

Public and Active Transport Committee

9 November 2023



Meeting will be held in the Council Chamber at Level 2, Philip Laing House
144 Rattray Street, Dunedin
[ORC Official YouTube Livestream](#)

Members:

Cr Alexa Forbes (Co-Chair)
Cr Andrew Noone (Co-Chair)
Cr Gary Kelliher
Cr Michael Laws
Cr Lloyd McCall
Cr Kevin Malcolm
Cr Tim Mepham
Cr Andrew Noone
Cr Gretchen Robertson
Cr Bryan Scott
Cr Alan Somerville
Cr Kate Wilson
Cr Elliot Weir

Senior Officer: Richard Saunders, Chief Executive

Meeting Support: Trudi McLaren, Governance Support Officer

09 November 2023 09:00 AM

Agenda Topic

Page

1. WELCOME

2. APOLOGIES

No apologies were received at the time of agenda publication.

3. PUBLIC FORUM

Joanna Perry, Community Development Coordinator, Link Upper Clutha, has requested to speak regarding the Upper Clutha Community Shuttle Trial.

Dave Macpherson, Save our Trains Ōtepoti-Dunedin, has requested to speak regarding the case for passenger rail in the Otago Region, rail connections with other regions, and the need for viability studies, or similar, to establish what sort of business case might be the most appropriate.

Requests to speak should be made to the Governance Support team on 0800 474 082 or to governance@orc.govt.nz at least 24 hours prior to the meeting, however, this requirement may be waived by the Chairperson at the time of the meeting.

4. 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.

5. DECLARATION OF INTERESTS

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. [Councillor interests](#) are published on the ORC website.

6. CONFIRMATION OF MINUTES

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That the minutes of the (public portion of the) Council meeting held on 9 August 2023 be received and confirmed as a true and accurate record.

6.1 [Minutes of the 9 August 2023 Meeting](#)

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7. ACTIONS FROM RESOLUTIONS OF THE COMMITTEE

There were no open actions from resolutions of the Committee to be reviewed.

8. MATTERS FOR CONSIDERATION

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8.1 [TRANSPORT OPERATING ENVIRONMENT](#)

9

This report highlights and/or summarises recent activities including legislative and policy changes impacting on Council's transport operating environment. The report also updates the Committee on recent and upcoming public and active transport workstreams.

8.1.1 [ORC Submission on the Draft GPS 2024](#)

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8.1.2 [2023.09.13 RTC Chairs GPS 2024 Submission](#)

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8.2 [PUBLIC TRANSPORT NETWORK PERFORMANCE REPORT](#)

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To update the Committee on the performance of its Public Transport (bus and ferry) and Total Mobility services for the first quarter of the 2023/24 financial year, being the months July to September 2023.

8.3 [QUEENSTOWN PUBLIC TRANSPORT BUSINESS CASE UPDATE](#)

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The purpose of this paper is to provide the Committee with an update on the Queenstown Public Transport Business Case (QPTBC). It summarises work undertaken in the last three months, works anticipated in the next three months, and outlines key project risks.

8.3.1 [Queenstown Public Transport Business Case - Strategic Case v5 DRAFT](#)

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8.4 [DUNEDIN FARES AND FREQUENCY BUSINESS CASE](#)

105

This paper is to present the Fares and Frequency Business Case (FFBC) which outlines the preferred package of Fares and Frequency to promote increased patronage on the Dunedin network, and reduce the impacts of transport (light vehicle fleet emissions) on the environment. The business case provides the basis of building the Dunedin network component of the Transport programme for consultation and subsequent investment in the Long-Term Plan.

9. CLOSURE

10. [RESOLUTION TO EXCLUDE THE PUBLIC](#)

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That the public be excluded from the following parts of the proceedings of this meeting, namely:

Security for Dunedin Public Transport



Public and Active Transport Committee MINUTES

Minutes of an ordinary meeting of the Public Transport Committee held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 9 August 2023, commencing at 1:00 PM.

PRESENT

Cr Alexa Forbes (Co-Chairperson)
Cr Andrew Noone (Co-Chairperson)
Cr Gary Kelliher (online)
Cr Michael Laws
Cr Kevin Malcolm
Cr Lloyd McCall
Cr Tim Mephram
Cr Gretchen Robertson
Cr Bryan Scott
Cr Alan Somerville
Cr Elliot Weir
Cr Kate Wilson

1. WELCOME

Chairperson Cr Alexa Forbes welcomed Councillors, members of the public and staff to the meeting at 1:01pm and opened with a Karakia. Staff present included Richard Saunders (Chief Executive), Pim Borren, (Interim GM Transport - online), Nick Donnelly (GM Corporate Services, online), Anita Dawe (GM Policy and Science), Gavin Palmer (GM Operations), Amanda Vercoe (GM Governance, Culture and Customer), Lorraine Cheyne (Manager Transport - online), Joanna Gilroy (Acting GM Regulatory), Doug Rodgers (Transport Contractor), Julian Phillips (Implementation Lead Transport), Gemma Wilson (Senior Transport Operations Analyst), Trudi McLaren (Governance Support) and Matthew Littlewood (Media - ODT).

2. APOLOGIES

Resolution: Cr Wilson Moved, Cr Somerville Seconded:

That the apologies for Cr Tim Mepham for lateness be accepted.

MOTION CARRIED

3. PUBLIC FORUM

No requests to speak under the Public Forum were received.

4. 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.

The agenda was confirmed as presented.

5. DECLARATIONS OF INTERESTS

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. Councillor Declarations of Interests are published on the [ORC website](#).

No conflicts of interest were advised.

6. CONFIRMATION OF MINUTES

Resolution: Cr Noone Moved, Cr Somerville Seconded

That the minutes of the (public portion of the) Council meeting held on 10 May 2023 be received and confirmed as a true and accurate record.

MOTION CARRIED

7. ACTIONS FROM RESOLUTIONS OF THE COMMITTEE

Open actions from resolutions of the Committee were reviewed. Richard Saunders (Chief Executive) advised that on Action No. 1 we were past the point in time to set those KPIs within the Annual Plan and that item was to be closed.

There was an opportunity through the Long-Term Plan to have a close look at what KPIs the ORC wishes to set over that upcoming three-year period.

8. MATTERS FOR CONSIDERATION

8.1. Public & Active Transport Operating Environment

Pim Borren (Interim GM Transport) and Lorraine Cheyne (Manager Transport) were present to speak to the paper and answer questions.

The purpose of this report was to highlight and summarise recent government initiatives including legislative and policy updates impacting the transport operating environment. The report also updated the Committee on recent and upcoming public and active transport planning activities.

Dr Borren stated that in terms of our position in Dunedin and Queenstown, which has been challenging over the last 12 months, we now had sufficient drivers in each region to significantly reduce the number of missed trips. He also commented that we were seeing a marked increase in patronage.

It was requested that it be noted that the Beaumont Bridge has been completed and is having a positive impact on the community and travel times.

Following questions, it was moved:

Resolution PAT23-111: Cr Wilson Moved, Cr Weir Seconded

That the Committee:

1. **Notes this report.**

MOTION CARRIED

8.2. Joint Public & Active Transport Committee Advisory Groups

Pim Borren (General Manager Transport) and Lorraine Cheyne (Manager Transport) were present to provide background and update the Council on Public and Active Transport Advisory Groups (PTAG). There have been three PTAG meetings to date (two with Dunedin City Council (DCC) and one with Queenstown Lakes District Council (QLDC). It was reported that these have been collegial, positive, and constructive.

The main purpose of PTAG meetings is to improve the relationship between Otago Regional Council (ORC) and each of our TLA partners through coming together and providing a better understanding of the challenges faced by each in supporting our goals and commitment towards increasing public and active transport and achieving common mode shift targets.

Following questions and discussion, it was moved:

Resolution PAT23-112: Cr Noone Moved, Cr Weir Seconded

That the Committee:

1. **Notes** this report.

MOTION CARRIED

Resolution PAT23-113: Cr Laws Moved, Cr Malcolm Seconded

2. **Requests** the Otago Regional Council Chairperson advise the PATG group of members and advocate all of the major political parties to examine the decision to define Queenstown Lakes District Council be made a Tier 1 Centre for Waka Kotahi public transport involvement.

A division was called:

Vote

For:	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Mepham, Cr Scott and Cr Somerville
Against:	Cr Forbes, Cr McCall, Cr Noone, Cr Robertson and Cr Weir
Abstained:	Cr Wilson

MOTION CARRIED

8.3. Queenstown and Dunedin 2022/23 Full Year Patronage Report

Julian Phillips (Implementation Lead Transport), Gemma Wilson (Senior Transport Operations Analyst) and Pim Borren (General Manager Transport) were present to provide background on the report and answer questions. The purpose of the report was to update the Committee on the performance of its Public Transport (bus and ferry) and Total Mobility services, for the full Financial Year, 1 July 2022 to 30 June 2023.

Cr Scott left the meeting at 2:30pm.

Following questions, it was moved:

Resolution PAT23-114: Cr Weir Moved, Cr Noone Seconded

That the Committee:

1. **Notes** this report.

MOTION CARRIED

8.4. Shaping Future Dunedin Fares and Frequency Business Case - Updated Progress Report

Doug Rogers (Transport Contractor) was present to speak to the report and answer questions. The purpose of the paper was to inform the Committee of further progress being made in Shaping Future Dunedin.

Cr Wilson left meeting at 2:47pm and returned at 2:49pm.

Following discussion it was agreed:

Resolution PAT23-115: Cr Weir Moved, Cr Noone Seconded

That the Committee:

1. **Notes** this report.
2. **Notes** that the best mode shift is achieved from a zero fares option
3. **Notes** that approval of the business case by Waka Kotahi is contingent on paid fares being a feature of the preferred option.

MOTION CARRIED

The Meeting was adjourned from 3:00pm to 3:07pm.

Cr Laws left the meeting at 3:00pm.

8.5. Queenstown Public Transport Services Business Case Update

Lorraine Cheyne and Pim Borren were present to speak to this paper and answer questions.

The purpose of this paper was to update the Committee on the progress of the Queenstown Public Transport Business Case (QPTBC) over the past three months and provide an overview of the revised work programme for the next three months to see completion of the Business Case

Resolution PAT23-116: Cr Malcolm Moved, Cr Noone Seconded

That the Committee:

1. **Notes** this report.
2. **Notes** that the draft final business case will now be delivered in Q4 2023.

MOTION CARRIED**8.6. Public & Active Transport Connectivity Strategy**

Lorraine Cheyne and Pim Borren were present to speak to the paper and answer questions.

The purpose of this report was to provide Councillors with a proposed way forward in developing a regional public and active transport connectivity strategy. Attached to this report was a detailed project plan, which demonstrated that there is a sound business case for undertaking this work.

Following discussion and questions, it was agreed:

Resolution PAT23-117: Cr Somerville Moved, Cr Weir Seconded

That the Committee:

1. **Notes** this report.
2. **Endorses** the proposed approach to developing the Public and Active Travel Connectivity Strategy outlined in this report and the attached project plan.
3. **Notes** a “hybrid approach” to resourcing public and active transport connectivity at ORC which offers a balance between accessing skilled support to establish a strategic approach while developing capability and practice in-house at ORC.
4. **Notes** full implementation and delivery of regional public and active transport connectivity indicates on-going transport programme expenditure, subject to this being approved for inclusion in the LTP.
5. **Agrees** to receive regular update reports and to participate in workshop sessions during strategy development.

MOTION CARRIED

9. CLOSURE

There was no further business and Chairperson Forbes declared the meeting closed at 3:33 pm.

Chairperson

Date

8.1. Transport Operating Environment

Prepared for: Public and Active Transport Committee

Report No. PPT2302

Activity: Transport Planning and PT Operations

Author: Lorraine Cheyne, Transport Manager

Endorsed by: Pim Borren, Interim General Manager, Transport

Date: 9 November 2023

PURPOSE

- [1] This report highlights and/or summarises recent activities including legislative and policy changes impacting on Council's transport operating environment.
- [2] The report also updates the Committee on recent and upcoming public and active transport workstreams.

EXECUTIVE SUMMARY

- [3] Recent national level changes in the transport operating environment include:
 - Land Transport Management Amendment Act.
 - Release of draft Government Policy Statement on Land Transport 2024.
 - National Ticketing System.
- [4] Activities in the operating environment of particular interest to the public or specialist transport interest groups across the Otago regional community include:
 - Update on the programme for the review of the Otago-Southland Regional Land Transport Plan 2024/2034.
 - Mosgiel Express services.
 - Public Transport plans for the upcoming Cruise Ship season.
 - Bus Stop audit.

RECOMMENDATION

That the Committee:

- 1) **Notes** this report.

DISCUSSION

- [5] **Land Transport Management Amendment Act** - The Land Transport Management (Regulation of Public Transport) Amendment Bill completed its journey through Parliament, achieving Royal Assent on 30 August 2023. The Act enshrines the principles of the Sustainable Public Transport Framework (SPTF), replacing the Public Transport Operating Model (PTOM).
- [6] The SPTF will define:
 - New governing principles for public transport.
 - Flexibility around asset ownership and service provision models.
 - Enabling of innovation in the types of service provided.
 - New transparency and planning requirements.
 - Clarification of the regulation of exempt services.

- [7] Views expressed on behalf of the National Party by members of the Select Committee hearings of the LTMA Bill suggest that we might expect some modifications to the new legislation, or articulated in the policies that will guide implementation.
- [8] Staff will continue to assess the opportunities created by the SPTF as these impact on current procurements for Dunedin Unit 5 Bus Services and Queenstown Ferry Services, and the options for the Queenstown Public Transport Business Case.
- [9] **Government Policy Statement on Land Transport 2024** - The draft Government Policy Statement on Land transport (GPS) 2024 was released on 17 August, the week after the last PATC. Consultation was open until 15 September 2023. Otago and Southland Regional Transport Committees jointly submitted, as did Otago Regional Council. These submissions are provided as attachments to this report.
- [10] The GPS sets out the Government's strategy for investing in the land transport system. It outlines what the Government wants to achieve in land transport, and how it expects funding to be allocated from the National Land Transport Fund (NLTF) across different types of activities, for example, road maintenance, public transport, walking, and cycling.
- [11] The draft GPS is a concisely written document. It builds on the strategic priorities of GPS 2021, including supporting improved transport choices, improving safety, improving freight connections, and reducing the impact of transport on the environment. Due to recent significant flood and weather-related events, the draft GPS 2024 has a strong focus on maintaining assets and services and enhancing resilience.
- [12] The draft GPS includes a list of projects the Government has identified as strategically important to New Zealand's transport system in the coming decades.
- [13] We use the GPS to frame and prioritise our activities for inclusion in the Regional Land Transport Plan (RLTP). Key points from the draft GPS include:
- The Strategic Priority for sustainable development now includes reference to regional development, *Sustainable urban and regional development*.
 - Ten of the 14 strategically important projects are in the North Island. One, the SH1 Ashburton Bridge project, supports inter-regional transport to and from Otago to Canterbury.
 - Funding in the Public Transport Services Activity Class has increased by 50% of mid-point of the 21 -24 band (for PT Infrastructure the increase is 46%).
 - There is a new Activity Class for *Inter-regional PT* with \$50M per year, upper limit funding. This is primarily to provide for the Te Huia (Auckland to Hamilton) and Capital Connection (Wellington – Palmerston North) services. Notionally there is some seed funding for business cases for new inter-regional passenger services.
 - There is a 40% increase in the Coastal Shipping Activity Class.
 - "Safety", which was previously an activity class (Road to Zero) is now allocated across the State Highway and Local Road maintenance Activity Classes.
 - There is additional \$500M funding to the National Land Transport Fund (NLTF) through Climate Emergency Response Funding (CERF) but this is hypothecated for walking and cycling.
 - A further \$3B of funding provided to the NLTF is a Crown loan, giving rise to concerns about viability of the NLTF to fund activities over the long-term.
- [14] As noted above, the GPS sets out the Government's strategy for investing in the land transport system. With a change of Government in October it is anticipated that there will be changes to the GPS. In the week after the election, Waka Kotahi announced a

revised timeline for the adoption of the National Land Transport Programme (NLTP). Changes to the upper and lower limits of the Activity Classes are highly likely, but projects from the National Party transport manifesto may also be introduced to the GPS. The manifesto sees \$100M each for Queenstown Road Upgrades and Otago-Southland Bridges. The manifesto can be viewed here:

https://assets.nationbuilder.com/nationalparty/pages/18131/attachments/original/1690759286/Transport_for_the_Future.pdf.

- [15] **National Ticketing Solution** - New Zealand is moving to a national single payment system for public transport (PT). Currently, there are five disparate PT ticket systems operating. The National Ticketing Solution (NTS) is intended to achieve economies of scale with a flexible and modern PT ticketing system that makes it easier for people to pay for public transport anywhere in the country.
- [16] Centrally contracting and operating the system is intended to ensure the best value for money across Aotearoa. NTS simplifies implementation of concessions such as Super Gold and Community Connect. In turn, this is expected to encourage more people to use public transport more often.
- [17] Increased access will ultimately contribute to reducing New Zealand's carbon emissions and improving safety and congestion on our roads.
- [18] Waka Kotahi considers that having an understanding of customer journeys at the national level will support optimised services and better targeted investment in PT improvements. Waka Kotahi also maintains that Public Transport Authorities (PTAs) will gain a digitally enabled system with more choice, transparency, and simplicity.
- [19] Funding for the NTS is met through the National Land Transport Fund (NLTF) with Waka Kotahi providing 100% Finance Assistance Rate (FAR) funding to design, build and operate the NTS. PTAs will fund 50% of transition and their front office costs on an ongoing basis.
- [20] PTAs will receive their full fare revenue, but the revenue will be collected by the NTS. This is expected to drive a substantial reduction in the running costs of ticketing systems.
- [21] As the lead Council for the Regional Integrated Ticketing System Consortium (RITS), ORC is required to administer RITS until all PTAs have transferred to NTS. This practicality sees ORC as the last PTA in the programme to transfer to NTS.
- [22] Environment Canterbury will be first, preparing to pilot NTS in August 2024, with Bay of Plenty Regional Council the second Regional Council to implement NTS on an indicative timeline of Q1 2025.

- [23] **Otago-Southland Regional Land Transport Plan 2024/2034** - Following the General Election on 16 October, the Waka Kotahi Board delayed the adoption of the National Land Transport Programme (NLTP), which the Regional Land Transport Plans (RLTPs) support, (from 30 June to 31 August 2024), with the NLTP being released early September.
- [24] Consequent to this change of timing, the date when RLTPs must be submitted has also been extended from 30 April to 14 June 2024.
- [25] With the additional time now available for RLTP preparation, and the uncertainty around the GPS following the change of Government, staff have proposed to the Chairs of the Otago and Southland Regional Transport Committees that the RLTP development programme be updated. The most significant change is the proposal for consultation to commence in late January. Previously, to meet the 30 April deadline, consultation was required to begin pre-Christmas.

- [26] While having additional time to spend on consultation on the RLTP is welcome, the delayed release of the NLTP is less desirable. The timing of the adoption and release of the NLTP is some two months after Council will have adopted its Long-Term Plan.
- [27] Due to the general election delivering a change of Government, it can be expected that the GPS will change. The combined Otago-Southland RTCs have made an enquiry of the Ministry of Transport as to when the final GPS will now be released, however, the Committees have not yet been given an indication of a date.
- [28] **Mosgiel Express services** – On 4 September improvements were made to the Mosgiel to city centre bus services. Seven additional all-stop services were added in the morning and afternoon peaks, (4 flow/3 counterflow). In addition, three morning express services - Mosgiel to City, and six afternoon express services – City to Mosgiel were introduced. The initial data suggests patronage is up as much as 30% on some days. In the morning, the 7.15am Express is the most popular new service. Returning to Mosgiel in the afternoon, the 3.30pm and 4.30pm services are most popular.
- [29] We will continue to monitor the uptake of the additional services and we have an online form for passengers to provide feedback. If required, we will tweak the timing and/or the specific route plans in the New Year.
- [30] **Public Transport plans for 2023/24 Cruise Ship Season** – The return of tourism post-COVID and a full Cruise Ship season in summer 2022/23 led to capacity issues on the Route 14 Port Chalmers – City service. Residents experienced over-crowding on their bus services as tourists coming from the Cruise Ships overwhelmed local bus capacity.
- [31] Councillors requested that staff work with parties to develop a plan to avoid the worst impacts of the Cruise Ships passengers on the transport network this season. To this end, the Transport team, with support from Customer Experience and Communications, have worked with Port Otago and the local West Harbour Community Board to formulate a travel plan for days when high numbers of cruise ship tourists are expected.
- [32] The season will see 110 Cruise ships visiting Dunedin (Port Chalmers) over an 82-day period, beginning on 6 November 2023. Within the 82-day period, there will be 41 days where either larger vessels, or multiple vessels, will dock with large volumes of passengers. For example, on 17 November two ships with a combined 7192 passengers are due to arrive.
- [33] To assist with getting cruise ship passengers to the city, while retaining capacity for local residents to get to school and work, it is proposed to operate 298 additional peak time trips across the 41 high visitor days.
- [34] The additional services will add 4 extra trips between 8am – 10am in the morning and 4 extra afternoon trips (most days) between 3pm – 5pm. These trips will serve to double the frequency of Route 14 City – Port Chalmers during peak cruise ship/commuting periods, giving a 15-minute frequency on weekdays, otherwise 30-minutes; and a 30-minute frequency at weekends, which is otherwise hourly.
- [35] Due to the high demand during cruise ship peak times these services are expected to operate on a cost neutral basis through a combination of Waka Kotahi subsidy and fare revenue.
- [36] **Bus Stop audit** – It is ORC policy to ensure that our public transport network is accessible and safe. The Regional Public Transport Plan (RPTP) specifies that we work with territorial authorities to ensure all new PT infrastructure is planned and designed in accordance with Waka Kotahi’s New Zealand Public Transport Design Guidelines.

- [37] To optimise the installation of new Real Time Information (RTI) across the Dunedin and Queenstown networks, we are proposing to work with the Territorial Authorities (TAs) to audit bus stops more generally.
- [38] PT infrastructure includes bus shelters, such as seats, lighting, and rubbish receptacles. It can also include cycle and ski racks and signage including e-signage. ORC funds (with Waka Kotahi co-funding) this infrastructure, but it is delivered, along with maintenance and cleaning, under contract, by our network TAs.
- [39] PT infrastructure also includes kerbing (raised or Kassel-kerb) and alignment (bus bays), tactile marking, pedestrian access via crossings and refuges; bus gates, clearways, and bus lanes; and bus priority measures (signalling/bus jumps). This PT infrastructure is typically funded by TAs and may or may not be upgraded in consultation with ORC.
- [40] Progressing the audit in collaboration with our TA partners will assist with the prioritisation for the installation of RTI whereby we can draw on our operational understanding of the network. Additionally, we can support the TAs, as Road Controlling Authorities (RCAs) where the installation of RTI will enhance the upgrade of facilities, consistent with their own asset management planning.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [41] Future investment in public transport planning, procurement and service provision will need to be consistent with the aims and objectives of:
- New legislation including guidelines and legal frameworks such as SPTF.
 - The strategic direction of Government's policies and plan for carbon reduction in the transport sector and
 - The funding and financial regime governing transport investment.
- [42] Council's key transport funding policy and investment plans will be amended and adapted to respond to the changes in the transport operating environment as and when appropriate. Those documents being the
- Regional Land Transport Plan (RLTP).
 - Regional Public Transport Plan (RPTP).
 - Long Term Plan (LTP)

Financial Considerations

- [43] There are no direct financial considerations as this report is for information only. All of the policy and operating environment developments could have financial implications. These will be reported to Council as these become known.

