 the Government shifted to a bulk funding approach”<sup>2</sup>.*
- [27] In June 2022, 3,432 Bee Cards with a registered SuperGold Card concession were used in Dunedin and Queenstown and made 27,436 trips. Of this number, 1,193 Bee Cards were used for peak travel (so paid a fare) and made 4,294 trips (equates to about \$3,700 for fares and \$3,700 from the central government half-price top up [GST exclusive]).
- [28] The last time that Bee Card holders with a registered SuperGold Card concession could travel for free from 9:00 am weekdays, that translated in to about an extra 2,000 trips taking place between 3:00 and 6:30 pm, compared to the normal hours of eligibility (November 2020 versus 2021).

### DISCUSSION

- [29] As noted above, in March 2022 Council resolved to implement central government’s half-priced public transport fare initiative and that has been well received to date with little issue (albeit that has been in an environment of service disruption and reduction).
- [30] That aside and given the initiative continues to be fully funded by central government, staff recommend that Council resolve to extend the half price fares in line with the 17 July central government announcement.
- [31] With respect to Community Connect, the fares that will be charged to customers from 1 February 2023 are shown in Figure 4.

#### Dunedin Bus Fares - 50% Community Connect reduction

|                   | Bee Card   |        | Cash   |
|-------------------|--|--------|--------|
|                   | Adult  | Youth  | All    |
| All               | \$2.00   | \$1.20 | \$3.00 |
| Community Connect | \$1.00   | \$1.00 | \$3.00 |
| SuperGold Card    | Free weekday 9:00 am - 3:00 pm, after 6:30 pm; all weekend |        |        |

#### Queenstown Bus Fares - 50% Community Connect reduction

| Zones travelled   | Bee Card   |        | Cash    |        |
|-------------------|--|--------|---------|--------|
|                   | Adult  | Youth  | Adult   | Youth  |
| All               | \$2.00   | \$1.50 | \$5.00  | \$4.00 |
| Community Connect | \$1.00   | \$1.00 | \$5.00  | \$4.00 |
| Airport           |  |        | \$10.00 | \$8.00 |
| SuperGold Card    | Free weekday 9:00 am - 3:00 pm, after 6:30 pm; all weekend |        |         |        |

#### Queenstown Ferry Fares - 50% Community Connect reduction

|                   | Single  | Return  | 10-Trip Concession |
|-------------------|---------|---------|--------------------|
| All               | \$10.00 | \$15.00 | \$50.00            |
| Community Connect | \$5.00  | \$7.50  | \$25.00            |

**Figure 4: Community Connect Fares**

- [32] The 23 March 2022 Council paper on the March central government announcements (called Bus and Ferry Fares, page 200 of that Agenda) raised a number of matters to note in regard to half price fares. They also apply to this matter (but to a lesser extent).

- [33] However, in addition to those, for the Community Connect proposal there are at least two key issues as follows:
- the Community Connect scheme does not apply to the Total Mobility scheme; and
  - implementing the concession for eligible public transport users.
- [34] The first issue is self-explanatory, but in regard to the second, the concession is intended to be accessed via public transport smart cards (such as the Bee Card). ORC is part of the Regional Integrated Ticketing System (RITS) consortium<sup>7</sup> that has deployed the Bee Card system.
- [35] For the concession to happen by a 1 February 2023 implementation date, the RITS consortium members will need to adjust each of their fare and tariffs documents to add a Community Connect concession.
- [36] The biggest challenge, however, is the mechanism for validating the concession. This is not a simple change that INIT (the supplier of the Bee Card system) can make to the system to automate the process. This may mean the concession needs to be validated manually (that is, through a one-to-one customer interaction). This is a RITS Consortium-wide issue.
- [37] There are also some issues with the CSC such as:
- it is not meant to be shown to access other than health services and if it is, the card holder can be penalised (staff understand Ministry of Health is in the process of changing this regulation); and
  - the card can be used by the card holder for their dependent children under 18 years of age (but those children will not be eligible to receive the half price fare).
- [38] In summary, should Council decide to implement the Community Connect fare concession there are some implementation issues to be overcome (which can be).
- [39] Regarding the SuperGold Card request, the concession is nationally funded and based on national criteria. If Council were to agree to the request, it appears it will not impact the current level of SuperGold Card funding Council receives from central government (ORC staff inquiries made of Waka Kotahi).
- [40] Outside the concession hours (before 9:00 am and between 3:00 – 6:30 pm, weekdays) SuperGold Card holders with Bee cards are required to pay a fare. Currently, like all other adult Bee card holders, they pay \$1 per trip and if Council agrees to extend the half price fare initiative, will do so until the end of January 2023.
- [41] Making weekday SuperGold Card concession travel free from 9:00 am onwards will require a change to the Bee Card ticketing system fares and tariffs document (so that Card holders are not charged a fare between 3:00 and 6:30 pm). There may be a cost for that, and it will take about four weeks to implement.