Significance and Engagement

- [44] The report does not raise issues of significance or engagement as it is only for noting. The RLTP will address significance and engagement issues in the programme of the development of the Plan.

Legislative and Risk Considerations

- [45] This report notes the changes to the Land Transport Management Act (LTMA), which will impact on how Regional Council plans, procures and delivers public transport services.

Climate Change Considerations

- [46] Public Transport supports the achievement climate change aspirations across Otago.

Communications Considerations

[47] There are no specific communication considerations other than the communications regarding the additional Route 14 services proposed for the Cruise Ship season.

NEXT STEPS

[48] Further reporting to Council and the Committees on:

- Changes to operations and contracts stemming from the Sustainable Public Transport Framework, Land Transport Management (Regulation of Public Transport) Amendment Act.
- Updates to the Government Policy Statement on Land Transport; and
- The implementation of the National Ticketing Solution.

ATTACHMENTS

1. ORC Submission on the draft GPS 2024 [8.1.1 - 4 pages]
2. 2023 09 13 RTC Chairs GPS 2024 Submission [8.1.2 - 5 pages]



Our Reference A1829181

14 September 2023

Te Manatū Waka Ministry of Transport
3 Queens Wharf
Wellington 6011
PO Box 3175
Wellington 6140

Via email: gps@transport.govt.nz

Otago Regional Council Submission on the Ministry of Transport's Draft Government Policy Statement on Land Transport 2024/2034

1. Otago Regional Council (ORC) welcomes this opportunity to provide feedback on the draft Government Policy Statement on Land Transport 2024/25 to 2033/34 (draft GPS).
2. Otago (Ōtākou) is New Zealand's second largest region by land area. It has a population of just under 250,000 which is expected to grow to about 282,000 by 2048. Otago hosts Ōtepoti Dunedin as the region's largest urban centre, and Tāhuna Queenstown as its fastest growing centre. The Region is comprised of five territorial authorities (TAs). The ORC has established the Otago Regional Transport Committee, which with Environment Southland's Regional Land Transport Committee, prepared the combined Otago Southland Regional Land Transport Plan (RLTP). ORC has prepared and maintains the Regional Public Transport Plan and as Passenger Transport Authority (PTA) for the region, ORC is responsible for planning, procurement and contract management of bus and ferry and Total Mobility services. Contracted bus and ferry services are currently provided in the greater Dunedin and Queenstown (Wakatipu Basin) urban areas.
3. We advise that the mid-term review of the combined RLTP has been underway for some months now. The Region's Approved Organisations (AOs) are now preparing their bids for funding across all activity classes and from all potential funding sources for inclusion in the RLTP. Updates to the RLTP have also been made to reflect the draft GPS released in late 2022. While the recently released draft GPS is very different to GPS 2021 in content and layout, we support that the basic strategic direction is not changed.
4. ORC would also like to acknowledge the testing circumstances at this time of preparation of the draft GPS and commend the Ministry of Transport on a draft GPS document which is easy to read, easy to understand, and comprehensive.

For our future

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Otago Regional Council's Submission Points

Urban and Regional Development

5. ORC supports the Strategic Priority for sustainable development to now include “regional”, being “Sustainable urban and regional development”. However, it is ORC’s view that the investment focus in the draft GPS still has a focus on larger urban areas. ORC delivers Public Transport services in both Dunedin (bus) and Queenstown (bus and ferry). Both networks have bounced back strongly post-COVID, with the highest ever number of passengers travelling on the network in 2022/23. There is a pressing need to maintain and improve these networks, while also addressing intra-regional access to key destinations such as the new Dunedin Hospital, Otago University and Dunedin and Queenstown airports.
6. ORC notes that 10 of the 14 projects in the strategic investment programme (SIP) are in the in the North Island, and it is our view that the draft GPS lacks a focus on the lower South Island. We note that Dunedin City has the sixth highest population and for geographic, historic and cultural reasons is considered one of New Zealand’s four main cities. We further note that Queenstown Airport is New Zealand’s fourth busiest airport, and a key gateway for some 1.5 million international tourists per annum (expected to rebound to 1.7million in FY25).
7. Both centres have well-performing Public Transport networks, which combined, are carrying more passengers than all other regions, (excluding Auckland Wellington and Christchurch) despite regions such as Waikato and Bay of Plenty having significantly higher total populations and larger urban centres. It is imperative that sufficient funding is available through the National Land Transport Fund (NLTF) and National Land Transport Programme (NLTP) to ensure the continued and improved delivery of public transport in the Otago Region.
8. While there are no strategic investments proposed for the Otago Region, ORC seeks clarification as to whether the named projects in the Strategic Investment Programme (SIP) are directly funded. Additionally, it would help to understand the proposed implementation dates for these significant projects. Our concern is that if the projects in the SIP are directly funded, that would result in less funding being available for projects in regions, as for Otago, where no strategic investments are proposed. The timing of implementation of the expensive SIP activities could impact the ability of other Regions to secure funding for the timely implementation of activities in their RLTPs due to the pressure the SIP place on an activity class.

Increased Funding for Public Transport

9. ORC supports the increased funding for Public Transport Services and Public Transport Infrastructure activity classes, (at 50% and 46% respectively on the mid-points of 21 -24 bands). However, we note that the combined effect of driver wage uplifts to address acute nation-wide driver shortages, along with high current annual inflation rates, has driven significant increases in the costs of delivering the PT Services continuous programme over the 2021 –24 period. This is in part because the ‘continuous programme’ of PT services includes the shift to zero emissions fleets, to meet Government’s requirement for decarbonisation of PT vehicles by 2035, which in turn also requires the charging infrastructure to operate an electric fleet. ORC therefore considers



that further direct investment in electrifying the network is needed. This investment needs to support a consistent national network being realized.

10. Meanwhile, in conjunction with Waka Kotahi and our TA partners (under the Connecting Dunedin and Wakatipu Way to Go partnerships) ORC has developed Business Cases for both the Dunedin and Wakatipu networks. Implementing the PT service improvements from the Business Cases will require a significant uplift in PT Services investment over the next 10 years.
11. Likewise, ORC welcomes the increased level of funding for PT Infrastructure. This is timely with the recent changes to the Land Transport Management Act as it supports the new collaborative approach to the preparation of the Regional Public Transport Plan (RPTP). ORC hopes that the additional funding will support greater integration of PT infrastructure provision with improved PT service provision. However, as with the increase to the PT Services activity class, ORC is concerned that the PT infrastructure will be oversubscribed. We are concerned if PT investment, both services and infrastructure, is targeted to the "Big 5" urban areas, that necessary projects on the Dunedin and Queenstown networks will not progress.

Other Funding

12. ORC supports the inclusion of the new Activity class Inter-regional PT but requests that additional guidance is needed on what the activity class covers, and what it does not.
13. ORC supports the increased provision for funding for Coastal Shipping activities.

Future Revenue and Funding

14. ORC notes with concern that loans make up a large portion of the additional funding available in the NLTF, with some \$3.1B of Crown loans to Waka Kotahi. These loans have a commitment to be paid back, with interest in future years. We are concerned about the effect of loan repayments on the capacity of future NLTPs, and therefore RLTPs, to fund future expenditure arising from commitments being made in the upcoming 2024/27 period. It is noted that funding for the SIP does not appear to be included beyond 2027. ORC considers that a longer-term funding commitment needs to be included in the draft GPS.
15. All the while, it is anticipated that demand for future investment in transport will increase as our need to adapt and mitigate the effect of climate change continues. This will come at time when traditional revenue sources for the NLTF are likely to decrease with the uptake of electric vehicles and mode shift.
16. While the Future of Funding project is mentioned in the draft GPS, ORC submits that it is essential for the Ministry of Transport to develop, with urgency, a sustainable revenue model to fund transport solutions to meet the challenges being faced by climate related hazards such as extreme weather events and future growth.



Conclusion

17. The ORC thanks the Te Manatū Waka Ministry of Transport for the opportunity to provide this feedback on the draft GPS 2024/25 – 2033/34. We appreciate the time taken by Ministry staff to discuss the document with the Regional Transport sector, given the short period available for providing our feedback. We look forward to further supporting the development of the draft GPS in future.

If you have any questions, please contact Lorraine Cheyne, Manager Transport (Lorraine.cheyne@orc.govt.nz)

Your sincerely

A handwritten signature in blue ink, appearing to read "Gretchen Robertson".

Gretchen Robertson

Chairperson



Our Reference: A972657

13 September 2023

Te Manatū Waka Ministry of Transport
3 Queens Wharf
Wellington 6011
PO Box 3175
Wellington 6140

Via email: gps@transport.govt.nz

Otago & Southland Regional Transport Committee Chairs combined Feedback on the Draft Government Policy Statement on Land Transport 2024.

1. The Otago and Southland Regional Transport Committee Chairs (RTC Chairs) thank the Ministry of Transport (MoT) for the opportunity to provide feedback on the Draft Government policy Statement on Land Transport 2024.

Background and context

2. The RTCs are committees of their respective Regional Councils. The RTCs comprise the authorised organisations who plan transport activities in the Otago and Southland regions. The members are representatives of the five territorial authorities in Otago, three territorial authorities in Southland, the Otago Regional Council, Southland Regional Council (Environment Southland) and Waka Kotahi. The purpose of the committee is to set the direction for transport investment in the regions in a combined Regional Land Transport Plan and monitor the implementation of the Plan to meet the needs of Otago and Southland communities.
3. However due to the short submission period and scheduled meeting dates this submission has been prepared for the Combined RTC Chairs. It will be formally presented to the next Combined RTC meeting in late October 2023.
4. We note that member organisations may also be making individual submissions in their own right. This submission does not necessarily reflect any individual member organisation responses.

General Comment

5. The RTC Chairs acknowledge the importance of the GPS is setting short term direction for funding of the National Land Transport Programme through Regional Land Transport Plans. However, the three-year term of the GPS makes long term investment decisions difficult without some level of continuity being shown in funding decisions. Councils are required to produce long term plans with a 30-year horizon that's not usually reflected in the short-term GPS approach. Delays for whatever reason in delivery of the GPS and in particular the current



signal that a final GPS will not be available till early in 2024 mean long term planning for Councils that will align with Government GPS outcomes are very difficult to achieve or work towards.

6. Response To Questions

Q1 – Do you agree with the strategic priorities and direction that are outlined in GPS 2024?

We agree with the strategic priorities and direction provided through the draft GPS. These are well aligned with the mid-term review of the Otago Southland RLTP and the pre-work completed before GPS 2024 was released.

Finalising the GPS in early 2024 will put at risk the current RLTP alignment. Our RLTP will be consulted on between December and mid-February 2024 and finalised by early March 2024 to meet Council meeting and reporting date requirements. Any substantial changes to the strategic priorities would require further consultation and result in delays to the delivery of the National Land Transport Programme.

Q2 – Do you have any comments on the Strategic Investment Programme?

We do not believe the GPS is the appropriate document for directing investment in specific projects and in particular those that may need to be funded by direct Government appropriations. Government direction can be provided to Waka Kotahi on additional projects they wish to see included in the State Highway Investment Plan and request for funding through RLTPs into the NLTP.

We are concerned that the Strategic Investment Programme is heavily focused on the North Island. The lower South Island does not appear to have been considered but has particular challenges in growth areas such as Dunedin and Queenstown that require innovative investment other than motorways to solve the transport problems.

There is a lack of internal consistency in the draft GPS. The strategic investment program has a lot of really big expensive Rooding projects in and around major urban centres while the rest of the document is saying we want to achieve mode shift, we want to achieve VKT reduction and yet the Strategic Investment Programme is prioritising investment that is going to drive single occupancy vehicle use.

Q3a - Do you agree with the funding increases associated with GPS 2024?

We welcome the increase in funding through the National Land Transport Fund (NLTF). However, there is concern on the reliance on Crown loans to Waka Kotahi of \$3.1b. Funding of loan repayments including interest will put pressure on the NLTP that is already unable to meet the transport networks requirements.



The funding included in State Highway Improvements shows an alarming reduction in 2027/31 that would indicate that implementation of the Strategic Investments is not currently being funded. Funding of the Strategic Investment Programme is likely to put additional pressure on an already under funded sector and result in less or no funding for projects in the Lower South Island.

Given the desire to increase public transport use that will require additional services and already signalled cost increases the funding in the PT Activity Class is likely to constrain any such growth.

It will be important to show leadership at the national level in respect to sustainable revenue sources to fund solutions for the important ongoing challenges that will increase costs nationally as we respond to climate hazards and growing transport option requirements. We do not believe the GPS is indicating such leadership at present. The current funding model is not fit for purpose and is likely to drive perverse outcomes. The Future of Funding project needs to be completed with urgency and in collaboration with Local Government (funding partners) with changes put in place for the 2027 NLTP.

Q3b – Do you have any comments on how funding has been allocated across the various Activity Classes in GPS 2024?

We agree with the increase in the proportion of funding to all areas. It is noted that funding for safety infrastructure and speed management has been reallocated from Road to Zero to the state highway and local road improvements activity classes. While this change is supported it will now be difficult to track how safety interventions are actually contributing to reductions in the road toll.

A 50% increase in PT Services looks generous, however the increased cost of the continuous programme is between 20 and 30% with improvements in the order of 100% for this NLTP period in Otago.

The significant reduction in funding for the State Highway Improvements Activity Class for 2027/31 is a real concern particularly for those areas where resilience projects have not been funded in the past and safety infrastructure is required. There is a real inequity issue that the GPS is not addressing.

A 50% increase in PT Services looks generous, however the increased cost of the continuous programme is between 20 and 30% with improvements in the order of 100% for this NLTP period in Otago.

Q4 – Do you agree with the Ministerial expectations as outlined in GPS 2024?

We agree that the Minister should have expectations and those included in the GPS are not unreasonable. However, Value for Money is an expectation that should underpin all investment decisions and is not an investment priority and will not drive a transport outcome in its own right.



Including an expectation that gives acknowledges the long-term challenges such as changing in climate, the need to reduce emissions and plan for adaptation are essential and there should be an expectation that they will be taken into account in all investment decisions.

In particular it would be reasonable for the Minister to expect that the Strategic Investment Programme list of projects would be put through the full business case process to show they are the right solutions at the right price implemented at the right time to meet the stated objectives within the GPS.

The Minister should also include an expectation on Waka Kotahi in preparing the NLTP that Regional Land Transport Plans be fully considered, and the priorities taken into account. Should this not be possible then similar statements should be included in the body of the GPS itself.

Q5 – Do you have any further comments on GPS 2024?

We acknowledge the work that the Ministry of Transport have put in to produce the draft GPS document in what turned out to be very trying circumstances. It is easy to read, easy to understand and comprehensive.

We note there is potential for many local councils to have difficulties raising the local share without lowering levels of service

We request additional guidance on the inter-regional transport activity class, what it covers and what it would not cover. We are concerned that funding appears to only be provided for 2024/27. It will take most of the three years for regions to develop proposals for inter or intra-regional services to assist with the providing transport options and vkt reduction within our communities. Such projects will not be worth proceeding with unless funding assistance is likely to be available past 2027.

We have concerns about the apparent reduction in the focus on safety and more ambition should be shown in the Safety GPS strategic priority and direction.

There does not appear to be any benefit to the Otago Southland Regions in the GPS other than the possibility of increased funding for continuous programmes should local authorities be able to fund their share.

Before commencing development of GPS 2027 we suggest the Ministry visit each Region in the Country to discuss their particular priorities and aspirations to allow the GPS to more accurately reflect the communities needs that the transport network provides. This approach would likely result in different advice being provided to Ministers and may result in better outcomes across the country.

We ask the Ministry of Transport commence work in conjunction with the Ministry of Education to investigate ways of integrating school bus and public transport services. There



are significant inefficiencies in the current model that a better integrated system would likely resolve. There are still major concerns in the rural community around the speed of vehicles around school buses and also the safety of children on school buses operating in rural areas at open road speeds without safety restraints

Conclusion

The Otago Southland RTC chairs thanks the Ministry of Transport for the opportunity to provide this feedback on the draft GPS 2024.

We ask the Ministry to consider before commencing development of GPS 2027 that the Ministry visit each Region in the Country to discuss their particular priorities and aspirations to allow the GPS to more accurately reflect the community needs that the transport network provides. This approach would likely result in different advice being provided to Ministers and may result in better outcomes across the country.

Thank you once again for the opportunity to provide feedback on the discussion document. Should you require any further information please contact Russell Hawkes, Lead Transport Planner, Environment Southland on 021 970 997 or russell.hawkes@es.govt.nz.

Cr Jeremy McPhail
Chair
Southland Regional Transport Committee

Kate Wilson
Chair
Otago Regional Transport Committee

8.2. Public Transport Network Performance Report

Prepared for:	Public and Active Transport Committee
Report No.	OPS2345
Activity:	Transport: Public Passenger Transport Julian Phillips, Implementation Lead - Transport
Author:	Gemma Wilson, Senior Operations Analyst – Public Transport Jack Cowie – Transport Planner
Endorsed by:	Pim Borren, General Manager Transport
Date:	9 November 2023

PURPOSE

- [1] To update the Committee on the performance of its Public Transport (bus and ferry) and Total Mobility services for the first quarter of the 2023/24 financial year, being the months July to September 2023.

EXECUTIVE SUMMARY

- [2] Dunedin bus patronage for Q1 2023/24 is 852,644 - an increase of 28% from Q1 2022/23
- [3] Queenstown bus patronage for Q1 2023/24 is 454,316 - an increase of 57% from Q1 2022/23
- [4] Queenstown Ferry patronage for Q1 2023/24 is 19,131 - a decrease of 19% from Q1 2022/23
- [5] Total Mobility patronage for Q1 2023/24 is 30,779 - an increase of 13% from Q1 2022/23

RECOMMENDATION

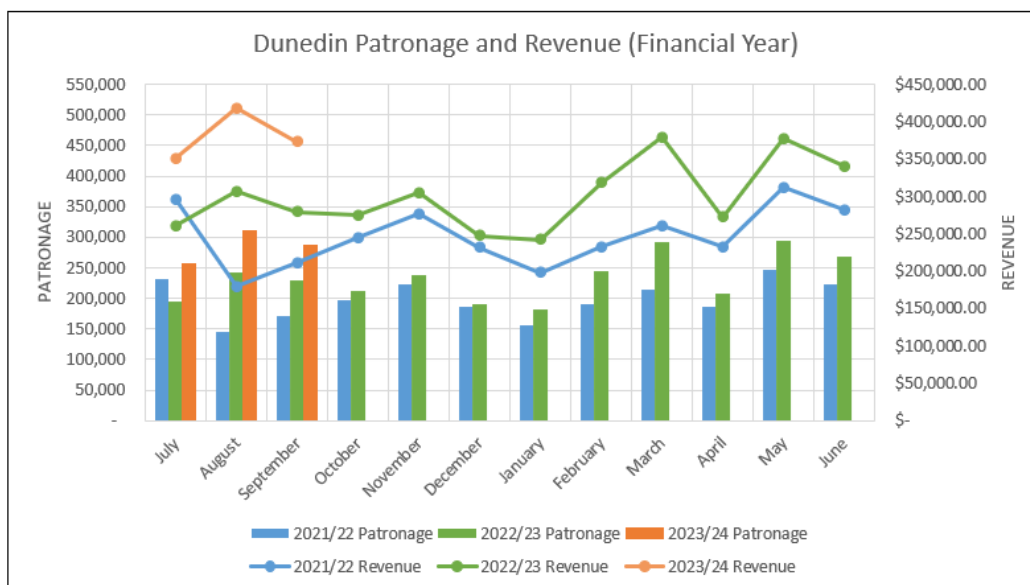
That the Council:

- 1) **Notes** the report summarising public transport activity in Otago for the first quarter of the 2023/2024 year.

DISCUSSION - DUNEDIN

- [6] Figure 1 details patronage and revenue for the Q1 of the 2023/24 financial year.

<p>Fare Revenue Sept 2023</p> <p>\$373,098</p> <p>▲ 34% vs September 2022</p> <p>▲ 77% vs September 2021</p>	<p>2023/24 Fare Revenue financial year to date</p> <p>\$1,141,753</p> <p>▲ 35% vs 2022/2023</p>	<p>Concession Type September 2023</p> <table border="1"> <tr><td>Adult</td><td>39%</td></tr> <tr><td>Youth Plus</td><td>15%</td></tr> <tr><td>Youth</td><td>21%</td></tr> <tr><td>Child</td><td>5%</td></tr> <tr><td>CCC</td><td>8%</td></tr> <tr><td>SuperGold</td><td>13%</td></tr> </table>	Adult	39%	Youth Plus	15%	Youth	21%	Child	5%	CCC	8%	SuperGold	13%
Adult	39%													
Youth Plus	15%													
Youth	21%													
Child	5%													
CCC	8%													
SuperGold	13%													
<p>Patronage Sept 2023</p> <p>285,998</p> <p>▲ 24% vs September 2022</p> <p>▲ 68% vs September 2021</p>	<p>2023/24 Patronage financial year to date</p> <p>852,644</p> <p>▲ 28% vs 2022/2023</p>													



Dunedin	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2018/19 Patronage	195,272	235,930	221,438	212,965	223,894	177,520	172,142	213,992	246,593	198,745	245,477	204,362	2,548,330
2019/20 Patronage	220,652	235,666	230,329	224,285	226,692	182,910	181,525	228,477	175,526	26,802	68,709	197,681	2,199,254
2020/21 Patronage	293,294	278,162	209,278	224,799	223,263	190,821	160,848	201,611	250,266	195,795	243,550	234,783	2,706,470
2021/22 Patronage	231,082	144,505	170,397	196,538	223,952	185,219	156,857	190,746	213,639	185,831	246,438	221,895	2,367,099
2022/23 Patronage	194,544	242,825	229,954	213,011	237,385	189,812	181,899	244,977	291,825	208,030	294,188	268,850	2,797,300
2023/24 Patronage	256,596	310,050	285,998										852,644

Figure 1: Dunedin 2023/24 Patronage and Revenue

- [7] Total Dunedin bus patronage for Q1 2023/24 is 852,644.
- [8] This is an 28% increase from 2022/23, noting that full timetables were re-introduced to Dunedin in February 2023.
- [9] This also represents a 31% increase from the 2018/19 financial year, which is the last full year period where patronage was not disrupted by COVID restrictions and driver shortages.

- [10] This quarter also saw the introduction of Community Connect fare concessions.
- [11] The new fare table for Dunedin is set out in Figure 2, and includes three new fare concessions: Youth (13-18yrs), Youth Plus (19-24 years) and Community Connect (For Community Service Card Holders).

Infant (under 5 years)	Free	
Child (5-12 years)	Free when you tag on with your registered Bee Card	
	Cash Fare	Card Fare (Bee Card must be registered)
Youth (13-18 years)	\$3	60c
Youth Plus (19-24 years)	\$3	\$1
Adult (25 +)	\$3	\$2
Community Connect	\$3	\$1
SuperGold (65 +)	\$3	\$2 peak, free off-peak

Figure 2: New Dunedin Fare Table

- [12] At September 2023, the most noticeable impact of the concessions is on the Adult category, which is at 39% of fares taken.
- [13] Typically, Adult fares would represent c.56% of all fare types, but the Youth Plus category now accounts for 15% of fares taken, approximately corresponding to the drop in Adult fares. This is because passengers benefitting from the Youth Plus concession would previously have paid the full Adult fare.
- [14] Community Service Card concessions represent 8% of fares taken, noting that it is possible for a passenger to have both a CSC concession and a Supergold concession, utilising the former at peak times and the latter off-peak to maximise the value of the concession benefit.
- [15] In summary, Dunedin patronage has significantly recovered from the past couple of years of disruption. For Q1 2023/24, patronage across the network is comfortably exceeding the previous six years, noting that new concessions are in place.
- [16] Figure 3 provides individual PTOM Unit information.
- [17] All Units have experienced patronage increases of over 20% for September 2023 compared to 2022, apart from Unit 3, which posts a 3% increase.
- [18] Note that new services have been introduced to Mosgiel routes in Unit 5, a combination of additional peak frequency trips and a direct Express service. These will likely have an increasing impact over time at the start of each new school year.

<p>Unit 1</p> <ul style="list-style-type: none"> Balaclava Logan Park Concord Port Chalmers Northern services Peninsula 	<p>Unit 2</p> <ul style="list-style-type: none"> St Clair Normanby Corstorphine Wakari St Clair Park Helensburgh 	<p>Dunedin Transitional Services/Unit 3</p> <ul style="list-style-type: none"> Pine Hill Lookout Point Shiel Hill Opoho Ridge Runner 	<p>Unit 4</p> <ul style="list-style-type: none"> Brockville/Half. Bush/St Kilda Waverley Ocean Grove Ross Creek Belleknowes Kenmure 	<p>Unit 5</p> <ul style="list-style-type: none"> Mosgiel Mosgiel Loop Abbotsford Mosgiel Express
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<p>Unit 1 Revenue Sept 2023 \$77,566.16 ▲ 53% vs September 2022</p> <p>Unit 1 Patronage 58,894 ▲ 42% vs September 2022</p>	<p>Unit 2 Revenue Sept 2023 \$111,063.60 ▲ 38% vs September 2022</p> <p>Unit 2 Patronage 84,174 ▲ 29% vs September 2022</p>	<p>Unit 3 Revenue Sept 2023 \$55,821.66 ▲ 14% vs September 2022</p> <p>Unit 3 Patronage 40,682 ▲ 3% vs September 2022</p>
<p>Unit 4 Revenue Sept 2023 \$85,632.78 ▲ 30% vs September 2022</p> <p>Unit 4 Patronage 66,231 ▲ 23% vs September 2022</p>	<p>Unit 5 Revenue Sept 2023 \$43,014.49 ▲ 33% vs September 2022</p> <p>Unit 5 Patronage 36,017 ▲ 20% vs September 2022</p>	

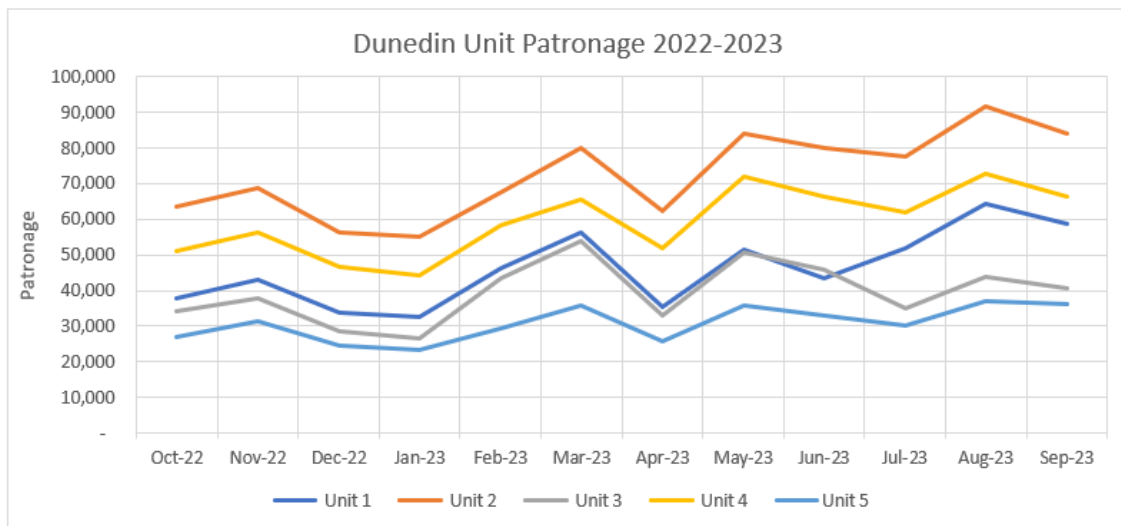


Figure 3: Dunedin 2023/24 PTOM Unit performance

DISCUSSION - QUEENSTOWN

[19] Figure 4 details patronage and revenue for the Q1 of the 2023/24 financial year.

Fare Revenue Sept 2023

\$261,848.51

▲ 57% vs September 2022

▲ 214% vs September 2021

2023/24 Fare Revenue financial year to date

\$789,589

▲ 39% vs 2022/2023

Concession Type September 2023

Adult	78%
Youth Plus	11%
Youth	7%
Child	2%
CCC	0.2%
SuperGold	1%

Patronage Sept 2023

152,621

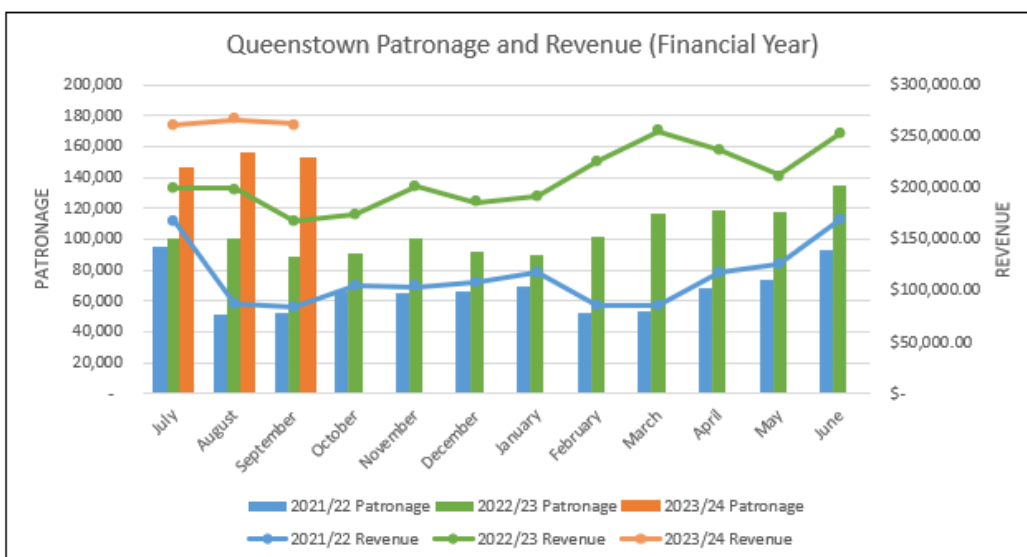
▲ 73% vs September 2022

▲ 194% vs September 2021

2023/24 Patronage financial year to date

454,316

▲ 57% vs 2022/2023



Queenstown	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2018/19 Patronage	122,752	117,442	103,974	111,657	125,600	118,997	136,055	129,439	134,084	125,244	118,077	124,736	1,468,057
2019/20 Patronage	136,766	129,011	121,416	120,662	128,440	128,282	136,985	131,102	90,746	9,919	42,577	73,597	1,249,503
2020/21 Patronage	100,951	98,102	72,143	73,385	71,464	69,096	68,550	60,717	62,613	65,928	66,863	79,251	889,063
2021/22 Patronage	95,248	51,010	51,987	66,690	64,895	66,507	69,147	52,471	53,524	68,158	73,786	93,367	806,820
2022/23 Patronage	100,966	100,668	88,268	91,277	100,579	91,940	89,306	102,118	116,667	118,955	117,645	134,593	1,252,982
2023/24 Patronage	145,759	155,936	152,621										454,316

Figure 4: Queenstown 2023/24 Patronage and Revenue

- [20] Total Queenstown bus patronage for Q1 2023/24 is 454,316.
- [21] This is an 57% increase from 2022/23, noting that full timetables were re-introduced to Queenstown in June 2023.
- [22] This also represents a 32% increase from the 2018/19 financial year, which is the last full year period where patronage was not disrupted by COVID restrictions and driver shortages.

- [23] Patronage has continued to exceed pre-COVID levels since June 2023, demonstrating the immediate impact of the resumption of full timetables in that month.
- [24] This quarter also saw the introduction of Community Connect fare concessions.
- [25] The new fare table for Queenstown is set out in Figure 5 and includes three new fare concessions: Youth (13-18yrs), Youth Plus (19-24 years) and Community Connect (For Community Service Card Holders).

Infant (under 5 years)	Free	
Child (5-12 years)	Free when you tag on with your registered Bee Card	
	Cash Fare	Card Fare (Bee Card must be registered)
Youth (13-18 years)	\$4	75c
Youth Plus (19-24 years)	\$4	\$1
Adult (25 +)	\$4	\$2
Community Connect	\$4	\$1
SuperGold (65 +)	\$4	\$2 peak, free off-peak

Figure 5: New Queenstown Fare Table

- [26] It is difficult to assess the impact of the new concessions in Queenstown to date, with the share of concession types being quite different to Dunedin.
- [27] This could be due to the large proportion of tourists using the service and general awareness of the new concession types. Note that concessions require a Bee Card to be registered (usually on-line) to receive the reduced fare, otherwise the full \$2 fare applies.
- [28] Community Service Card holders represent just 0.2% of fares compared to 8% in Dunedin. However, the Youth Plus concession has been well adopted at 11% of fares.
- [29] In summary, Queenstown patronage has recovered exceptionally well from the past couple of years of disruption. For Q1 2023/24, patronage across the network is comfortably exceeding the previous six years and indicates a recovery to levels well in excess of pre-COVID patronage.
- [30] Figure 6 provides individual PTOM Unit information.
- [31] Both Units 6 and 7 have increased in patronage by 89% and 31% respectively when compared to September 2022.
- [32] Whilst Unit 7 patronage is following a relatively flat trend, Unit 6 - which includes Airport services - has continued a significant upward trend since January 2023, which accelerated greatly after the resumption of full timetables in June 2023.

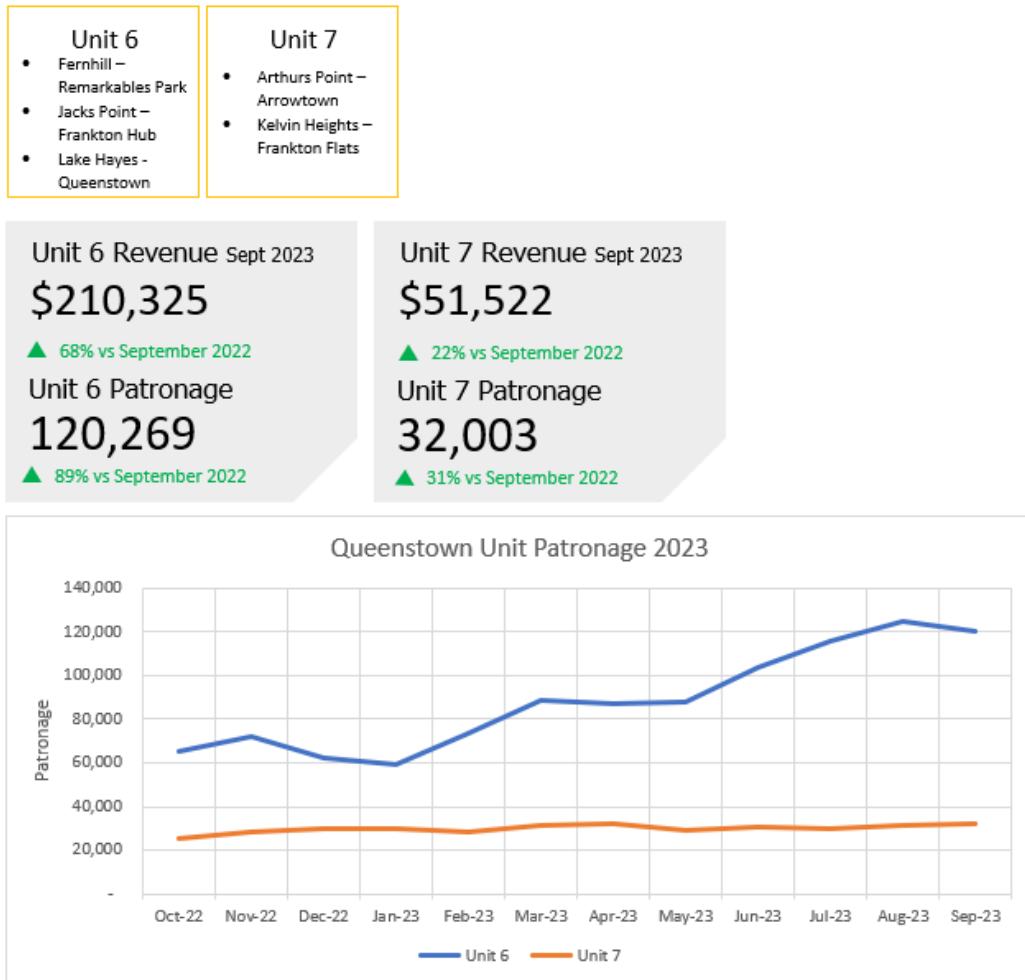
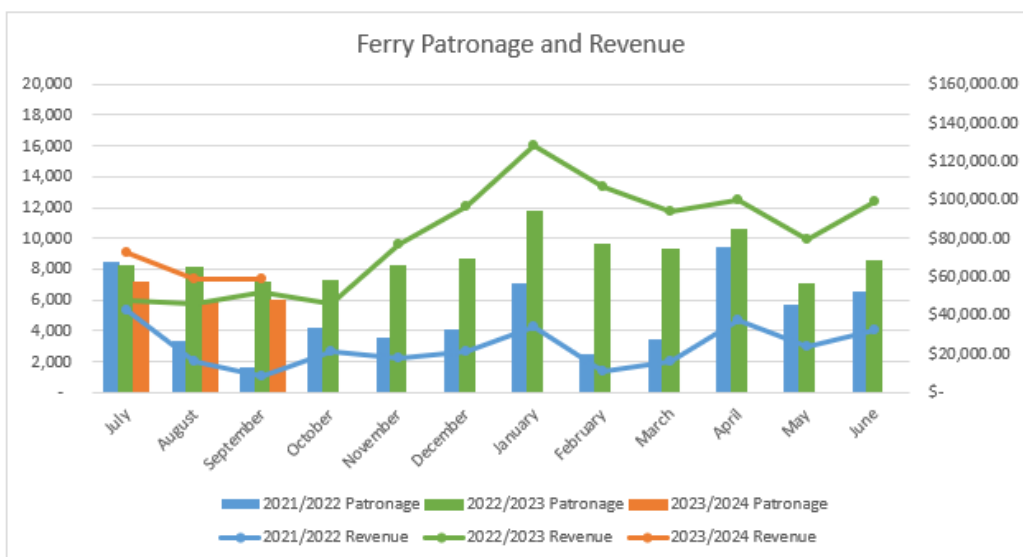


Figure 6: Queenstown 2023/24 PTOM Unit performance

DISCUSSION – QUEENSTOWN FERRY

[33] Figure 7 details Queenstown Ferry patronage and revenue for the 2023/24 financial year.

<p>Fare Revenue Sept 2023</p> <p>\$59,067.19</p> <p>▲ 14% vs September 2022</p>	<p>2023/24 Fare Revenue financial year to date</p> <p>\$190,712.95</p> <p>▲ 30% vs 2022/2023</p>
<p>Patronage Sept 2023</p> <p>5,997</p> <p>▼ 16% vs September 2022</p>	<p>2023/24 Patronage financial year to date</p> <p>19,131</p> <p>▼ 19% vs 2022/2023</p>



Queenstown Ferry	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2020/21 Patronage	4,048	2,483	2,675	3,600	3,075	4,439	6,688	5,219	4,489	5,101	4,598	7,056	53,471
2021/22 Patronage	8,449	3,336	1,630	4,200	3,533	4,134	7,123	2,453	3,448	9,456	5,728	6,564	60,054
2022/23 Patronage	8,259	8,135	7,119	7,203	8,164	8,644	11,721	9,586	9,329	10,538	7,016	8,526	104,240
2023/24 Patronage	7,147	5,987	5,997										19,131

Figure 7: Queenstown Ferry 2023/24 Patronage and Revenue

- [34] Patronage has fallen by 16% comparing September 2023 to September 2022.
- [35] Year to date patronage for July to September 2023 has also dropped, being 19% behind the same period in the previous year.
- [36] However, revenue to date is 30% higher than the previous financial year.
- [37] The reasons for this result are likely the resumption of full priced fares in July 2023, together with (at the time of writing this report) fare concessions not being applicable to Ferry services.

[38] Bee Card fares on the Ferry have been fixed at \$10 since July, following most of the previous financial year at the 50% reduced price of \$5. Cash fares are \$14, having previously been \$7.

[39] Discussions are ongoing with the operator regarding the application of concessions to Ferry services.

DISCUSSION – TOTAL MOBILITY

[40] Patronage for the Total Mobility scheme continues to track ahead of previous years.

[41] Figure 8, below, shows patronage over the past 12 months. ‘Hoist’ refers to trips that require a wheelchair accessible vehicle to travel, for which suppliers receive a separate reimbursement.

[42] For the 12 months to September 2023, the total number of trips was 112,876 (9406 per month, a 19.1% increase on the previous year) and 16,451 required a hoist (1370 per month, a 30.0% increase).

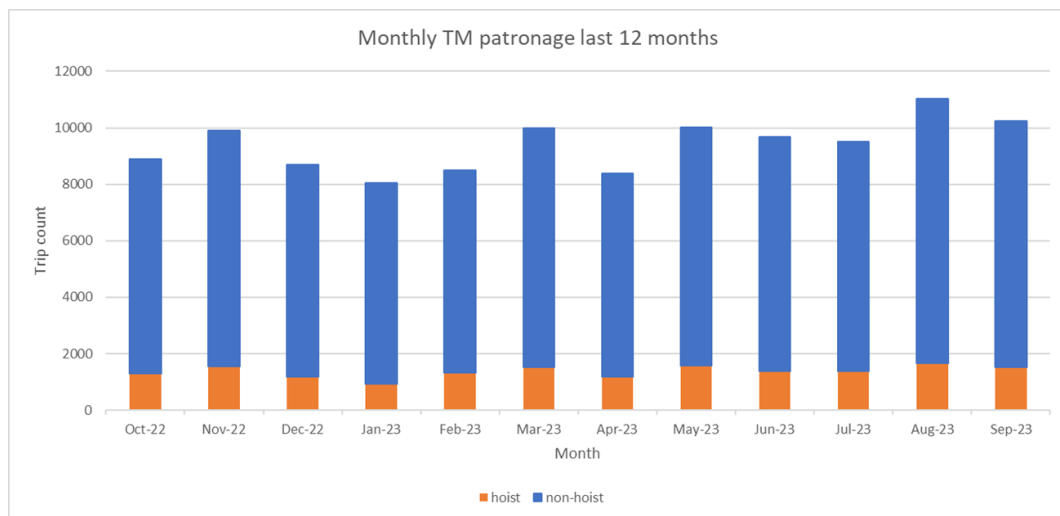


Figure 8: Total Mobility patronage, 12 months to September 2023.

[43] Figure 9 tracks 2023/24 patronage alongside previous financial years.

[44] Total Mobility patronage for Q1 2023/24 is 30,779.

[45] This is a 13% increase from Q1 2022/23.

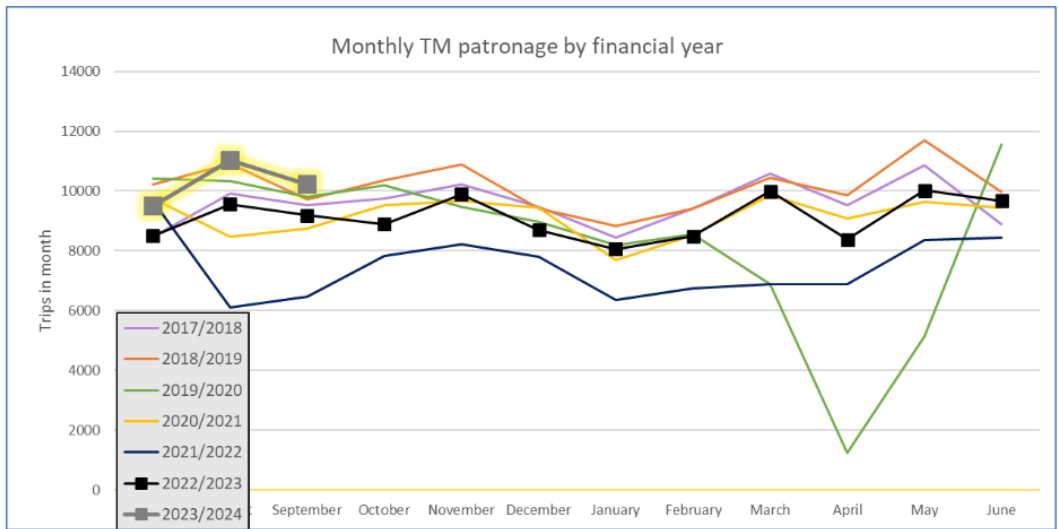


Figure 9: Total Mobility patronage, 2018/19 to 2023/24

[46] In addition to the patronage increase, the average length of trips, and hence average fares, continues an upward trend. This is shown in figure 10 below, comparing a time series of average fares and average trip distances:

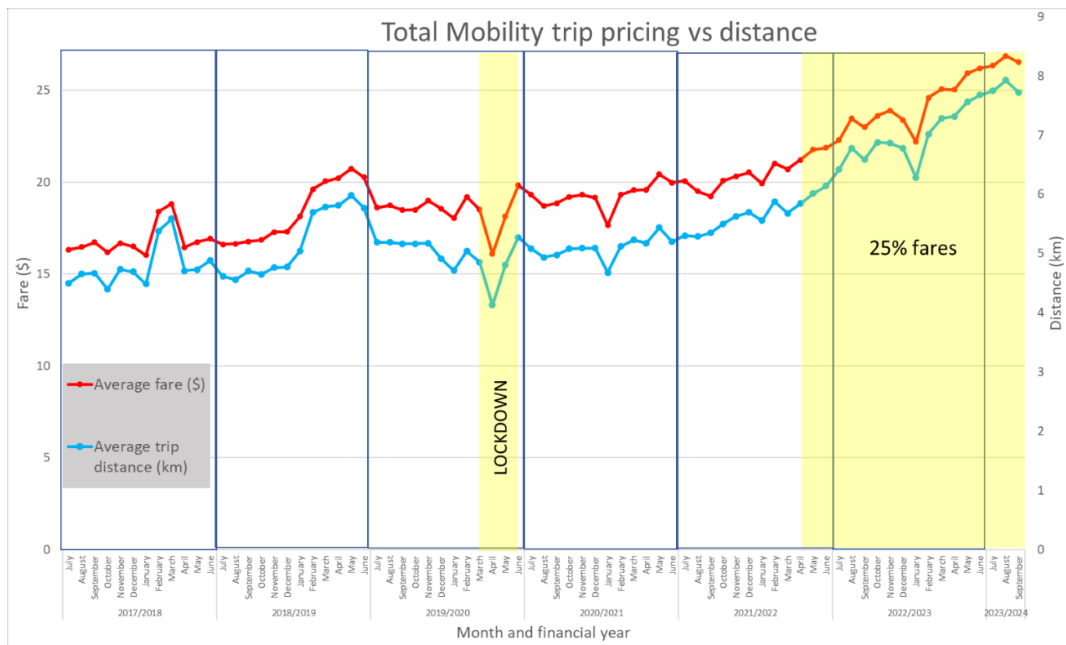


Figure 10: Total Mobility – pricing vs distance travelled

OPTIONS

[47] Note this report.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[48] The provision of public transport services in Otago is consistent with the vision to provide safe, sustainable and inclusive transport.