## OPTIONS

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<sup>7</sup> Comprising Northland, Waikato, Bay of Plenty, Hawkes Bay, Horizons, Taranaki, Nelson, Otago and Invercargill.

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- [42] As Council has previously agreed to implement the March 2022 half price fare concession and there have been no issues with it, staff have recommended that it continue until the end of January 2023. The option analysis relating to this matter was addressed in the March Agenda paper and will not be repeated here.
- [43] Regarding Community Connect, Council has at least two options available to it. They are:
- Option 1: reduce the adult Bee Card bus and ferry fare by 50% for Bee card holding CSC holders.
  - Option 2: not reduce the adult Bee Card bus and ferry fares by 50% for Bee card holding CSC holders.
- [44] Staff recommend Option 1.
- [45] To manage capacity and financial risks however, staff also recommend that if Option 1 is implemented it is under the constraints of the current vehicle/vessel fleets. That is, Council will not attempt to introduce extra capacity in response to excess demand. That may mean some customers are left at stops to await the next service.
- [46] Implementing Option 1 will clearly reduce the cost to some customers to use public transport – it will put more money in people’s pockets and/or enable them to travel twice as much as they currently pay to do.
- [47] However, Council should note:
- evidence shows that the current Dunedin and Queenstown bus fares are affordable by most. Council’s 2021 survey of bus passengers showed that 93.9% of respondents in Dunedin were satisfied that their fare offered value for money and in Queenstown it was 89.1%.
  - Reducing fares further (ORC has already reduced these to \$2) will make it even more difficult for Council to revert, should it wish to do so, to the pre-\$2.00 situation. It will also likely translate to a drop in patronage at the time fares return to the current level.
- [48] Council has two options available to respond to the request from Grey Power Otago. It can:
- Option A: agree to the request to extend the eligible period for weekday SuperGold Card travel from 3:00 to 6:30 pm (it’s free after this time now);or
  - Option B: not agree to the request to extend the eligible period for weekday SuperGold Card travel from 3:00 to 6:30 pm.
- [49] Staff recommend Option B.
- [50] Option A will reduce the increasing cost of living impact on those seniors that choose to travel on weekdays between 3:00 to 6:30 pm. Based on June 2022, the financial cost to Council on a monthly basis of fare revenue foregone would be about \$7,500 for both fare revenue and the central government half price top up.
- [51] From interactions between ORC and Waka Kotahi staff, it appears Option A will not have an impact on the current year’s SuperGold Card funding allocation, but there is an

expectation from Waka Kotahi that ORC fund the full cost of any fare revenue foregone (that is, \$7,500 per month).<sup>8</sup>

- [52] Implementing Option A does raise an issue of equity with respect to other groups (such as tertiary students) that have limited incomes and would similarly benefit from a lower bus fare. One of the challenges with these other groups, is they are not currently eligible for a concession and therefore Council would need to validate a new concession, which would take considerable cost and time.
- [53] It also may be difficult to roll the extension of the eligible SuperGold Card hours back, if changed.
- [54] Grey Power Otago Ltd is concerned that the current reduced timetable and/or missed trips may result in a Card holder having to pay a \$1.00 fare rather than get free travel. In practical terms that situation would only arise during weekdays, for a trip planned to occur prior to 3:00 pm that instead occurs after 3:00 pm (but before 6.30pm). The probability of a SuperGold Card holder experiencing a trip that was scheduled to commence prior to 3:00 pm commencing after 3:00pm, on a weekday, cannot be ruled out, but will probably be low. This does not justify extending the SuperGold Card fare-free period.

## CONSIDERATIONS

### Strategic Framework and Policy Considerations – Long Term Plan

- [55] *“The purpose of the Long-term Plan is to provide direction for Council decision making and set Council work programme priorities and detailed budgets for the first three years, in less detail to ten years and beyond” (page 4, 2021-31 ORC LTP).*
- [56] Council’s 2021-31 Long Term Plan (LTP) contains a community outcome for sustainable, safe, and inclusive transport. That means:
- *“People travel safely in Otago, on land and on water. Otago’s people transition away of fossil-fuel private cars, and increasingly choose to travel by bus, on foot or on a bike.*
  - *Public transport is accessible, and offers a sustainable, safe, and inclusive means of transport.”*
- [57] Council will measure delivery of the outcome above by a range of performance measures, one of which is to annually increase Dunedin public transport boarding’s per capita.