Financial Considerations

[49] Detailed public transport financial performance information will be reported to the Finance Committee.

Significance and Engagement

[50] Not applicable.

Legislative and Risk Considerations

[51] Not applicable.

Climate Change Considerations

[52] Public Transport supports climate change aspirations within Otago.

Communications Considerations

[53] Not applicable.

NEXT STEPS

[54] A further update will be provided to the next Public and Active Transport Committee.

ATTACHMENTS

Nil

8.3. Queenstown Public Transport Business Case Update

Prepared for: Public and Active Transport Committee

Report No. PPT2304

Activity: Transport: Public Passenger Transport

Author: Lorraine Cheyne, Transport Manager

Endorsed by: Pim Borren – General Manager

Date: 09 November 2023

PURPOSE

[1] The purpose of this paper is to provide the Committee with an update on the Queenstown Public Transport Business Case (QPTBC). It summarises work undertaken in the last three months, works anticipated in the next three months, and outlines key project risks.

EXECUTIVE SUMMARY

[2] This paper updates the Queenstown Public Transport Service Business Case (QPTSBC) progress since reporting to the Committee at its meeting on 9 August 2023.

[3] It is noted that:

- Public engagement on shortlist options is now complete.
- Strategic case of the business case is completed.
- Final short-list option workshop was conducted on 20 October 2023 to reach a clear emerging preferred option identified for further discussion.
- Advisory papers to inform the economic, financial, and management cases have been drafted on PT Hubs and Infrastructure, an Ownership and Operating Model, a Funding Model, and on System Management.
- The draft business case is scheduled to be completed by 15 December 2023.

RECOMMENDATION

That the Committee:

- 1) **Notes** this report.
- 2) **Notes** the key consultation results.
- 3) **Notes** the strategic case document.
- 4) **Notes** that the content of the business case will inform decisions on options for consultation as part of the upcoming Long Term Plan process.
- 5) **Notes** that the full Queenstown Public Transport Business Case will be presented for approval at the next Committee meeting.

DISCUSSION

[4] The strategic case of the business case is completed and will be sent out for partner information. This is included as Attachment 1.

[5] At its 9 August 2023 meeting, the committee received a report updating recent work and outlining some key challenges for achieving the outcomes of the business case. The Committee was advised at that meeting that public engagement on a short-list of options was a next step in the Business Case. Following the 9 August meeting, a

- workshop was held with Councillors on 24 August at which the draft consultation material was outlined.
- [6] Public consultation for the shortlisted options took place from 18 September to 2 October. Due to a state of emergency being declared in Queenstown within the original consultation period, the online engagement was extended until 9 October 2023. Consultation used a combination of online platforms, printed materials, and in-person engagement techniques.
- [7] Approximately 240 responses were received from individuals and groups. These responses are being analysed to feed into the shortlist option analysis. An Engagement Report will be completed in November 2023, followed by closing the loop with the community so they can see how their contributions have been considered in arriving at a preferred option.
- [8] The initial engagement results show strong support from Arrowtown residents for a bus service to Queenstown via Malaghans Roads. Also, the results showed some support for an on-demand service on Queenstown Hill and Goldfields Heights.
- [9] The emerging preferred option has been identified and agreed to with the project partners, Waka Kotahi and Queenstown Lakes District Council (QLDC). The emerging preferred option is the 'Bus Max' option. This option could include operating buses from Arrowtown via Malaghans Road, along with additional frequencies and a Frankton-Five Miles loop bus.
- [10] The PT Hubs and Infrastructure, Ownership and Operating Model, Funding Model and System Management advisory papers are being finalised. The Sustainable Public Transport Framework, introduced through the Land Transport Amendment Act this year includes options for regional councils to own bus depot and fleets. The Ownership and Operating Model advisory paper of the Business Case indicates that buying/owning new depot by Council in Queenstown could enable a transition to zero emission buses, promote competition in the bus market, and has a simpler management regime. The business case will continue to investigate this in more detail.
- [11] Funding of the preferred option along with alternatives will be included in the upcoming long term plan material. It is noted that significant additional investment would be required from ORC and its transport partners over the next ten years to deliver the entirety of the preferred option. Work to align the investment programmes remains ongoing.
- [12] Ancillary to the QPTSBC, QLDC has started work on a travel demand management (TDM) Single Stage Business Case (SSBC). TDM can be a major intervention to fully realise the benefits of investment in the additional public transport services and infrastructure proposed in the QPTSBC. However, if other projects such as NZ Upgrade Programme are not able to deliver on these additional measures, the benefits are at significant risk.
- [13] While construction of the BP roundabout at the intersection of state highways 6 and 6A in Frankton is set to get under construction in January 2024, it has a three year plus construction timeframe. This might prompt the earlier implementation of the Malaghans Road bus services as a mitigation for the construction impacts on Arrowtown residents.

OPTIONS

- [14] Not applicable, the report is for noting.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [15] The Otago Regional Council's 2021/31 Long-Term Plan (LTP) and the Regional Land Transport Plan (RLTP) outline how activities undertaken by Council will help achieve community and transport outcomes. Council has the vision of sustainable, safe, and inclusive transport for its residents.
- [16] The draft QPTBC will be completed by the end of the calendar year.

Financial Considerations

- [17] As of 30 August, 69% of the total business case budget, equivalent to \$1,036,158, has been expended.
- [18] The project has a forecast contingency of +\$173,597.

Significance and Engagement

- [19] The QPTBC has been developed in partnership with Way2Go partners (QLDC, Waka Kotahi and ORC). Other stakeholders were informed about the shortlist options consultation and encouraged to make a submission. Other key stakeholders such as Queenstown Airport Corporation (QAC) and Ministry of Education made submissions.
- [20] QAC submitted on the shortlist engagement and was generally supportive of the proposals but expressed disappointment that the option of ferry services to Frankton Beach is no longer being pursued. Its draft Master Plan includes future-proofing a green link from the airport to Frankton Beach to access such a service. QAC submitted that this service should be included in the range of offerings under option. This is to be considered in finalising a preferred option.

Legislative and Risk Considerations

- [21] There are no legislative considerations regarding this paper.
- [22] ORC faces a potential risk to its reputation if the public transport network is not improved, despite having positive feedback from the community. The public transport network holds a risk of not delivering all the benefits mentioned in QPTBC if all transport partners cannot deliver on their commitments.

Climate Change Considerations

- [23] There are no direct climate change considerations, however, reducing vehicle kilometres travelled through increasing patronage of public transport aligns with Government, regional and local priority actions for climate emissions reduction. The scale of the impact depends on the quantum of mode shift away from private vehicles delivered by the outcomes of the business case process.

Communications Considerations

- [24] The community has been well informed of the QPTBC, including through the recent engagement which provided the public with the opportunity to submit their feedback.
- [25] The community will be informed on the preferred option through an engagement report to inform how the community feedback through public consultation was analysed and formed part of the business case process.

NEXT STEPS

- [26] The strategic case will be sent out for partner feedback.
- [27] The emerging preferred option of "bus max" will be confirmed by project partners.
- [28] An Engagement Report is scheduled to be completed in November 2023.
- [29] The economic, financial, commercial and management cases will be completed.
- [30] The business case in draft form is expected to be completed by the end of the calendar year.

[31] The finalised business case will go to the Committee and project partners (QLDC and Waka Kotahi) for endorsement upon completion.

ATTACHMENTS

1. Queenstown Public Transport Business Case - Strategic Case - v 5 Draft - Issued [8.3.1 - 33 pages]



QUEENSTOWN PUBLIC TRANSPORT BUSINESS CASE

Strategic Case

NOTE:

- 1- This Strategic Case will form Part A of the Queenstown Public Transport Business Case
- 2- As the QPTBC is finalised, this Strategic Case will be integrated into the final report. The formatting of this version may change to meet agreed formatting and edition rules.

15 SEPTEMBER 2023

VERSION 5.0



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Document Version History

DATE	VERSION	AUTHOR	CHANGES
22/11/2022	1 (Draft)	J. Tan, I. Wong, A Deutsch	Initial working draft for ILM and context validation.
16/02/2023	2 (Draft)	I. Wong, J. Tan, A Deutsch	Addressed client and internal feedback, revised and added content.
10/8/2023	3 (Draft)	J. Tan	Updated to reflect refinements to ILM, additional evidence and QLDC Quality of Life Survey Results, edits and formatting.
24/08/2023	4 (Draft)	E. Whitfield	Response to comments
15/09/2023	5 (Draft)	L. Goodman, E. Whitfield	Response to comments

Document Review

ROLE	NAME	REVIEW STATUS
Senior Transport Planner	S. Marek	Internal Review
Technical Director - Advisory	A. Deutsch	Internal Review

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Glossary of Terms

ABBREVIATION	TERM
AADT	Annual Average Daily Traffic
Business Case	Queenstown Public Transport Business Case
District	Queenstown Lakes District Council
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse gases
GPS	Government Policy Statement (on Land Transport)
ILM	Investment Logic Map
IQA	Investment Quality Assurance
KPI	Key Performance Indicator
MoE	Ministry of Education
MoT	Ministry of Transport
NZ	New Zealand
NZUP	New Zealand Upgrade Programme
ORC	Otago Regional Council
PAX	Passenger
PBC	Programme Business Case
PT	Public transport
QLDC	Queenstown Lakes District Council
QPTBC	Queenstown Public Transport Business Case
QTBC	Queenstown Transport Business Case
RLTP	Regional Land Transport Plan
RPTP	Regional Public Transport Plan
SH6	State Highway 6
SH6A	State Highway 6A
SSBC	Single Stage Business Case
TDM	Travel Demand Management
VKT	Vehicle kilometres travelled
W2G	Way to Go Partnership
Waka Kotahi	Waka Kotahi NZ Transport Agency

EXECUTIVE SUMMARY

Queenstown is one of New Zealand's fastest growing regions, driven by growth in population, tourism, and supporting activities. This growth is placing increasing pressure on infrastructure, the transport system, and the environment.

Specifically, the Queenstown Business Case (endorsed in 2021) stated:

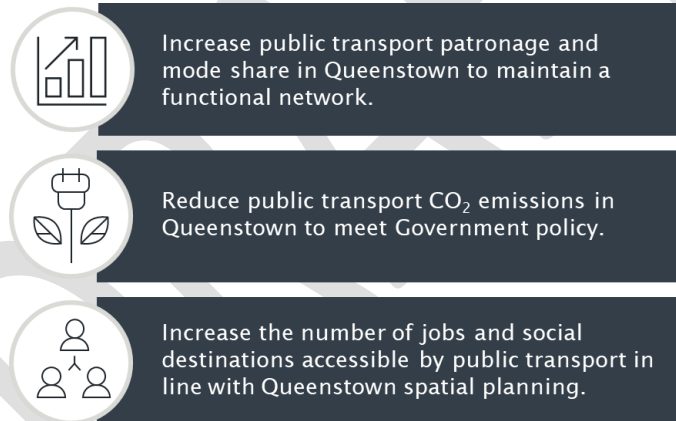
...a step change is required to achieve the 40% alternative mode share needed during the PM peak on SH6A by 2028.

This Queenstown Public Transport Business Case (QPTBC) represents a pivotal moment to help shape future growth and mobility patterns. This Business Case, led by Otago Regional Council, will confirm the case for investment in a 30-year plan for future public transport investment decisions for Queenstown.

The agreed Problem Statements for the QPTBC relate to the key themes of **effectiveness** and **attractiveness** of public transport:

- **Problem One:** Current capacity of Queenstown's transport network means the public transport service will not accommodate the future mode share targets (40 percent).
- **Problem Two:** Current Queenstown public transport service does not provide an alternative to private car travel, leading to low public transport usage in Queenstown (60 percent).

The agreed Investment Objectives of this Business Case are:



The Case for Change presented in this Strategic Case is compelling and clear:

- In the face of population growth that will double in the next thirty years, tourism growth, worsening traffic congestion, and pressing environmental concerns, the need for significant investment in public transport has never been more critical in Queenstown.
- Queenstown currently stands at a crossroads, where a congested network needs rapid intervention through a mode shift to non-car modes. Investing in robust public transport services is a pivotal step towards supporting a sustainable, efficient, and more accessible Queenstown that will thrive in the future and bring economic benefits to the region and Aotearoa New Zealand.
- Significant investment has been committed to infrastructure improvements in the Whakatipu Basin. This provides the opportunity to review public transport services and ancillary infrastructure in line with the committed infrastructure improvements to make the best use of this investment.

1 INTRODUCTION

Otago Regional Council (ORC) has commissioned the Queenstown Public Transport Business Case (QPTBC) to consider the opportunities for public transport in Queenstown. This project represents a pivotal moment to help shape future growth and mobility patterns. This Business Case will confirm the case for investment in a 30-year plan for future public transport investment decisions for Queenstown. The QPTBC is being delivered under the Way to Go (W2G) partnership with ORC's partners Waka Kotahi NZ Transport Agency (Waka Kotahi) and Queenstown Lakes District Council (QLDC).

This Strategic Case is the first of the five Cases. The purpose of the Strategic Case is to justify the investment for further exploration of the opportunity. It defines the Problem Statements, Investment Objectives, and Benefits. In doing so, this Strategic Case seeks to provide a robust evidence base to enable informed decision-making for the following key questions:

- What is the vision for the form and function of the Queenstown public transport network over the next 30 years, including decarbonisation of public transport.
- What strategic decisions need to be made to achieve this form and function?
- What infrastructure and service interventions are imperative to achieve this form and function?
- What investment pathways are necessary.

This Business Case has been prepared in accordance with the Waka Kotahi guidelines and presents a compelling case for investment.

Geographic Scope

This Business Case considers the existing public transport network and services within the Whakatipu Basin, as shown in Figure 1.



Figure 1. Geographical Area, QPTBC

2 PROJECT CONTEXT

2.1 Work Completed to Date

The Queenstown Business Case sets the direction for this QPTBC. The Queenstown Business Case (2020) provides a **commitment to an integrated transport programme** for Queenstown with 'three pillars of investment'¹ to achieve the Investment Objectives:

1. Provide more efficient and reliable access for people and goods that:
 - a. Sustainably manages growth,
 - b. Reduces reliance on private vehicle travel,
 - c. Enables enhanced land use.
2. Is adaptable to change and disruption,
3. Enhances the liveability and quality of the natural and built environment,
4. Enhances safety with a goal of Vision Zero.

The Queenstown Business Case was endorsed by Waka Kotahi, Queenstown Lakes District Council, and Otago Regional Council in early 2021. The basis of the endorsement was that two business case activities needed to be further developed: one for Travel Demand Management (TDM) and the second for Public Transport Services. The public transport services business case, this Business Case, is led by the Otago Regional Council (ORC).



Figure 2. Queenstown Business Case (2020)

2.2 Planning for Growth

Queenstown is one of New Zealand's fastest growing regions, driven by growth in population, tourism, and supporting activities. Over the last 30 years the Queenstown Lakes District residential population has almost tripled from 15,000 residents to 41,000 residents (2021), along with significant visitor growth. By 2051, the resident population is expected to approximately double again along with annual growth in visitors as shown in Figure 3.

This growth is placing increasing pressure on infrastructure and the transport system. With this high growth anticipated over the next 30 years, strategic planning is required now to understand the investment needed to accommodate this growth whilst retaining:

- resident wellbeing,
- visitor experiences, and
- environmental outcomes.

¹ The 'three pillars of investment' are Infrastructure, Public Transport Service Operations, and Travel Behaviour Change.

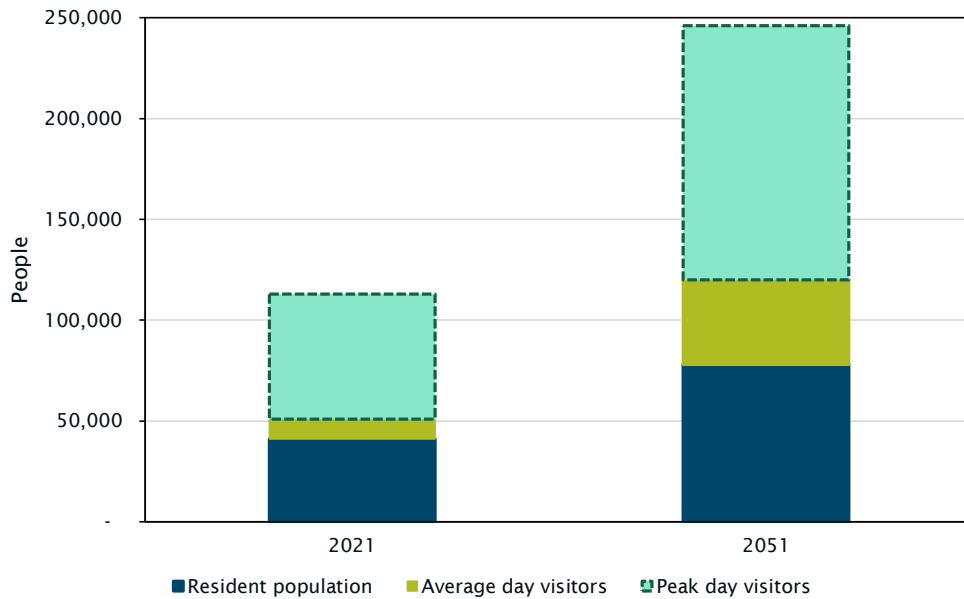


Figure 3. Queenstown Growth Projections²

The Queenstown Lakes Spatial Plan (July 2021) provides the long-term framework for managing growth in the District. The Spatial Plan promotes:

- A consolidated and mixed-use approach to growth that is focused on locations that are already fully or partially urbanised. Concentrating growth in the existing urban areas will mean more people live in areas where public transport, cycling, and walking is easy and attractive.
- Accommodating growth in this way requires enabling higher density development and a greater mix of uses than currently provided. This means that within the existing Queenstown urban area residential growth will increasingly move towards medium and higher density housing.
- As shown in Figure 5, the future growth areas in Queenstown will take place on the existing public transport routes and the proposed Frequent Public Transport Corridor. This Corridor represents a transformational shift in public transport provision in Whakatipu, offering a ‘turn up and go’ service, forming the “backbone” of the urban area of Queenstown.

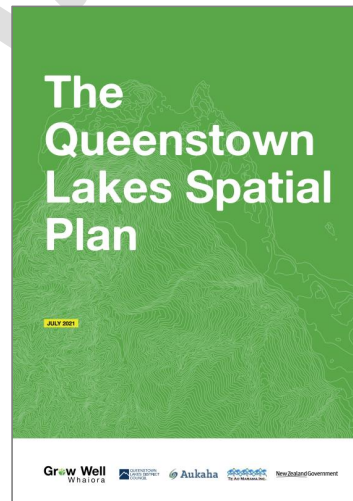


Figure 4. The Queenstown Lakes Spatial Plan (2021)

² Data sourced from QLDC Demand Projections to 2053 (July 2020) as reported in QLDC, 2021. *The Queenstown Lakes Spatial Plan*. [Spatial Plan - QLDC](#)

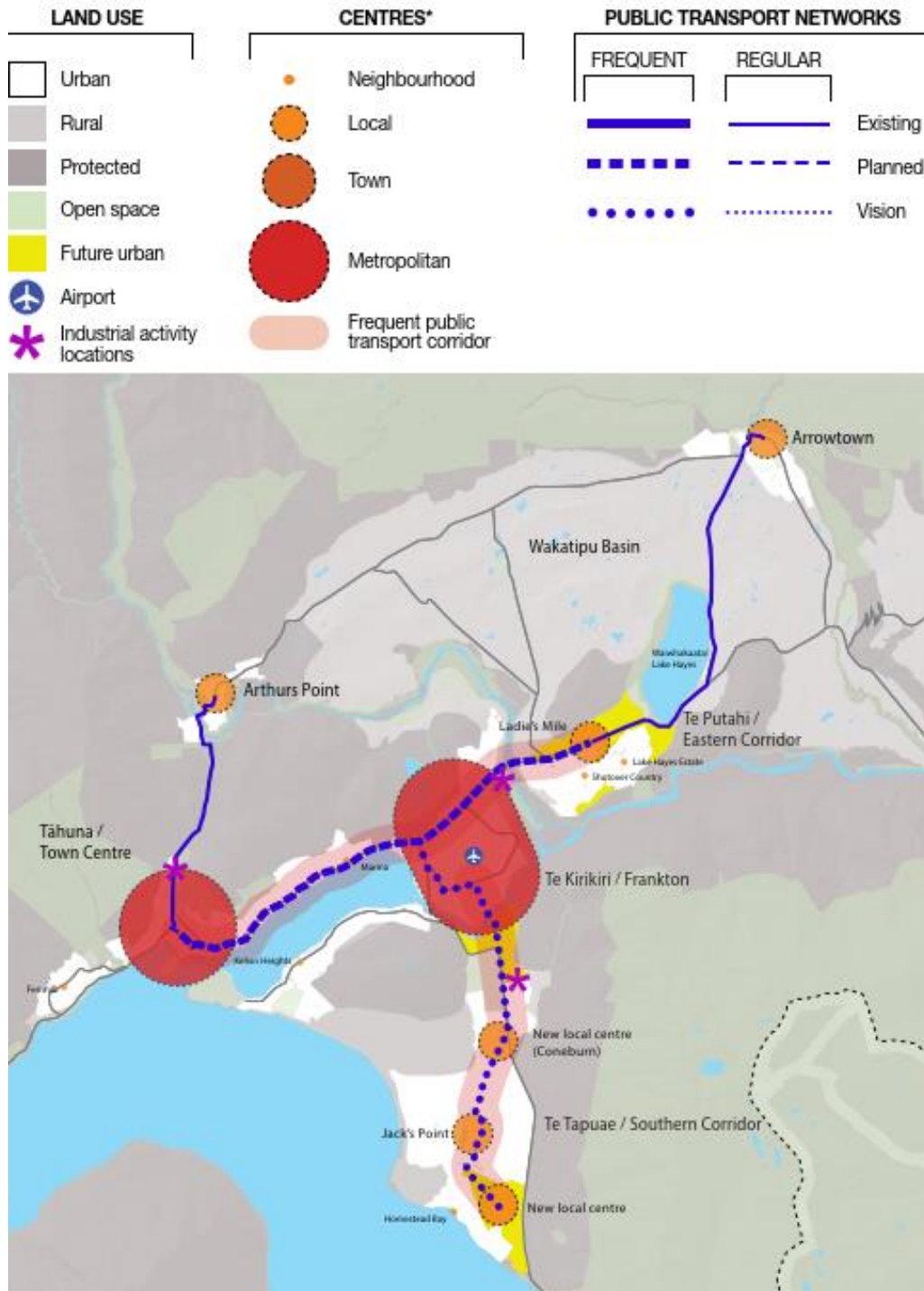


Figure 5. The Queenstown Lakes Spatial Plan (2021)

Air Travel

Air connectivity is a key component of the transport network in Queenstown Lakes and is also anticipating significant growth:

- Queenstown Airport is New Zealand's fourth busiest airport in passenger traffic. Annual passenger demand at Queenstown Airport is forecast to increase from 2.4 million in 2023 to 3.2 million in 2032.³
- In their draft Master Plan (2023), Queenstown Airport states prioritising public transport links to improve accessibility to the airport.
- Wānaka Airport also services the region, complementing Queenstown Airport. Future development constraints and opportunities have been identified for Wānaka Airport.
- A new airport is proposed at Tarras, highlighting the confidence of the aviation industry in the growth projections.

As well as the opportunity to provide a high-quality public transport network to enable visitors to access the District, airports are significant employment hubs; Queenstown Airport for example is *...the single largest land use in the Frankton Metropolitan area.*⁴ This therefore represents a significant opportunity to align public transport investment with the anticipated growth both of passengers and of employment.

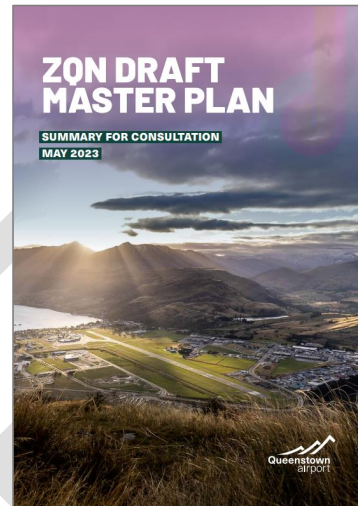


Figure 6. Queenstown International Airport Draft Masterplan (2023)

2.3 Transport Context

Topographically and Geographically Constrained

The transport network in the Whakatipu Basin is constrained topographically and geographically due to Lake Whakatipu and its mountains. This means that there is limited route choice, with the only route for moving people and transporting goods into and out of Queenstown Town Centre being State Highway 6A (SH6A).

When SH6A is closed (for example, as a result of a crash, or poor weather conditions), a detour is available via Arthur's Point. This route is not suitable for over-dimension vehicles, is capacity constrained by the one-lane Edith Cavell Bridge, and increases the journey length between Lake Hayes and the Queenstown Town Centre by approximately 100 percent.

The topographical and geographical constraints on the transport network means that providing additional capacity through increasing the number of lanes, for example, is challenging and significantly expensive. This is a key motivator for increasing the mode share of public transport in Queenstown to make better use of the existing system.

³ Queenstown Airport, 2023. *ZQN Draft Masterplan Summary 2023*. [zqn-draft-master-plan-summary-2023.pdf](#) ([queenstownairport.co.nz](#))

⁴ QLDC, 2021. *The Queenstown Lakes Spatial Plan*. [Spatial Plan - QLDC](#)

Mode Share

Similar to many cities in Aotearoa, travel in Queenstown is predominantly made by private vehicle. As illustrated in Figure 7, in Queenstown on Census Day 2018:

- Approximately two-thirds of residents in full- or part-time work travelled to work as either a driver or passenger of a private vehicle;
- 14 percent walked to work;
- Three percent cycled; and
- Just five percent took public transport.

A similar split is seen in the Census 2018 Journey to Education data.

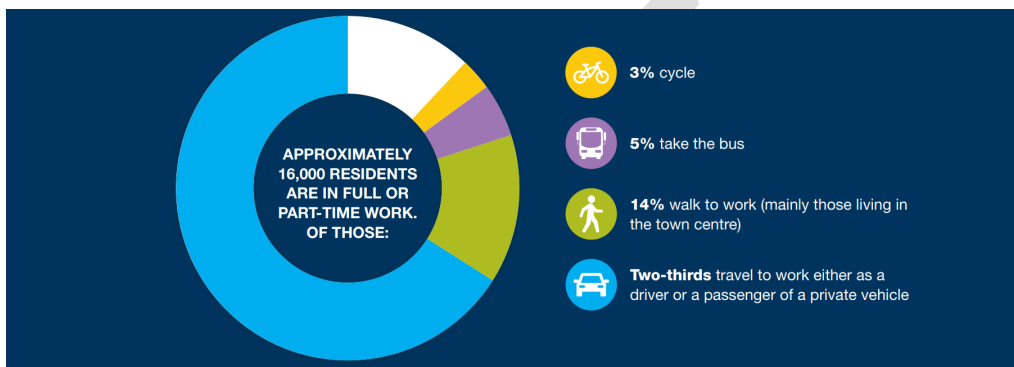


Figure 7. 2018 Census Journey to Work, Queenstown⁵

Given Queenstown's modest use of public transport, there are significant opportunities to be gained by enabling improved multimodal accessibility and providing greater transport choice.

Subsidised Public Transport Network

Queenstown's current public transport network comprises of five bus routes and a ferry service. Key details about this network are:

- The system has two hubs/bus interchanges at Frankton and Stanley Street (Queenstown).
- In November 2017 the bus routes were overhauled with a focus on trips that would contribute to reducing congestion, particularly on SH6A between the Queenstown Town Centre and Frankton.
- In parallel with the 2017 network changes, a \$2 flat public transport fare structure and Town Centre parking charges were introduced representing carrot and stick incentives for public transport, respectively.
- Combined this saw a significant increase in bus patronage as shown in Figure 8; between November 2017 and 2018 there was a 236 percent increase (Bee Card data).
- The ferry service is reported to be popular with 100 thousand trips made in the first ten months of operation (to October 2019). The ferry is primarily used by tourists.

⁵ Way to Go, 2022. *Better Ways to Go – Queenstown Lakes District Mode Shift Plan*. [item-2a-attachment-1-mode-shift-plan.pdf \(qldc.govt.nz\)](#)

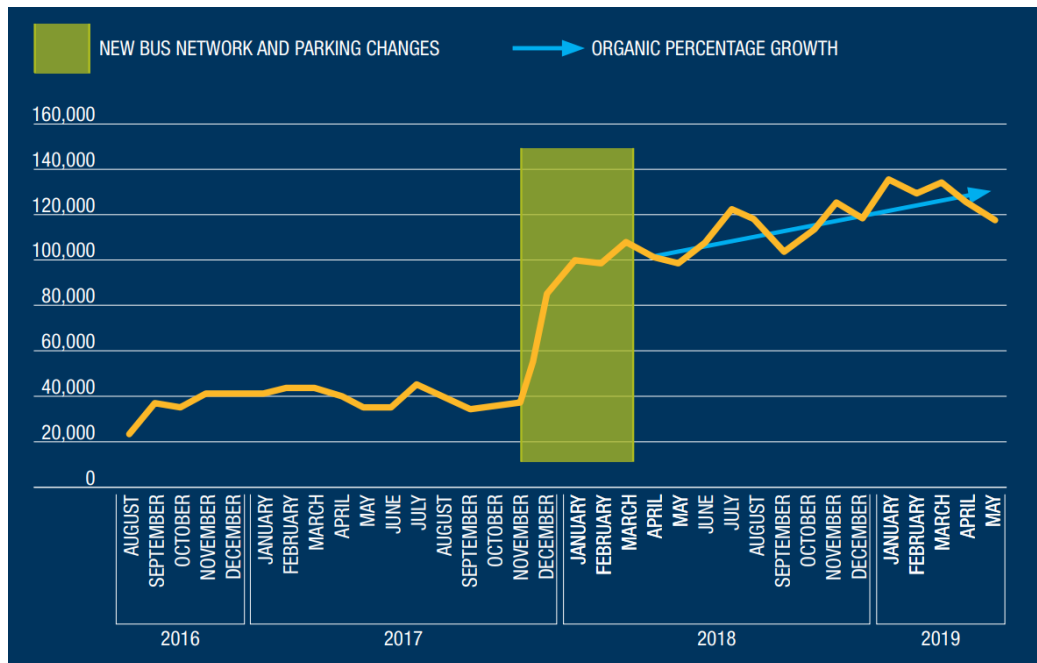


Figure 8. Whakatipu Basin Public Transport Patronage Growth⁶

This growth signifies there is a strong latent demand for public transport when delivered in a way that is affordable and aligned to users' needs.

Committed Infrastructure Funding

Funding commitments have been made for significant infrastructure investment in Queenstown, including:

- **Economic Stimulus Package** – a central Government partnership delivering the Queenstown Town Centre upgrades (\$35M Crown funding) and Town Centre Arterial upgrades Stage 1 (\$50M Crown funding).⁷
- **Whakatipu Active Travel Network** – a programme of work to deliver an integrated active mode network, providing a genuine alternative to travelling by car.⁸
- **New Zealand Upgrade Programme (NZUP) Queenstown Package** - \$115M Crown funding to provide dedicated public transport infrastructure including bus priority measures, bus lanes, bus hub improvements, intersection improvements, and pedestrian access improvements.⁹

This Strategic Case is designed to complement these investments to plan for the future of public transport so that the district is best placed to realise the benefits of infrastructure investment.

⁶ Way to Go, 2022. *Better Ways to Go – Queenstown Lakes District Mode Shift Plan*. [item-2a-attachment-1-mode-shift-plan.pdf \(gldc.govt.nz\)](#)

⁷ New Zealand Government, 2020. *Queenstown infrastructure packed to bolster local economy*. [Queenstown infrastructure package to bolster local economy | Beehive.govt.nz](#)

⁸ Queenstown Lakes District Council, 2023. *Whakatipu Active Travel Network*. [Whakatipu Active Travel Network \(gldc.govt.nz\)](#)

⁹ Waka Kotahi NZ Transport Agency, 2023. *NZ Upgrade Programme Queenstown package*. [NZ Upgrade Programme Queenstown package | Waka Kotahi NZ Transport Agency \(nzta.govt.nz\)](#)

2.4 Social Context

Ageing Population

Statistics NZ Population projections expect the proportion of people aged 65 and over to triple in the next 25 years. Figure 9 shows the 2018 estimated and the 2048 projected (medium) age distribution for residents of the Queenstown Lakes District.

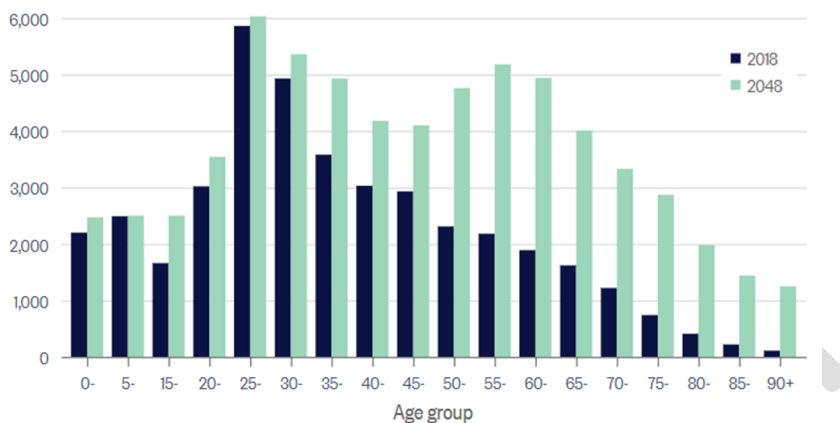


Figure 9. Estimated and projected age distribution, Queenstown Lakes District¹⁰

This demographic shift will have influence on the public transport demands. For example, people aged over 65 typically are more likely to travel during non-peak hours and typically have a higher reliance on public transport to provide their access requirements. As a result, there is expected to be increased demand for public transport, particularly off-peak services, in Queenstown.

Economic Environment

The tourism sector in Queenstown significantly contributes to the economy. International visitors to Queenstown in 2019 made a substantial contribution of approximately \$0.98 - \$1.1B to the Gross Domestic Product (GDP) of the South Island.¹¹ Additionally, the Queenstown tourism sector accounted for approximately 64 percent of local employment in 2019. Notably, the local workforce in Queenstown is heavily reliant on migrant workers and holiday visa holders to meet the labour demands.¹²

This means that a significant proportion of people in Queenstown are transient and seasonal. In the context of public transport, such individuals are more likely to have higher dependency on public transport for a number of reasons, including:

- Lack of access to a personal vehicle;
- Holding an overseas licence;
- Coming from a country with well-established public transport systems and ingrained usage habits;
- Employment as a low-wage worker with restricted resources.

¹⁰ Statistics New Zealand, Estimates and Projections: Subnational population projections, by age and sex, 2018(base)-2048 2020. [Estimated and projected age distribution in the Queenstown-Lakes District, New Zealand - Figure.NZ](#)

¹¹ [QLDC COVID-19 Recovery Intelligence Report May 22](#)

¹² [Submission to the Productivity Commission on the Immigration Inquiry, New Zealand Productivity Commission \(2021\)](#)

3 DEFINING THE PROBLEM

Queenstown's transport problems are well documented in the studies and business cases preceding this project. This section sets out the process behind agreeing the problem statements, benefits statements and investment objectives for the QPTBC.

A facilitated Investment Logic Map (ILM) workshop was held in October 2022 with representatives from Otago Regional Council, Queenstown Lakes District Council, and Waka Kotahi. The session began with a discussion framing the problems, key principles, and desired outcomes of the project from each organisation's perspective. The workshop participants then identified two problems relating to the key themes of **effectiveness** and **attractiveness** of public transport.

Following the workshop, the draft ILM was circulated to seek feedback. The Problem Statements were then refined incorporating feedback from the Way 2 Go (W2G) partners, peer reviewers and Waka Kotahi Investment Quality Assurance (IQA) team. Further refinement occurred before the Problem Statements and weightings for the QPTBC were finalised as shown in Figure 10.

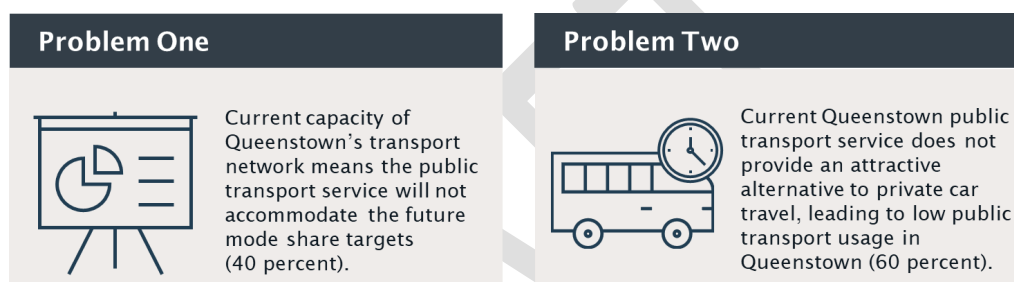


Figure 10. Problem Statements, QPTBC

The agreed ILM is shown in **Appendix A**. There is a strong link between the Queenstown PTBC problem statements and earlier Queenstown PBC as shown in **Appendix A**.

3.1 Problem One

Problem Statement One relates to the effectiveness of public transport in the Whakatipu Basin. Project Partners confirmed Problem Statement One as:

Current capacity of Queenstown's transport network means the PT service will not accommodate the future mode share targets (40%).

The evidence base for the causes and consequences of Problem Statement One are presented below.

Cause 1: The current public transport service is already at capacity

The current public transport network (bus) service capacity is estimated at 260 passengers per hour along SH6A¹³. Peak hour patronage data from 2021 (refer to **Appendix C**) shows the average number of passengers carried along SH6A was 199 people in the AM peak and 174 people in the PM peak. It is important to note this data is affected by the COVID pandemic as New Zealand's international border was closed in 2021. Therefore, with the return of international visitors, it is reasonable to assume that current patronage levels will be higher than reflected in the 2021 data.

Additional pressure will be added to the current public transport network with the Ministry of Education (MoE) planning a staged discontinuation of the majority of school bus services in

¹³ See QPTBC Forecast Demand Advisory Paper
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Queenstown by 2025. Given that around 470 students presently rely on the MoE services, this change could lead to a substantial surge in demand for public transport services.¹⁴

Looking forward, public transport modelling¹⁵ undertaken as part of this Strategic Case shows that, in order to maintain a functioning transport network in Queenstown, significant mode shift to public transport is required as shown in Table 1. Specifically, in the AM peak hour the number of people travelling by public transport on SH6A will need to be:

- 592 people by 2027
- 1,082 people by 2039
- 1,466 people by 2053.

These numbers far exceed the current capacity of 260 people per hour.

Table 1. Critical PT Mode Share Targets

YEAR	ROUTE	AM PEAK HOUR		PM PEAK HOUR	
		PAX. / HOUR	PT MODE SHARE	PAX. / HOUR	PT MODE SHARE
2027	SH6A	592	27%	594	28%
	Shotover Bridge	323	18%	369	18%
	Kawarau Falls	186	11%	123	7%
2039	SH6A	1,082	40%	1,028	40%
	Shotover Bridge	514	25%	657	29%
	Kawarau Falls	1,033	40%	909	37%
2053	SH6A	1,466	47%	1,384	48%
	Shotover Bridge	772	34%	869	35%
	Kawarau Falls	1,687	53%	1,489	49%

Cause 2: The current roading network is also already at capacity

The roading network in Queenstown is also at capacity and struggling to cater for current demand, which is resulting in longer and more variable travel times for general traffic and public transport users. Congestion is experienced on SH6A and SH6A with the Annual Average Daily Traffic (AADT) on these roads in excess of 20,000 vehicle per day which exceeds the practical capacity of a two-lane road. As reported in the QTBC, the practical capacity of SH6A was exceeded on 140 days in 2019.

By 2028, QTBC modelling indicates that “average” conditions on SH6A will be similar to current peak travel times. Peak periods will experience regular gridlock with car and public transport travel times between Lake Hayes Estate and Queenstown regularly exceeding 60 minutes (compared to 15-20 minutes currently).

Bus trips are affected by the same congestion issues experienced by general traffic, as bus priority in Queenstown is limited. This congestion will impact the frequency and reliability of the Queenstown public transport network, limiting tourists from accessing key tourist spots and limiting residents from accessing important destinations such as employment, services, education, and social amenities. As an interim mitigation, NZUP has committed funding to deliver bus priority lanes on SH6A by 2027.

¹⁴ See QPTBC Service Patterns Advisory Paper

¹⁵ See QPTBC Forecast Demand Advisory Paper

With no ability to build more capacity, it is imperative to make better use of the existing system to avoid these impacts. For Queenstown this means increasing public transport mode share, however (as evidenced in Cause 1), this is not possible without intervention.

Consequences

To enable the growth anticipated for Queenstown Lakes, it is critical that public transport mode share increases. However, the consequences of an over-capacity public transport system and road network are deemed to be considerable barriers to achieving the required uplift in mode share and could have significant economic impact as shown in Figure 11.

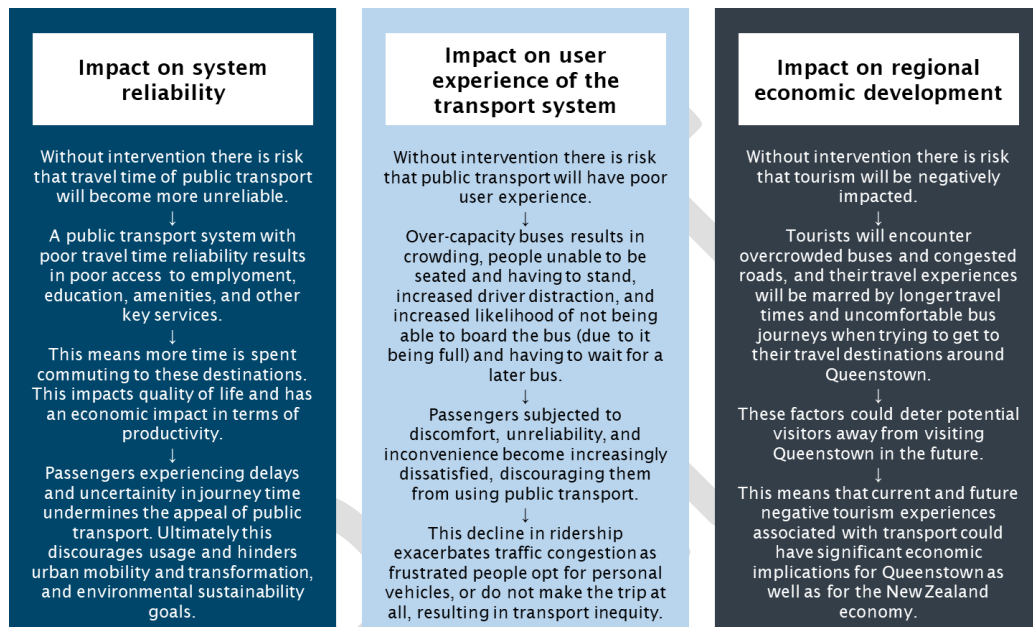


Figure 11. Consequences of Problem Statement One, QPTBC

Implications

The main implication of not addressing Problem Statement One is that public transport will become unreliable and will not reach the mode share targets required to maintain a functioning transport system. Consequently, the economic, environmental, social and health effects of the problem will be exacerbated with the expected population growth in Queenstown. This will make it increasingly difficult for the District to achieve:

- Their carbon targets,
- The goals of Ināia tonu nei: a low emissions future for Aotearoa, and
- The vision of the Queenstown Lakes Spatial Plan.

3.2 Problem Two

Problem Statement Two relates to the attractiveness (both real and perceived) of public transport in the Whakatipu Basin. Project Partners confirmed Problem Statement Two as:

Current Queenstown PT service does not provide an attractive alternative (reliability, directness, accessibility) to private car travel, leading to low PT usage in Queenstown (60%).

The evidence base for the causes and consequences of Problem Statement Two are presented below.

Cause 1 : *Poor spatial coverage of existing routes*

Spatial coverage and connectivity are key factors in making public transport attractive and encouraging mode shift. In Queenstown, however, the current public transport system has limited spatial coverage and connectivity, resulting in an increased preference for driving over public transport with residents and visitors reporting the current network does not fulfil their needs as outlined below:

- Figure 12 shows the locations accessible currently via a 20-minute journey on public transport from either Stanley Street or Frankton Bus Hub without transferring. This shows the following locations are not accessible in 20 minutes: Quail Rise, the western end of Kelvin Heights, the southern end of Jacks Point and the route beyond Lake Hayes towards Arrowtown.
- Residents have noted in the 2022 Quality of Life survey that the public transport routes are not aligned with their needs. For example, routes in Jacks Point, Remarkables Park, and Lake Hayes are circuitous and indirect, resulting in increased travel time.
- Mapping the existing network spatial coverage against the projected growth areas within the District reveals that the current challenges will intensify. The current network will not be sufficiently equipped to accommodate the increasing demand stemming from evolving land use, emerging development zones, and the anticipated population growth in the years ahead.
- In addition, many of Queenstown's key tourist destinations (for example The Playground, AJ Hackett Bungy, The Coronet, Remarkable Ski Area, and many more) cannot be reached via existing public transport routes. Visitors (and employees) must either drive directly or use third party transport.
- Public transport provision has not kept pace with rapid development of new commercial and retail centres. This has led to a situation where 'Hawthorne Drive has bus stops but no buses, and the Frankton-Ladies Mile Highway has buses but no bus stops' (Queenstown Business Case).

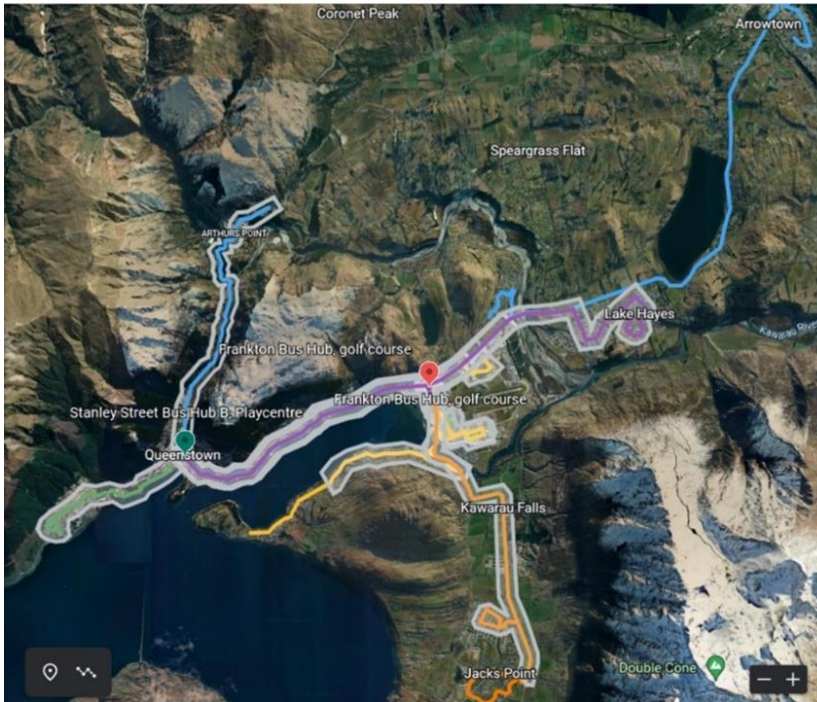


Figure 12. 20-minute PT Catchment (one seat ride) from a Bus Hub¹⁶

Cause 2: Travel Time Penalties

In Queenstown journeys made by private vehicle are typically faster than those made by public transport. **Error! Reference source not found.** presents a comparison between journey times for trips made by private vehicle compared to trips made by public transport to the Queenstown Town Centre at peak hour. Notable, for all of the five routes, travelling by private vehicle is shown to be faster; in some cases public transport is estimated to take twice as long.