### Strategic Framework and Policy Considerations – Regional Public Transport Plan

- [58] The new Regional Public Transport Plan (RPTP) seeks to:
- Contribute to carbon reduction (goals 2 and 8);
  - Contribute to social and economic prosperity (goals 6 and 7);
  - Retain and attract new customers that are highly satisfied with the service (goal 2); and
  - Deliver affordable fares (goals 1, 3, 4, 6 and 7).

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<sup>8</sup> E-mail from Waka Kotahi to ORC staff dated 26 July 2022.

- [59] The RPTP addresses the matter of fares in section 5.5. The policies in this section give effect to the Objective of:
- *“deliver fares that are affordable for both users and communities.”*
- [60] In summary, key themes running through the RPTP policy are that fares should be affordable for users and the resulting net cost of services to the wider community; they should be simple, consistent and reward frequent use.

#### **Financial Considerations**

- [61] Continuing the half-priced fare initiative until February 2023 and implementing Option 1 within the constraints of the current contracted bus fleets in Dunedin and Queenstown should not have a further financial impact on Council (in addition to the ongoing adverse financial impact of the \$2.00 fare trial in Dunedin).
- [62] The WKNZTA has indicated that as for the March 2022 half price fare initiative, the intention is that this reduction comes at no cost to Council, with the cost of fares and actual implementation costs (i.e., changes to RITS) covered by the Crown.
- [63] Taken at face-value, implementing Option 1 (half-price fares) should not cost Council (and its ratepayers) anything. However, it cannot be ruled out that there may be some unforeseen and unbudgeted cost that it may have to bear (such as from validating concessions). If that does eventuate, as outlined above, the intention is that this initiative comes at no cost to Council.
- [64] Approving Option B will not come at any cost to Council. Should Council choose to implement Option A, the financial implications for the current year are outlined earlier in the report (that is, a loss of about \$7,500 revenue per month for Dunedin and Queenstown combined).

#### **Significance and Engagement**

- [65] The LTP and RPTP were consulted on in accordance with the consultation principles set out in the Local Government Act 2002.
- [66] There is no requirement in the RPTP to consult on bus fare changes.

#### **Legislative and Risk Considerations**

- [67] There are no legislative considerations for Council relating to the recommendations in this report. However, there is a reputational risk in agreeing to Option 1, as even with the best messaging, it is likely there will be some customer dissatisfaction if demand exceeds capacity.

#### **Climate Change Considerations**

- [68] Implementing Option 1 is consistent with Council’s RPTP in regard to carbon reduction.

#### **Communications Considerations**

- [69] Following Council decisions on this matter there will need to be communications released to the community, Council’s local government partners and WKNZTA.
- [70] Should Council agree to Option 1, it will be necessary to clearly communicate with all the conditions under which the half fares will be implemented (that is, within the constraints of the current vehicle/vessel fleets).

**NEXT STEPS**

[71] The next step is to communicate Council's decision.

[72] Should Council adopt Option 1, Council staff will need to arrange for changes to be made to the ticketing system and negotiate with two of its three contractors to collect a reduced fare.

**ATTACHMENTS**

Nil

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under [section 48\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| <b>General subject of each matter to be considered</b>   | <b>Reason for passing this resolution in relation to each matter</b>   | <b>Ground(s) under section 48(1) for the passing of this resolution</b>   |
|--|--|---|
| <i>Minutes of the 9 March 2022 meeting</i>   | <p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – <b>Section 7(2)(b)(ii)</b></p> <p>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – <b>Section 7(2)(i)</b></p> | <p><b>Section 48(1)(a):</b> Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p> |
| <i>Update on the Ministry for the Environment-funded Te Hākapupu/ Pleasant River Catchment Restoration Project</i> | <p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – <b>Section 7(2)(b)(ii)</b></p> <p>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – <b>Section 7(2)(i)</b></p> | <p><b>Section 48(1)(a):</b> Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p> |
| <i>Bus Driver Recruitment and Retention</i>  | <p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – <b>Section 7(2)(b)(ii)</b></p> <p>To enable any local authority</p>  | <p><b>Section 48(1)(a):</b> Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant</p>  |

|  |  |   |
|--|--|---|
|  | <p>holding the information to carry out, without prejudice or disadvantage, commercial activities – <b>Section 7(2)(h)</b></p> <p>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – <b>Section 7(2)(i)</b></p> | <p>part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p> |
|--|--|---|

This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.