Table 2. Travel times of cars versus bus

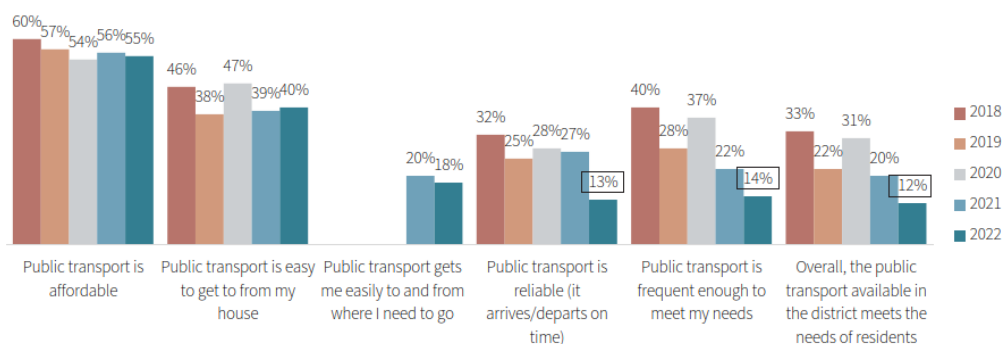
ROUTE	DRIVE TIME (GOOGLE MAPS)	BUS JOURNEY TIME (TIMETABLES)
Frankton to Queenstown	9-14 minutes	15 minutes
Kelvin Heights to Queenstown	16-22 minutes	40 minutes
Jacks Point to Queenstown	16-22 minutes	45 minutes
Lake Hayes to Queenstown	16-22 minutes	30 minutes
Arrowtown to Queenstown	22-30 minutes	40 minutes

It is important to note that the times presented in **Error! Reference source not found.** do not include the time for users of public transport to access the bus stop and wait for the service to arrive. Public transport users are further penalised when they are required to transfer between services, with some transfer times at Frankton Hub being as long as ten minutes. This further shows the travel time penalties associated with taking public transport.

¹⁶ Created with Google Earth as base map source

Overall, this means that the relative attractiveness of public transport is decreased. This was reflected in the Quality of Life Survey presented in Figure 13 where from 2018 – 2022, residents increasingly disagree that public transport was affordable, reliable, and frequent enough for their needs.

AGREE/ STRONGLY AGREE 2018–2022



Q. Thinking about the public transport in the district, how strongly do you agree or disagree with the following statements? Base size n=1000
The square box on the chart indicates this year's result is a statistically significant change from last year's result.

Figure 13. Survey results for indicators of public transport from 2018 – 2022¹⁷

Cause 3: Infrequent Services

Queenstown’s bus and ferry system suffers from infrequent services, especially during off-peak hours, and lacks coverage in the early morning and late evening. These timetables fail to adequately meet the community’s needs and do not provide an attractive level of service in Queenstown.

- The bus routes operate on intervals ranging from 30 to 60 minutes, except for Route 1 which runs every 15 minutes. Most services commence at 6:00 am and cease at 10:00 pm, with only Route 1 extending to midnight.
- Individuals with varied schedules and multiple destinations struggle to rely on infrequent public transport and it hinders commuters' ability to plan their journeys efficiently. This has worsened in recent years due to service cancellations meaning people have been stranded and waiting for a long time for the next service to arrive.
- The lack of services before 6:00 am and after 10:00 pm present a significant barrier to many people, exacerbated by Queenstown's tourism-driven economy with diverse working hours.

Overall, the inability of public transport to meet the diverse travel needs of Queenstown's residents and visitors leads to a negative overall perception of the system. This is pushing people toward more reliable transportation options. People then have an unwillingness to return to public transport without significant service improvements being made.¹⁸

¹⁷ [Quality of Life 2022 Survey Report, Queenstown Lakes District Council \(2022\)](#).

¹⁸ [Mayor Lewers launches full attack on ORC as bus service fails, Crux 2023](#).

Cause 4: Poor Bus Stop Facilities

Residents have observed that the growth of tourists has placed pressure on current infrastructure and that infrastructure is insufficient to meet people's needs, for example, the lack of bus stops especially close to accommodation (Quality of Life 2022 Survey Report).¹⁹ Research shows that bus stops with the appropriate facilities are important in terms of improving a rider's experience and ridership.²⁰

The quality of existing public transport facilities in Queenstown is limited and is consistent with public transport facilities provided historically across New Zealand, for example:

- Bus stops often lack signage, shelters, seating, and timetables/real time information.
- Pedestrian access to bus stops is often via routes that are without the appropriate infrastructure such as kerb cutdowns, tactile pavers, and safe crossing points (particularly on high speed and high volume roads).

Appendix C provides more detail about five specific bus stop locations reviewed as a desktop study.

Improved facilities can be used to reduce disincentives or barriers for any potential new bus users. This is especially pertinent for users who are vulnerable or unfamiliar with public transport. A programme of works is underway by QLDC to provide shelters, lighting, bins, and ski racks but there is currently a lack of consistency across the network.



Figure 14. Example of typical bus stop - 672 Peninsula Rd, Kelvin Heights

¹⁹ [Quality of Life 2022 Survey Report, Queenstown Lakes District Council \(2022\)](#)

²⁰ [Why Bus Stops Matter, Transit Center \(2018\)](#)

Consequences

To enable the growth anticipated for Queenstown Lakes, it is critical that public transport mode share increases. However, the consequences of a public transport service that is considered unattractive will result in continued car dependency and emissions, social and transport inequity, and impacts on tourism as shown in Figure 15.

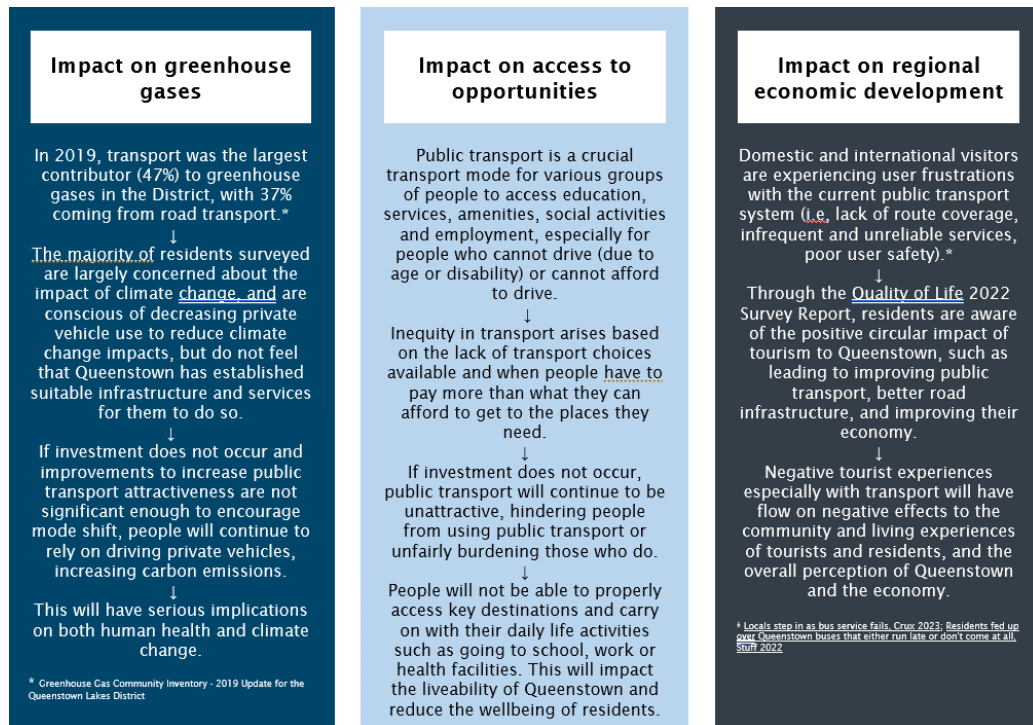


Figure 15. Consequences of Problem Statement Two, QPTBC

Implications







The main implications of not addressing Problem Statement Two are the barriers to public transport uptake in Queenstown Lakes will remain, and residents and visitors will continue to rely on single occupancy vehicles for daily travel. This will increase the accessibility-related challenges that the District is facing and people will miss out on economic and social opportunities as a result. This will make it increasingly difficult for the District to achieve:









- An attractive public transport network that meets the needs of the community,
- The goals of Ināia tonu nei: a low emissions future for Aotearoa, and
- The vision of the Queenstown Lakes Spatial Plan.

4 STRATEGIC ALIGNMENT

Investment in Queenstown's public transport services aligns strongly with national, regional, and local policies, strategies, and plans as shown in Table 3.

Table 3. Alignment of QPTBC with Key Strategies, Policies, and Plans

DOCUMENT	ALIGNMENT
NATIONAL	
<p>Te Tauākī Kaupapa Here a te Kāwanatanga mō ngā waka whenua Government Policy Statement on Land Transport 2021</p>	 <p>HIGH</p> <p>The QPTBC aligns with the Government Policy Statement (on Land Transport) 2021 by supporting the GPS strategic priorities of:</p> <ul style="list-style-type: none"> <i>Better Travel Options</i> – the focus of the project is to provide enhanced viable and attractive public transport choices for people in the Whakatipu Basin. <i>Climate Change</i> – through providing transport choice this enables mode shift from private vehicle trips to zero-, or lower-, emission public transport trips which will reduce emissions and VKT.
<p>Te Tauākī Kaupapa Here a te Kāwanatanga mō ngā waka whenua Government Policy Statement on Land Transport 2024 (draft)</p>	 <p>HIGH</p> <p>The QPTBC aligns with the draft Government Policy Statement (on Land Transport) 2024 by supporting the GPS strategic priorities of:</p> <ul style="list-style-type: none"> <i>Reducing emissions</i> – investment in the public transport network is crucial to transitioning Queenstown to a lower carbon transport system that provides affordable, accessible, and low-emission choices. <i>Sustainable urban and regional development</i> – a reliable and frequent public transport network is key to managing road congestion and supporting housing and urban growth in the Whakatipu Basin.
<p>The Living Standards Framework 2021</p>	 <p>MEDIUM</p> <p>The Treasury Living Standards Framework enables consideration of policy impacts on the dimensions of wellbeing in a systematic and evidenced way. The QPTBC aligns with this framework through enabling an efficient and equitable public transport system in Queenstown.</p> <p>In turn this will contribute to individual and collective wellbeing through enabling communities to have safe access and reliable connections to key services, employment and amenities.</p>
<p>Ināia tonu nei: a low emissions future for Aotearoa (2021)</p>	 <p>HIGH</p> <p>The QPTBC supports the Climate Change Commission's advice to reduce emissions and transition to a low-emissions Aotearoa. It does this by helping people reduce their need to travel by single occupancy vehicle through improving peoples' access to active modes and public transport and encouraging these low emissions transport options over private vehicle use in Queenstown.</p>
<p>Te hau mārohi ki anamata Aotearoa New Zealand's first emissions reduction plan (2022)</p>	 <p>HIGH</p> <p>The emissions reduction plan is a commitment to a low-emissions, climate-resilient economy with a transition to net zero emissions by 2050 that is equitable for everyone. Key actions for the transport sector that the QPTBC supports are: reducing reliance on cars; and supporting people to use public transport and active modes with the intent of reducing carbon emissions.</p>
<p>Toitū Te Taiao Our Sustainability Action Plan (2020)</p>	 <p>MEDIUM</p> <p>This plan is shaped by the Avoid - Shift - Improve model: avoid/reduce reliance on private motor vehicles through integrated land use and transport planning; shift the travel of people and freight to low-emission modes, public transport, active and/or shared transport modes; and improve the energy efficiency of the vehicle fleet. The QPTBC aligns with the public transport elements of this plan.</p>

Waka Kotahi Keeping Cities Moving (2019)	 HIGH	Keeping Cities Moving is a plan to improve travel choice and reduce car dependency in six high growth urban centres, one of which is Queenstown. Keeping Cities Moving and the QPTBC share the same goal to transition away from car-centric infrastructure and develop public transport in Queenstown through public transport investment.
To Tātou Mahere mō te pūnaha waka whenua Arataki (V2)	 HIGH	The QPTBC aligns with the Arataki 30-year focus in Ōtākou / Otago to encourage increased use of public transport to support urban development and thriving communities in Queenstown (and Dunedin). Arataki lists the most important issues to be resolved in the next decade in Ōtākou / Otago, with the first listed important issue being: <ul style="list-style-type: none"> • <i>Begin to reduce vehicle kilometres travelled, focusing on Tāhuna Queenstown and Ōtepoti Dunedin, in a way that's equitable and improves people's quality of life.</i> The QPTBC is a key strategic response to this issue.
REGIONAL		
Otago/Southland Regional Public Transport Plan (2021 - 2023)	 HIGH	The QPTBC aligns with the vision and the four objectives of the RPTP in terms of providing an inclusive, accessible and attractive and integrated public transport system in Queenstown that promotes mode choice, reduces congestion and carbon emissions through mode shift, is affordable and adapted to future land use and traffic demand.
Otago Southland Regional Land Transport Plan (2021 - 2023)	 MEDIUM	The QPTBC supports the RLTP Strategic Objective 3 (Connectivity and Choice), Objective 4 (Environmental Sustainability) and Objective 5 (Future Focused). Creating genuine mode choice (which the QPTBC seeks to deliver) is listed as one of the 10-year priorities in the RLTP with specific reference to investment in multi-modal transport options.
LOCAL		
Better Ways to Go (2022)	 HIGH	Better Ways to Go is the mode shift plan for the Queenstown Lakes District. The QPTBC aligns with Better Ways to Go by investing in Public Transport to accommodate for growth and increasing mode share of active travel and public transport.
Queenstown Town Centre Masterplan (2017) & Frankton Masterplan (2020)	 MEDIUM	The QPTBC is aligned with these Masterplans, seeking to present public transport services that will improve the overall experience, liveability and meet future demand.
Grow Well Whaiora Spatial Plan (2021)	 MEDIUM	The Queenstown Lakes Spatial Plan documents the vision and framework to align decision-making for the Queenstown Lakes District. The QPTBC uses the Spatial Plan as the basis for growth projections underpinning the business case, and supports the overall vision of the Spatial Plan.
Queenstown Lakes District Climate and Biodiversity 2022 - 2025	 MEDIUM	The plan outlines the District's response to Climate Change. Transport is considered a key challenge with the plan listing ten actions that together seek to achieve a transport system that is low-emission and better connected. The QPTBC aligns with the public transport elements of this plan.

5 BENEFITS AND INVESTMENT OBJECTIVES

Benefits of Investment

The benefits of successfully investing to address the problems were identified and agreed by Project Partners as part of the ILM workshop in October 2022. The workshop participants identified and agreed to the following benefits and associated weightings:

- Improved public transport mode choice (40 percent).
- Improved access to economic and social destinations (40 percent).
- Reduced emissions from land transport (20 percent).

The above benefits were re-confirmed again at a subsequent workshop on 16th May 2023.

Investment Objectives

From the Problem Statements, evidence gathered, and identified Benefits of Investment, three Investment Objectives were developed and agreed with Project Partners. The Investment Objectives developed for the Queenstown Public Transport Business Case are shown in Figure 16.

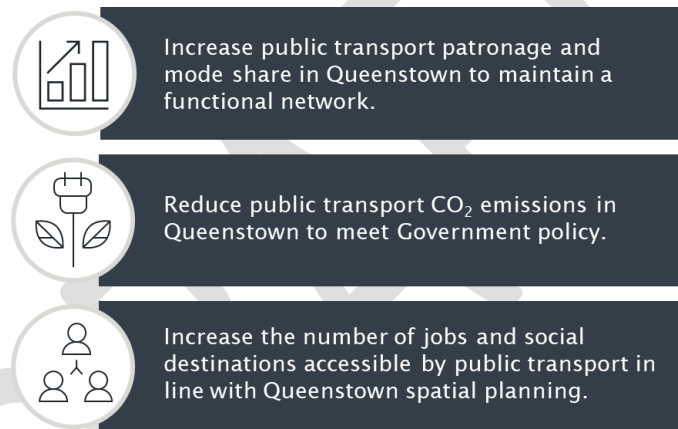


Figure 16. Investment Objectives, QPTBC

The Investment Objectives outlined above will be used throughout the options assessment phase (the Economic Case) as a basis for assessing how proposed solutions or options align with the desired outcomes of the QPTBC.

Critical Success Factors

Critical Success Factors for this business case were also agreed with W2G partners. The Critical Success Factors are:

- Capacity (to accommodate targeted mode share)
- Implementability (is the infrastructure required within the scope of this business case)
- Consentability (for infrastructure required)
- Emissions (ability to meet zero tailpipe emission requirement for public transport vehicles)
- Readiness (is there sufficient technological and support within required timescales)

These Critical Success Factors will also guide the assessment of options through the Economic Case.

Key Performance Indicators

Table 4 maps the alignment of the potential benefits to Key Performance Indicators (KPIs) and the Waka Kotahi Land Transport Benefits Framework. Further details for each KPI, in terms of the measurement method, baseline and expected results will be further detailed for the Preferred Option in the Management Case.

[Note: The draft outcomes and KPIs presented below will be validated as part of Part B]

Table 4. Draft Outcomes and Key Performance Indicators Mapping

BENEFITS	INVESTMENT OBJECTIVE	LAND TRANSPORT BENEFITS FRAMEWORK		KPIs / MEASURES	TARGET
Improved public transport mode choice	Increase public transport patronage and mode share in Queenstown to maintain a functional network	8.1: Impact on GHG emissions	8.1.2: Mode Shift from Single Occupancy Private vehicles	KPI 1: Increased mode share/mode shift from single occupancy private vehicles	Increase mode share by 2053: <ul style="list-style-type: none"> - Southern Corridor: 50%; - Eastern Corridor: 35%; - Western Corridor: 48%
		5.1: Impact on system reliability	5.1.1: Punctuality – Public Transport	KPI 2: More reliable journey times for public transport	Percentage of scheduled service trips between 59 seconds before and four minutes 59 seconds after the scheduled departure time of selected point, improves by xx% by 2053
Reduced emissions from land transport	Reduce public transport CO ₂ emissions in Queenstown to meet Government policy	8.1: Impact on GHG emissions	8.1.1: CO ₂ emission	KPI 1: CO ₂ emissions	Reduce public transport CO ₂ emissions by 100% by 2053
			8.1.3 Light vehicle use impacts	KPI 2: VKT reduction	Reduce VKT by xx% by 2053. (measure to be set, corresponding decrease in VKT by meeting mode share targets below)
Improved access to economic and social destinations	Increase the number of jobs and social destinations accessible by public transport in line with Queenstown spatial planning	10.3: Impact on access to opportunities	10.3.1: Access to key social destinations	KPI 1: Jobs accessible within 20 minute trip on public transport	Jobs accessible within 20 minute trip on public transport increases by 20% by 2053
				KPI 2: Destinations accessible within 30 minute trip on public transport	Destinations accessible within 30 minute trip on public transport increases by 20% by 2053.

6 UNCERTAINTIES LOG

[Note: The list of issues and constraints below will be validated as part B and part C of the business case are completed.]

The role of the Uncertainty Log is to identify areas of uncertainty that exist in the context of the QPTBC that may be within the sphere of influence of the Business Case. The Uncertainty Log includes the assumptions made that might influence the understanding of the Problem Statements and which may affect the effectiveness and feasibility of the alternatives and options developed (refer to the Economic Case).

The initial project risks and uncertainties identified through the development of the Strategic Case are outlined in Table 5. These will be further explored through the Business Case and the Uncertainty Log will be progressively updated through the project.

Table 5. Uncertainty Log - QPTBC

FACTOR	COMMENTS
Scale of growth is higher than anticipated	This may result in key road links being at capacity sooner than expected, increase in the number of private vehicles used, increased pressure on public transport demand and impact mode share targets. Mitigation: Include sensitivity testing for growth assumptions to confirm the Preferred Option is deemed to offer the best overall value and economic advantage compared to the alternatives.
Constrained road space	There is limited road space for which to cater for private vehicles and road-based public transport (buses). Infrastructure improvements such as bus lanes, bus priority, road widening or an off-line public transport system are beyond the scope of this business case. Mitigation: Apply Waka Kotahi Early Appraisal Sifting Tool in the Economic Case to assess the alternatives and options and remove any that are out of scope or fatally flawed.
Legislation and policies developing or changing simultaneously/ faster than the development in the QPTBC	Change in policies may cause changes in transport investment. This may impact the strategic direction of this project. Mitigation: Demonstrate a strong case for investment. Monitor changes.
Price escalation due to inflation	Inflation may impact costs set out in the Financial Case. Mitigation: Cost estimate to be undertaken by a QS with appropriate contingencies applied based on current and anticipated market behaviours (trends) to account for cost escalation.
Influence and interactions with other related projects and developments	Policy / legislation development outside of the QPTBC may impact business case outcomes (for example MoT Congestion Charging). Mitigation: Demonstrate a strong case for investment. Monitor changes.
Unable to acquire land and/or resource consents	Queenstown's topography is challenging with less opportunities to acquire suitable flat land e.g., SH6 next to Lake Wakatipu. Mitigation: Early conversations with landowners and maintain frequent and transparent communication. Complete pre-application meeting(s) to understand the likely consent requirements / constraints.

Programme partners not aligned with overall business case goals	<p>ORC, QLDC and Waka Kotahi have investment / business case interests in this business case and are coordinated through the W2G partnership.</p> <p>Mitigation: Oversight of this partnership is provided by the W2G Partnership Governance Group which acts to provide confidence in well-aligned delivery of the W2G programme.</p>
Disagreement from community during consultation	<p>This could result in potential impacts to programme and reputation or organised opposition to emerging Preferred Option.</p> <p>Mitigation: Regular and targeted consultation with key parties to understand concerns.</p>
Demand may be different than forecast i.e MoE school patronage; NZUP	<p>Assumptions have been made regarding the NZUP Package in the modelling methodology. Modelling does not specifically cover school bus patronage. These factors could influence model outputs and may change the requirements of the transport response.</p> <p>Mitigation: Include sensitivity testing for patronage to confirm the Preferred Option is deemed to offer the best overall value and economic advantage compared to the alternatives.</p>
Travel and waiting time reliability	<p>Impacts the level of confidence that customers have in the reliability of Queenstown public transport network which impacts public transport uptake.</p> <p>Mitigation: Include sensitivity testing for public transport uptake to confirm the Preferred Option is deemed to offer the best overall value and economic advantage compared to the alternatives.</p>

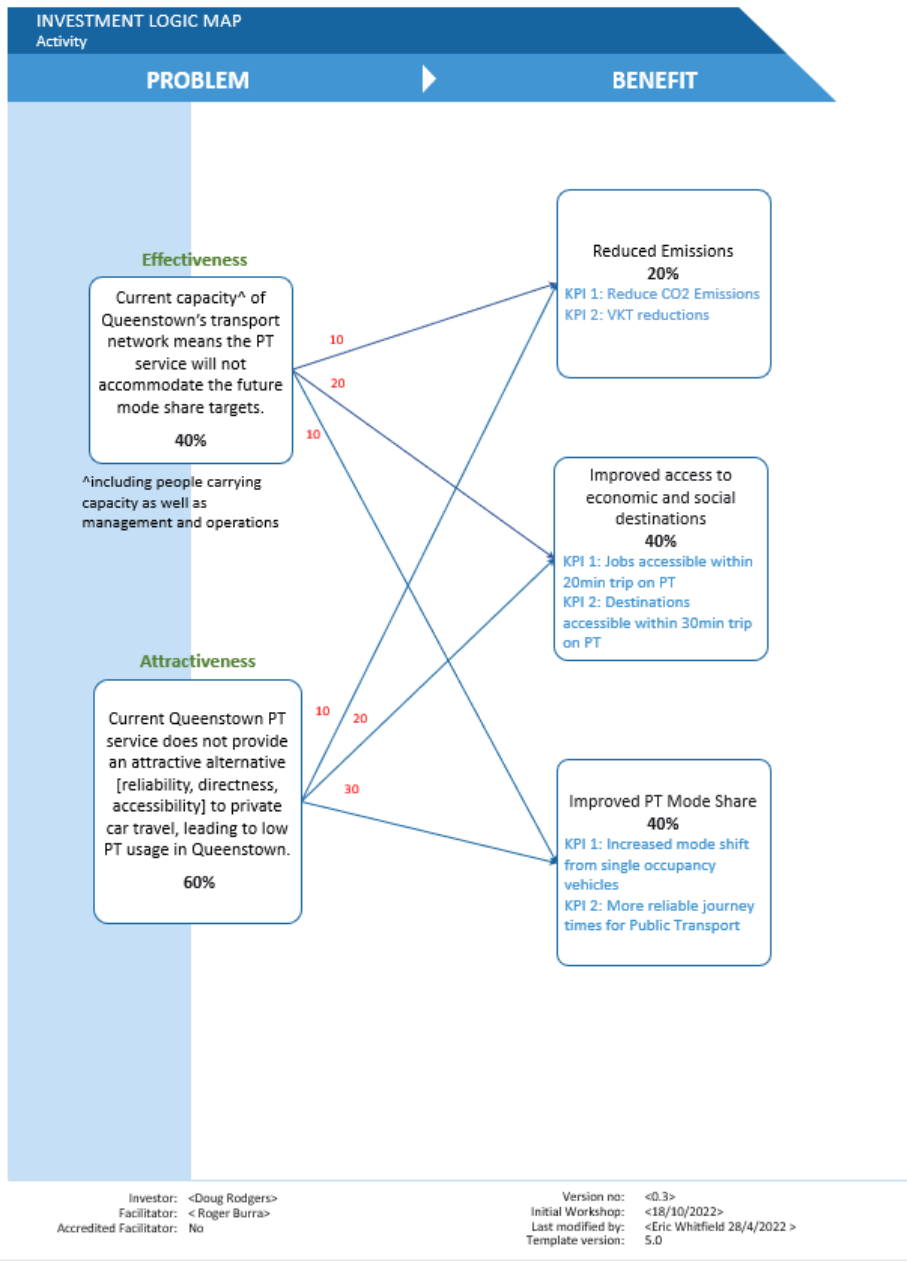
7 THE CASE FOR CHANGE

- In the face of population growth that will double in the next thirty years, tourism growth, worsening traffic congestion, and pressing environmental concerns, the need for significant investment in public transport has never been more critical in Queenstown.
- Queenstown currently stands at a crossroads, where a congested network needs rapid intervention through a mode shift to non-car modes. Investing in robust public transport services is a pivotal step towards supporting a sustainable, efficient, and more accessible Queenstown that will thrive in the future and bring economic benefits to the region and Aotearoa New Zealand.
- There is also a risk of not acting – which may cause Queenstown to stagnate resulting in negative economic and reputational outcomes for the area and the rest of New Zealand. Visitor feedback already indicates that traffic congestion is the single biggest negative in an otherwise very highly regarded visitor destination with the consequent risk of Queenstown being bypassed by visitors.
- Significant investment has been committed to infrastructure improvements in the Whakatipu Basin. This provides the opportunity to review public transport services and ancillary infrastructure in line with the committed infrastructure improvements to make the best use of this investment.
- This Strategic Case demonstrates a clear case for change.

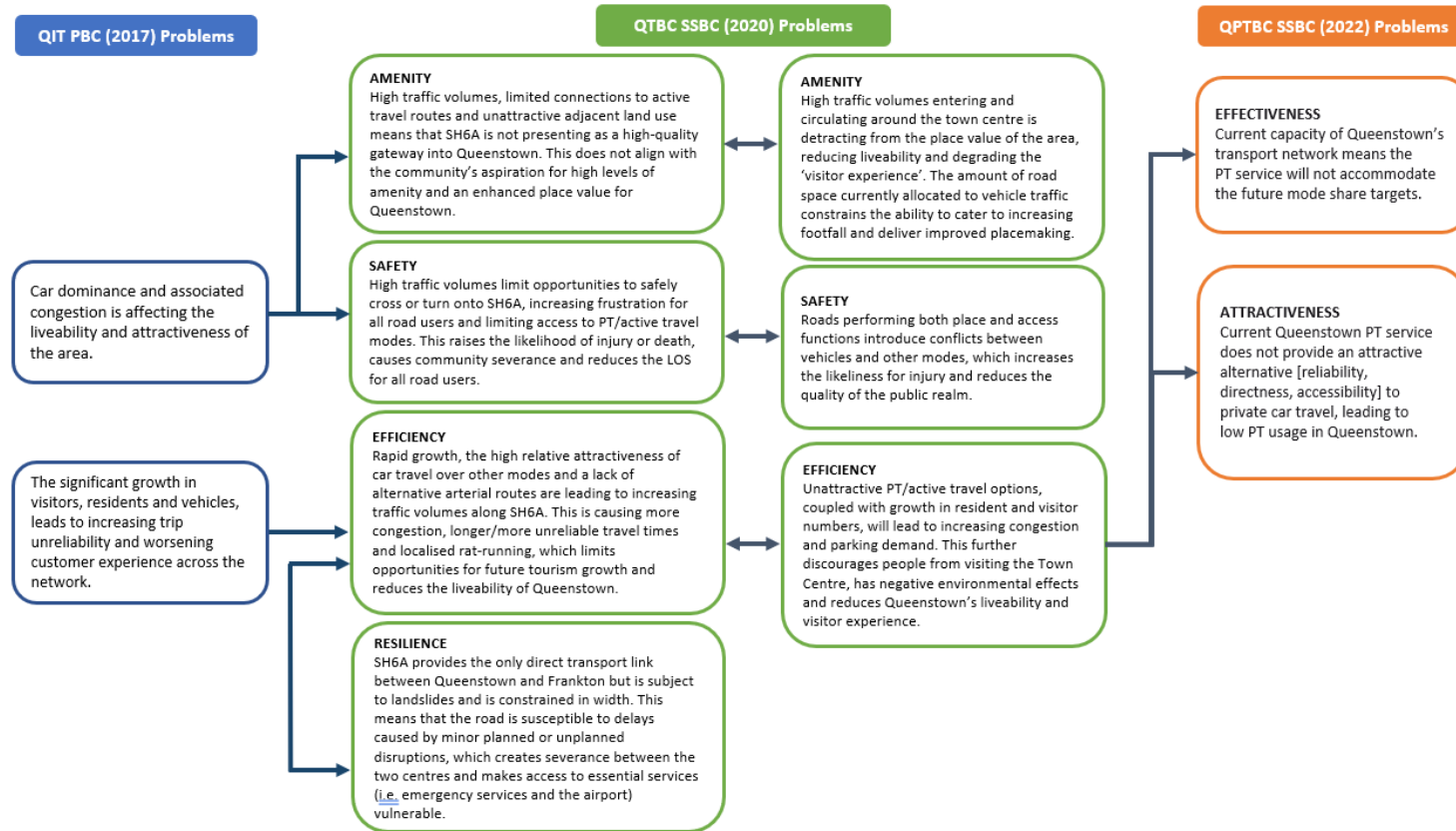
APPENDICES

Appendix A: Investment Logic Map

Increasing Public Transport Mode Share in Queenstown Enabling the Growth of Queenstown



Evolution of statements



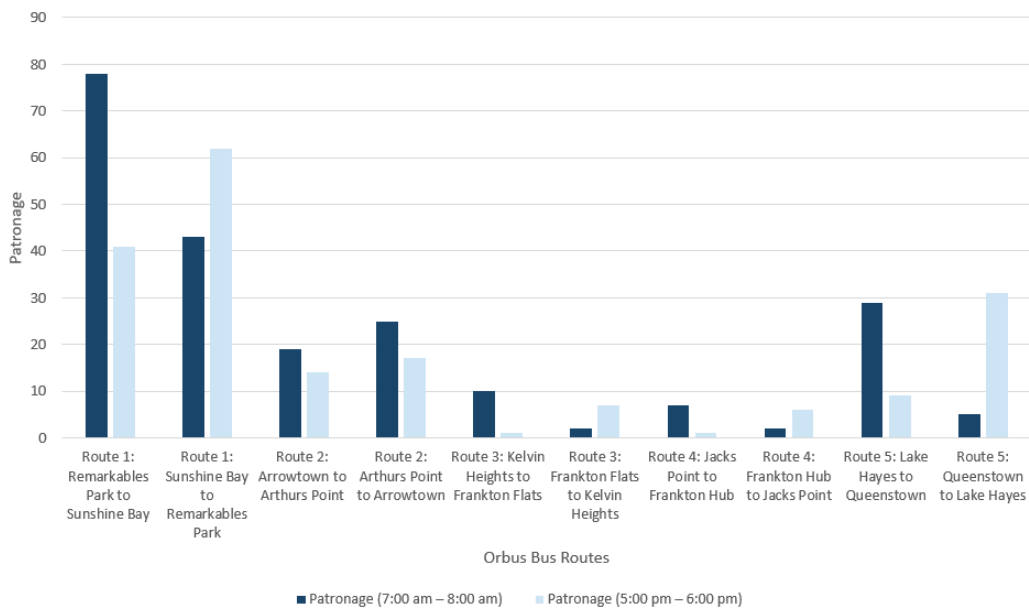
Evolution of problem statements from previous business case stages to the current QPTBC SSBC (2022)

Appendix C: Bus Patronage Data

Orbus Bus Route Patronage Data²¹

Orbus Bus Route		Patronage (7:00 am – 8:00 am)	Patronage (5:00 pm – 6:00 pm)
Route 1	Remarkables Park to Sunshine Bay	78	41
	Sunshine Bay to Remarkables Park	43	62
Route 2	Arrowtown to Arthurs Point	19	14
	Arthurs Point to Arrowtown	25	17
Route 3	Kelvin Heights to Frankton Flats	10	1
	Frankton Flats to Kelvin Heights	2	7
Route 4	Jacks Point to Frankton Hub	7	1
	Frankton Hub to Jacks Point	2	6
Route 5	Lake Hayes to Queenstown	29	9
	Queenstown to Lake Hayes	5	31

Patronage Data for Current Bus Routes during AM Peak and PM Peak - Term 4



Patronage data for current bus network during morning peak (7am - 8am) and afternoon peak (5pm - 6pm) in Term 4 2021 (Source: Otago Regional Council)

²¹ For more information, see Advisory Paper 3 – Service Patterns
OTAGO REGIONAL COUNCIL



Appendix D: Bus Shelter Study

To explore the pain-point further, five bus stop locations were chosen for a sample desktop study.



Map showing the 5 bus stops selected for the mini study. (Base Map Source: QLDC Operative and Proposed District Plan Map Viewer)

Results of the Bus Stop Desktop Study

Bus Stop Location	Facilities Present	Facilities Missing
1. Arthurs Point Road – near Morning Star Terrace 	<ul style="list-style-type: none"> • Bus stop signage • 2x shelter • Bus timetable • Near a streetlight 	<ul style="list-style-type: none"> • No seats present • Mid-block crossing near bus stop • No real-time information timetable • No dedicated bus stop lighting
2. SH6A / Morries Lane 	<ul style="list-style-type: none"> • Bus stop signage • Near a streetlight 	<ul style="list-style-type: none"> • No static/ real-time bus timetables • No seating • No shelter • No nearby pedestrian crossing facilities • No dedicated bus stop lighting

3. Remarkable Shops



- Pedestrian zebra crossings on both ends of the bus stop
- Static bus timetable
- Lighting present
- No bus seats
- No bus shelters
- No bus stop sign
- No real-time bus timetable

4. 672 Peninsula Rd – Kelvin Heights



- Bus stop signage
- Static bus timetable
- No bus seats
- No bus shelters
- No safe pedestrian crossing
- No lighting
- No real-time bus timetable

5. Arrowtown Lakes Hayes Road



- No bus stop signage
- No bus shelters
- No seating
- No static/real-time bus timetable
- No nearby safe pedestrian crossing facilities
- No lighting

DRAFT



QUEENSTOWN PUBLIC TRANSPORT BUSINESS CASE

Strategic Case

[NOTE:]

- 1- This Strategic Case will form Part A of the Queenstown Public Transport Business Case
- 2- As the QPTBC is finalised, this Strategic Case will be integrated into the final report. The formatting of this version may change to meet agreed formatting and edition rules.

15 SEPTEMBER 2023

VERSION 5.0

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Document Review

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Glossary of Terms

ABBREVIATION	TERM
AADT	Annual Average Daily Traffic
Business Case	Queenstown Public Transport Business Case
District	Queenstown Lakes District Council
FY	Financial Year
GDP	Gross Domestic Product
GHG	Greenhouse gases
GPS	Government Policy Statement (on Land Transport)
ILM	Investment Logic Map
IQA	Investment Quality Assurance
KPI	Key Performance Indicator
MoE	Ministry of Education
MoT	Ministry of Transport
NZ	New Zealand
NZUP	New Zealand Upgrade Programme
ORC	Otago Regional Council
PAX	Passenger
PBC	Programme Business Case
PT	Public transport
QLDC	Queenstown Lakes District Council
QPTBC	Queenstown Public Transport Business Case
QTBC	Queenstown Transport Business Case
RLTP	Regional Land Transport Plan
RPTP	Regional Public Transport Plan
SH6	State Highway 6
SH6A	State Highway 6A
SSBC	Single Stage Business Case
TDM	Travel Demand Management
VKT	Vehicle kilometres travelled
W2G	Way to Go Partnership
Waka Kotahi	Waka Kotahi NZ Transport Agency

EXECUTIVE SUMMARY

Queenstown is one of New Zealand's fastest growing regions, driven by growth in population, tourism, and supporting activities. This growth is placing increasing pressure on infrastructure, the transport system, and the environment.

Specifically, the Queenstown Business Case (endorsed in 2021) stated:

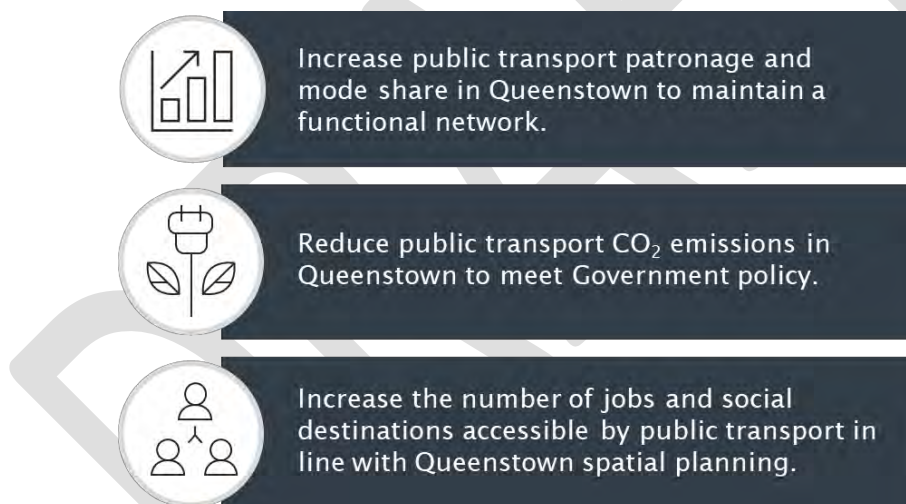
...a step change is required to achieve the 40% alternative mode share needed during the PM peak on SH6A by 2028.

This Queenstown Public Transport Business Case (QPTBC) represents a pivotal moment to help shape future growth and mobility patterns. This Business Case, led by Otago Regional Council, will confirm the case for investment in a 30-year plan for future public transport investment decisions for Queenstown.

The agreed Problem Statements for the QPTBC relate to the key themes of **effectiveness** and **attractiveness** of public transport:

- **Problem One:** Current capacity of Queenstown's transport network means the public transport service will not accommodate the future mode share targets (40 percent).
- **Problem Two:** Current Queenstown public transport service does not provide an alternative to private car travel, leading to low public transport usage in Queenstown (60 percent).

The agreed Investment Objectives of this Business Case are:



The Case for Change presented in this Strategic Case is compelling and clear:

- In the face of population growth that will double in the next thirty years, tourism growth, worsening traffic congestion, and pressing environmental concerns, the need for significant investment in public transport has never been more critical in Queenstown.
- Queenstown currently stands at a crossroads, where a congested network needs rapid intervention through a mode shift to non-car modes. Investing in robust public transport services is a pivotal step towards supporting a sustainable, efficient, and more accessible Queenstown that will thrive in the future and bring economic benefits to the region and Aotearoa New Zealand.
- Significant investment has been committed to infrastructure improvements in the Whakatipu Basin. This provides the opportunity to review public transport services and ancillary infrastructure in line with the committed infrastructure improvements to make the best use of this investment.

1 INTRODUCTION

Otago Regional Council (ORC) has commissioned the Queenstown Public Transport Business Case (QPTBC) to consider the opportunities for public transport in Queenstown. This project represents a pivotal moment to help shape future growth and mobility patterns. This Business Case will confirm the case for investment in a 30-year plan for future public transport investment decisions for Queenstown. The QPTBC is being delivered under the Way to Go (W2G) partnership with ORC's partners Waka Kotahi NZ Transport Agency (Waka Kotahi) and Queenstown Lakes District Council (QLDC).

This Strategic Case is the first of the five Cases. The purpose of the Strategic Case is to justify the investment for further exploration of the opportunity. It defines the Problem Statements, Investment Objectives, and Benefits. In doing so, this Strategic Case seeks to provide a robust evidence base to enable informed decision-making for the following key questions:

- What is the vision for the form and function of the Queenstown public transport network over the next 30 years, including decarbonisation of public transport.
- What strategic decisions need to be made to achieve this form and function?
- What infrastructure and service interventions are imperative to achieve this form and function?
- What investment pathways are necessary.

This Business Case has been prepared in accordance with the Waka Kotahi guidelines and presents a compelling case for investment.

Geographic Scope

This Business Case considers the existing public transport network and services within the Whakatipu Basin, as shown in Figure 1.



Figure 1. Geographical Area, QPTBC

2 PROJECT CONTEXT

2.1 Work Completed to Date

The Queenstown Business Case sets the direction for this QPTBC. The Queenstown Business Case (2020) provides a **commitment to an integrated transport programme** for Queenstown with ‘three pillars of investment’¹ to achieve the Investment Objectives:

1. Provide more efficient and reliable access for people and goods that:
 - a. Sustainably manages growth,
 - b. Reduces reliance on private vehicle travel,
 - c. Enables enhanced land use.
2. Is adaptable to change and disruption,
3. Enhances the liveability and quality of the natural and built environment,
4. Enhances safety with a goal of Vision Zero.

The Queenstown Business Case was endorsed by Waka Kotahi, Queenstown Lakes District Council, and Otago Regional Council in early 2021. The basis of the endorsement was that two business case activities needed to be further developed: one for Travel Demand Management (TDM) and the second for Public Transport Services. The public transport services business case, this Business Case, is led by the Otago Regional Council (ORC).



Figure 2. Queenstown Business Case (2020)

2.2 Planning for Growth

Queenstown is one of New Zealand’s fastest growing regions, driven by growth in population, tourism, and supporting activities. Over the last 30 years the Queenstown Lakes District residential population has almost tripled from 15,000 residents to 41,000 residents (2021), along with significant visitor growth. By 2051, the resident population is expected to approximately double again along with annual growth in visitors as shown in Figure 3.

This growth is placing increasing pressure on infrastructure and the transport system. With this high growth anticipated over the next 30 years, strategic planning is required now to understand the investment needed to accommodate this growth whilst retaining:

- resident wellbeing,
- visitor experiences, and
- environmental outcomes.

¹ The ‘three pillars of investment’ are Infrastructure, Public Transport Service Operations, and Travel Behaviour Change.

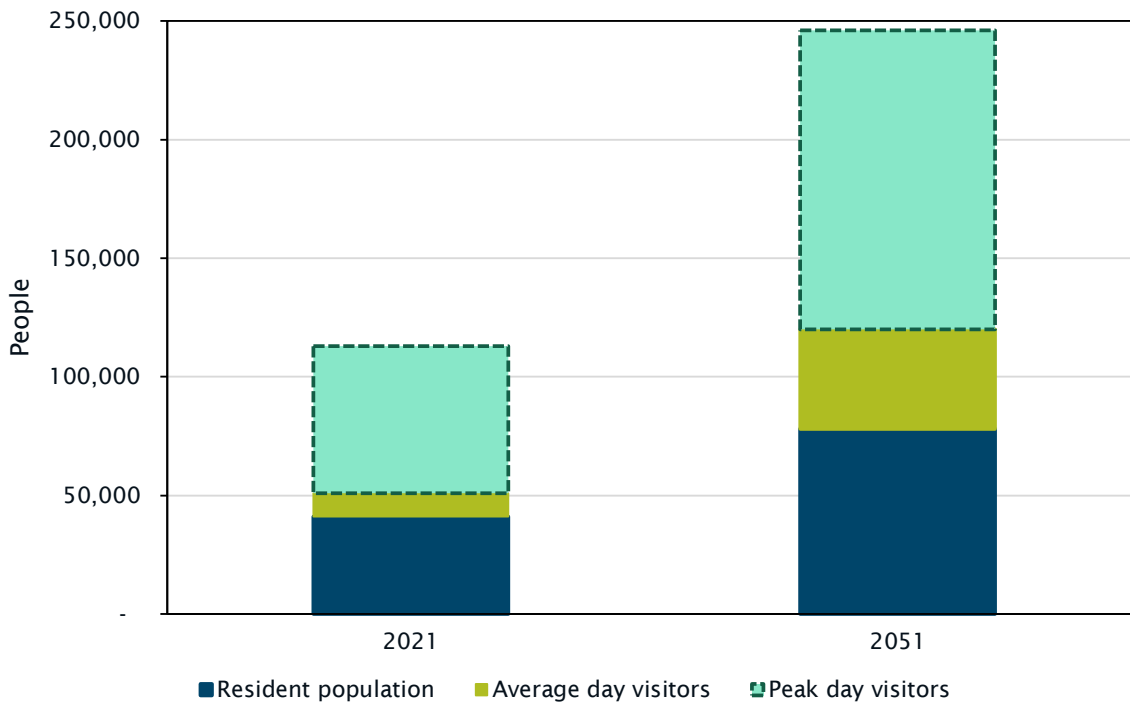


Figure 3. Queenstown Growth Projections²

The Queenstown Lakes Spatial Plan (July 2021) provides the long-term framework for managing growth in the District. The Spatial Plan promotes:

- A consolidated and mixed-use approach to growth that is focused on locations that are already fully or partially urbanised. Concentrating growth in the existing urban areas will mean more people live in areas where public transport, cycling, and walking is easy and attractive.
- Accommodating growth in this way requires enabling higher density development and a greater mix of uses than currently provided. This means that within the existing Queenstown urban area residential growth will increasingly move towards medium and higher density housing.
- As shown in Figure 5, the future growth areas in Queenstown will take place on the existing public transport routes and the proposed Frequent Public Transport Corridor. This Corridor represents a transformational shift in public transport provision in Whakatipu, offering a ‘turn up and go’ service, forming the “backbone” of the urban area of Queenstown.

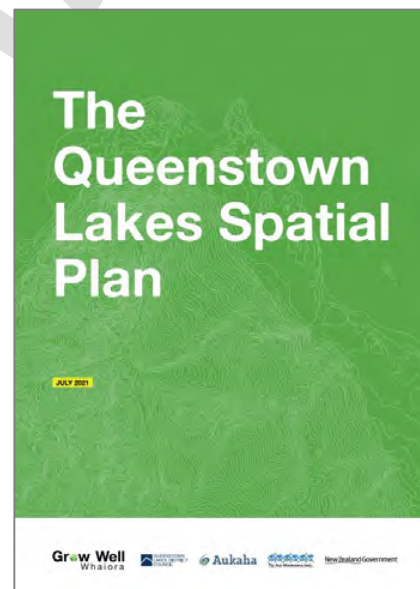


Figure 4. The Queenstown Lakes Spatial Plan (2021)

² Data sourced from QLDC Demand Projections to 2053 (July 2020) as reported in QLDC, 2021. *The Queenstown Lakes Spatial Plan*. [Spatial Plan - QLDC](#)

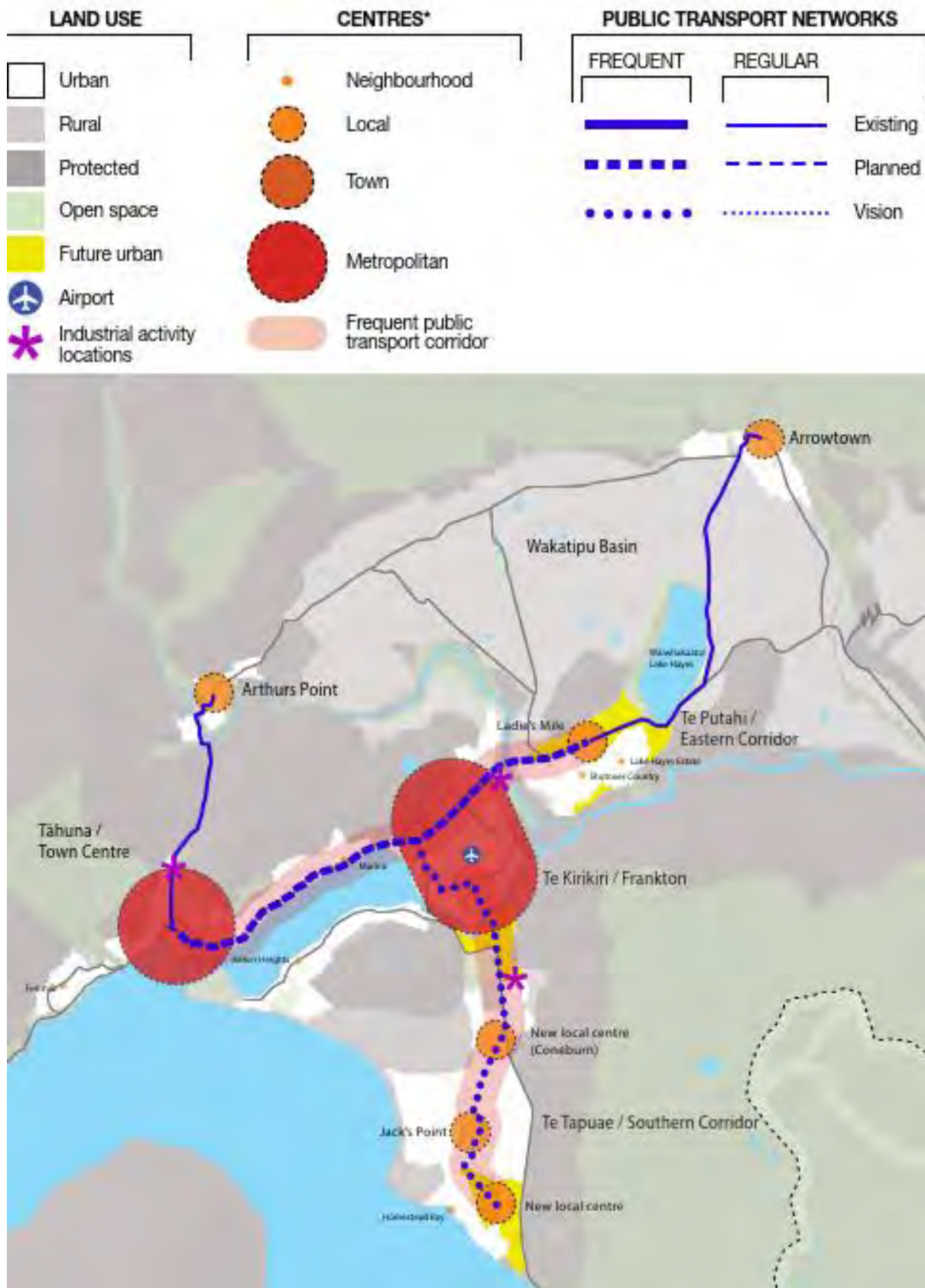


Figure 5. The Queenstown Lakes Spatial Plan (2021)

Air Travel

Air connectivity is a key component of the transport network in Queenstown Lakes and is also anticipating significant growth:

- Queenstown Airport is New Zealand's fourth busiest airport in passenger traffic. Annual passenger demand at Queenstown Airport is forecast to increase from 2.4 million in 2023 to 3.2 million in 2032.³
- In their draft Master Plan (2023), Queenstown Airport states prioritising public transport links to improve accessibility to the airport.
- Wānaka Airport also services the region, complementing Queenstown Airport. Future development constraints and opportunities have been identified for Wānaka Airport.
- A new airport is proposed at Tarras, highlighting the confidence of the aviation industry in the growth projections.

As well as the opportunity to provide a high-quality public transport network to enable visitors to access the District, airports are significant employment hubs; Queenstown Airport for example is *...the single largest land use in the Frankton Metropolitan area.*⁴ This therefore represents a significant opportunity to align public transport investment with the anticipated growth both of passengers and of employment.

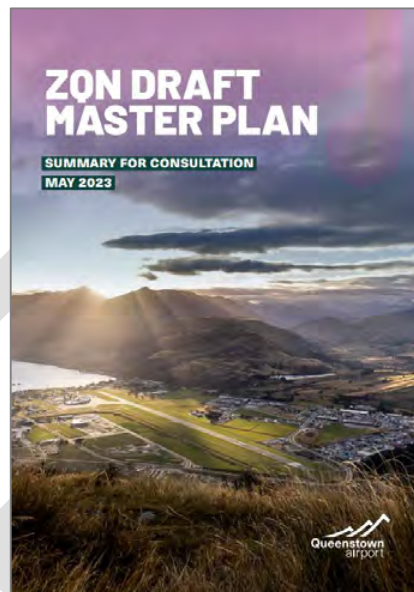


Figure 6. Queenstown International Airport Draft Masterplan (2023)

2.3 Transport Context

Topographically and Geographically Constrained

The transport network in the Whakatipu Basin is constrained topographically and geographically due to Lake Whakatipu and its mountains. This means that there is limited route choice, with the only route for moving people and transporting goods into and out of Queenstown Town Centre being State Highway 6A (SH6A).

When SH6A is closed (for example, as a result of a crash, or poor weather conditions), a detour is available via Arthur's Point. This route is not suitable for over-dimension vehicles, is capacity constrained by the one-lane Edith Cavell Bridge, and increases the journey length between Lake Hayes and the Queenstown Town Centre by approximately 100 percent.

The topographical and geographical constraints on the transport network means that providing additional capacity through increasing the number of lanes, for example, is challenging and significantly expensive. This is a key motivator for increasing the mode share of public transport in Queenstown to make better use of the existing system.

³ Queenstown Airport, 2023. *ZQN Draft Masterplan Summary 2023*. [zqn-draft-master-plan-summary-2023.pdf](https://queenstownairport.co.nz/zqn-draft-master-plan-summary-2023.pdf) (queenstownairport.co.nz)

⁴ QLDC, 2021. *The Queenstown Lakes Spatial Plan*. [Spatial Plan - QLDC](#)

Mode Share

Similar to many cities in Aotearoa, travel in Queenstown is predominantly made by private vehicle. As illustrated in Figure 7, in Queenstown on Census Day 2018:

- Approximately two-thirds of residents in full- or part-time work travelled to work as either a driver or passenger of a private vehicle;
- 14 percent walked to work;
- Three percent cycled; and
- Just five percent took public transport.

A similar split is seen in the Census 2018 Journey to Education data.

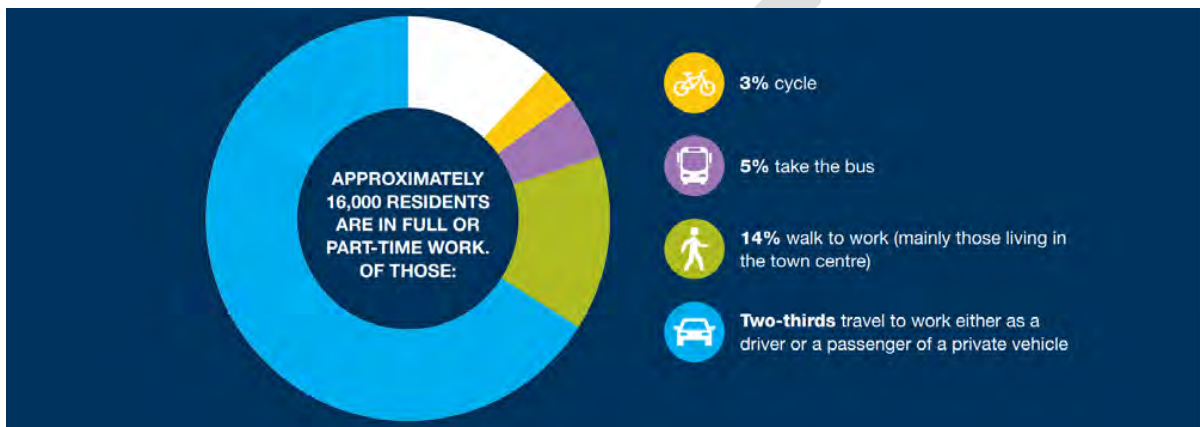


Figure 7. 2018 Census Journey to Work, Queenstown⁵

Given Queenstown's modest use of public transport, there are significant opportunities to be gained by enabling improved multimodal accessibility and providing greater transport choice.

Subsidised Public Transport Network

Queenstown's current public transport network comprises of five bus routes and a ferry service. Key details about this network are:

- The system has two hubs/bus interchanges at Frankton and Stanley Street (Queenstown).
- In November 2017 the bus routes were overhauled with a focus on trips that would contribute to reducing congestion, particularly on SH6A between the Queenstown Town Centre and Frankton.
- In parallel with the 2017 network changes, a \$2 flat public transport fare structure and Town Centre parking charges were introduced representing carrot and stick incentives for public transport, respectively.
- Combined this saw a significant increase in bus patronage as shown in Figure 8; between November 2017 and 2018 there was a 236 percent increase (Bee Card data).
- The ferry service is reported to be popular with 100 thousand trips made in the first ten months of operation (to October 2019). The ferry is primarily used by tourists.

⁵ Way to Go, 2022. *Better Ways to Go – Queenstown Lakes District Mode Shift Plan*. [item-2a-attachment-1-mode-shift-plan.pdf \(gldc.govt.nz\)](#)



Figure 8. Whakatipu Basin Public Transport Patronage Growth⁶

This growth signifies there is a strong latent demand for public transport when delivered in a way that is affordable and aligned to users' needs.

Committed Infrastructure Funding

Funding commitments have been made for significant infrastructure investment in Queenstown, including:

- **Economic Stimulus Package** – a central Government partnership delivering the Queenstown Town Centre upgrades (\$35M Crown funding) and Town Centre Arterial upgrades Stage 1 (\$50M Crown funding).⁷
- **Whakatipu Active Travel Network** – a programme of work to deliver an integrated active mode network, providing a genuine alternative to travelling by car.⁸
- **New Zealand Upgrade Programme (NZUP) Queenstown Package** - \$115M Crown funding to provide dedicated public transport infrastructure including bus priority measures, bus lanes, bus hub improvements, intersection improvements, and pedestrian access improvements.⁹

This Strategic Case is designed to complement these investments to plan for the future of public transport so that the district is best placed to realise the benefits of infrastructure investment.

⁶ Way to Go, 2022. *Better Ways to Go – Queenstown Lakes District Mode Shift Plan*. [item-2a-attachment-1-mode-shift-plan.pdf \(qldc.govt.nz\)](#)

⁷ New Zealand Government, 2020. *Queenstown infrastructure packed to bolster local economy*. [Queenstown infrastructure package to bolster local economy | Beehive.govt.nz](#)

⁸ Queenstown Lakes District Council, 2023. *Whakatipu Active Travel Network*. [Whakatipu Active Travel Network \(qldc.govt.nz\)](#)

⁹ Waka Kotahi NZ Transport Agency, 2023. *NZ Upgrade Programme Queenstown package*. [NZ Upgrade Programme Queenstown package | Waka Kotahi NZ Transport Agency \(nzta.govt.nz\)](#)

2.4 Social Context

Ageing Population

Statistics NZ Population projections expect the proportion of people aged 65 and over to triple in the next 25 years. Figure 9 shows the 2018 estimated and the 2048 projected (medium) age distribution for residents of the Queenstown Lakes District.

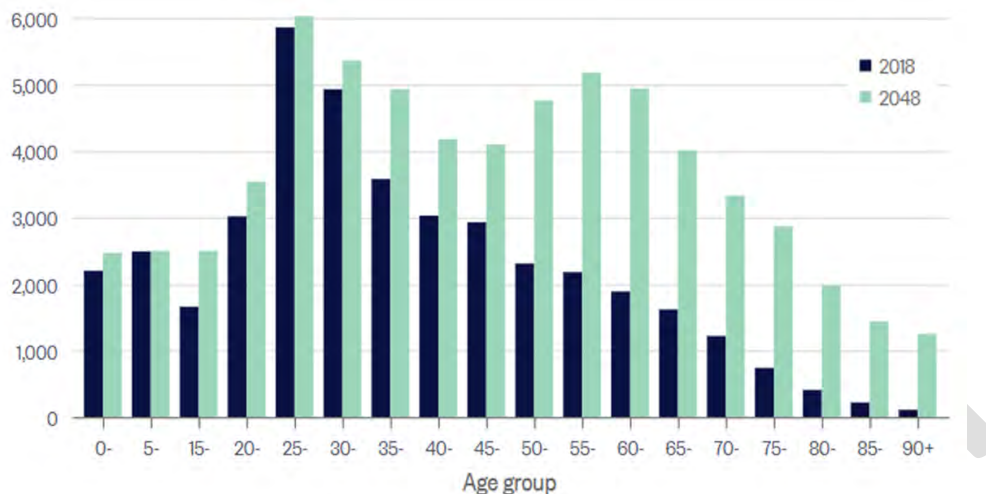


Figure 9. Estimated and projected age distribution, Queenstown Lakes District¹⁰

This demographic shift will have influence on the public transport demands. For example, people aged over 65 typically are more likely to travel during non-peak hours and typically have a higher reliance on public transport to provide their access requirements. As a result, there is expected to be increased demand for public transport, particularly off-peak services, in Queenstown.

Economic Environment

The tourism sector in Queenstown significantly contributes to the economy. International visitors to Queenstown in 2019 made a substantial contribution of approximately \$0.98 - \$1.1B to the Gross Domestic Product (GDP) of the South Island.¹¹ Additionally, the Queenstown tourism sector accounted for approximately 64 percent of local employment in 2019. Notably, the local workforce in Queenstown is heavily reliant on migrant workers and holiday visa holders to meet the labour demands.¹²

This means that a significant proportion of people in Queenstown are transient and seasonal. In the context of public transport, such individuals are more likely to have higher dependency on public transport for a number of reasons, including:

- Lack of access to a personal vehicle;
- Holding an overseas licence;
- Coming from a country with well-established public transport systems and ingrained usage habits;
- Employment as a low-wage worker with restricted resources.

¹⁰ Statistics New Zealand, Estimates and Projections: Subnational population projections, by age and sex, 2018(base)-2048 2020. [Estimated and projected age distribution in the Queenstown-Lakes District, New Zealand - Figure.NZ](#)

¹¹ [QLDC COVID-19 Recovery Intelligence Report May 22](#)

¹² [Submission to the Productivity Commission on the Immigration Inquiry, New Zealand Productivity Commission \(2021\)](#)

3 DEFINING THE PROBLEM

Queenstown's transport problems are well documented in the studies and business cases preceding this project. This section sets out the process behind agreeing the problem statements, benefits statements and investment objectives for the QPTBC.

A facilitated Investment Logic Map (ILM) workshop was held in October 2022 with representatives from Otago Regional Council, Queenstown Lakes District Council, and Waka Kotahi. The session began with a discussion framing the problems, key principles, and desired outcomes of the project from each organisation's perspective. The workshop participants then identified two problems relating to the key themes of **effectiveness** and **attractiveness** of public transport.

Following the workshop, the draft ILM was circulated to seek feedback. The Problem Statements were then refined incorporating feedback from the Way 2 Go (W2G) partners, peer reviewers and Waka Kotahi Investment Quality Assurance (IQA) team. Further refinement occurred before the Problem Statements and weightings for the QPTBC were finalised as shown in Figure 10.

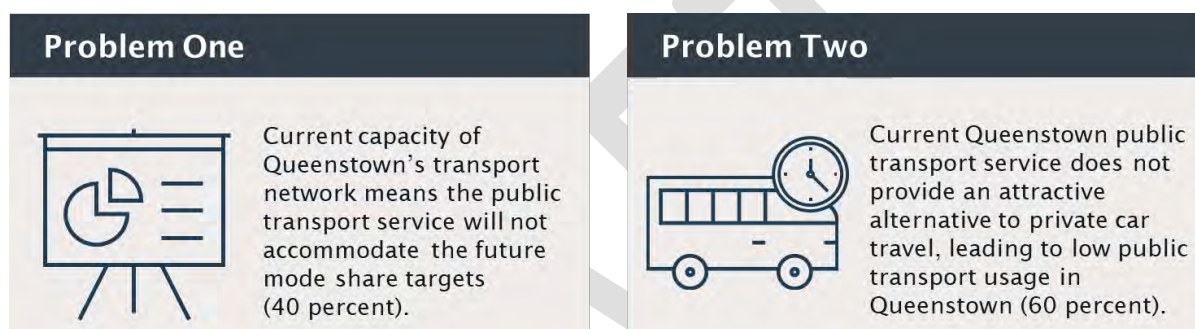


Figure 10. Problem Statements, QPTBC

The agreed ILM is shown in **Appendix A**. There is a strong link between the Queenstown PTBC problem statements and earlier Queenstown PBC as shown in **Appendix A**.

3.1 Problem One

Problem Statement One relates to the effectiveness of public transport in the Whakatipu Basin. Project Partners confirmed Problem Statement One as:

Current capacity of Queenstown's transport network means the PT service will not accommodate the future mode share targets (40%).

The evidence base for the causes and consequences of Problem Statement One are presented below.

Cause 1: The current public transport service is already at capacity

The current public transport network (bus) service capacity is estimated at 260 passengers per hour along SH6A¹³. Peak hour patronage data from 2021 (refer to **Appendix C**) shows the average number of passengers carried along SH6A was 199 people in the AM peak and 174 people in the PM peak. It is important to note this data is affected by the COVID pandemic as New Zealand's international border was closed in 2021. Therefore, with the return of international visitors, it is reasonable to assume that current patronage levels will be higher than reflected in the 2021 data.

Additional pressure will be added to the current public transport network with the Ministry of Education (MoE) planning a staged discontinuation of the majority of school bus services in

¹³ See QPTBC Forecast Demand Advisory Paper
OTAGO REGIONAL COUNCIL

Queenstown by 2025. Given that around 470 students presently rely on the MoE services, this change could lead to a substantial surge in demand for public transport services.¹⁴

Looking forward, public transport modelling¹⁵ undertaken as part of this Strategic Case shows that, in order to maintain a functioning transport network in Queenstown, significant mode shift to public transport is required as shown in Table 1. Specifically, in the AM peak hour the number of people travelling by public transport on SH6A will need to be:

- 592 people by 2027
- 1,082 people by 2039
- 1,466 people by 2053.

These numbers far exceed the current capacity of 260 people per hour.

Table 1. Critical PT Mode Share Targets

YEAR	ROUTE	AM PEAK HOUR		PM PEAK HOUR	
		PAX. / HOUR	PT MODE SHARE	PAX. / HOUR	PT MODE SHARE
2027	SH6A	592	27%	594	28%
	Shotover Bridge	323	18%	369	18%
	Kawarau Falls	186	11%	123	7%
2039	SH6A	1,082	40%	1,028	40%
	Shotover Bridge	514	25%	657	29%
	Kawarau Falls	1,033	40%	909	37%
2053	SH6A	1,466	47%	1,384	48%
	Shotover Bridge	772	34%	869	35%
	Kawarau Falls	1,687	53%	1,489	49%

Cause 2: The current roading network is also already at capacity

The roading network in Queenstown is also at capacity and struggling to cater for current demand, which is resulting in longer and more variable travel times for general traffic and public transport users. Congestion is experienced on SH6A and SH6A with the Annual Average Daily Traffic (AADT) on these roads in excess of 20,000 vehicle per day which exceeds the practical capacity of a two-lane road. As reported in the QTBC, the practical capacity of SH6A was exceeded on 140 days in 2019.

By 2028, QTBC modelling indicates that “average” conditions on SH6A will be similar to current peak travel times. Peak periods will experience regular gridlock with car and public transport travel times between Lake Hayes Estate and Queenstown regularly exceeding 60 minutes (compared to 15-20 minutes currently).

Bus trips are affected by the same congestion issues experienced by general traffic, as bus priority in Queenstown is limited. This congestion will impact the frequency and reliability of the Queenstown public transport network, limiting tourists from accessing key tourist spots and limiting residents from accessing important destinations such as employment, services, education, and social amenities. As an interim mitigation, NZUP has committed funding to deliver bus priority lanes on SH6A by 2027.

¹⁴ See QPTBC Service Patterns Advisory Paper

¹⁵ See QPTBC Forecast Demand Advisory Paper

With no ability to build more capacity, it is imperative to make better use of the existing system to avoid these impacts. For Queenstown this means increasing public transport mode share, however (as evidenced in Cause 1), this is not possible without intervention.

Consequences

To enable the growth anticipated for Queenstown Lakes, it is critical that public transport mode share increases. However, the consequences of an over-capacity public transport system and road network are deemed to be considerable barriers to achieving the required uplift in mode share and could have significant economic impact as shown in Figure 11.

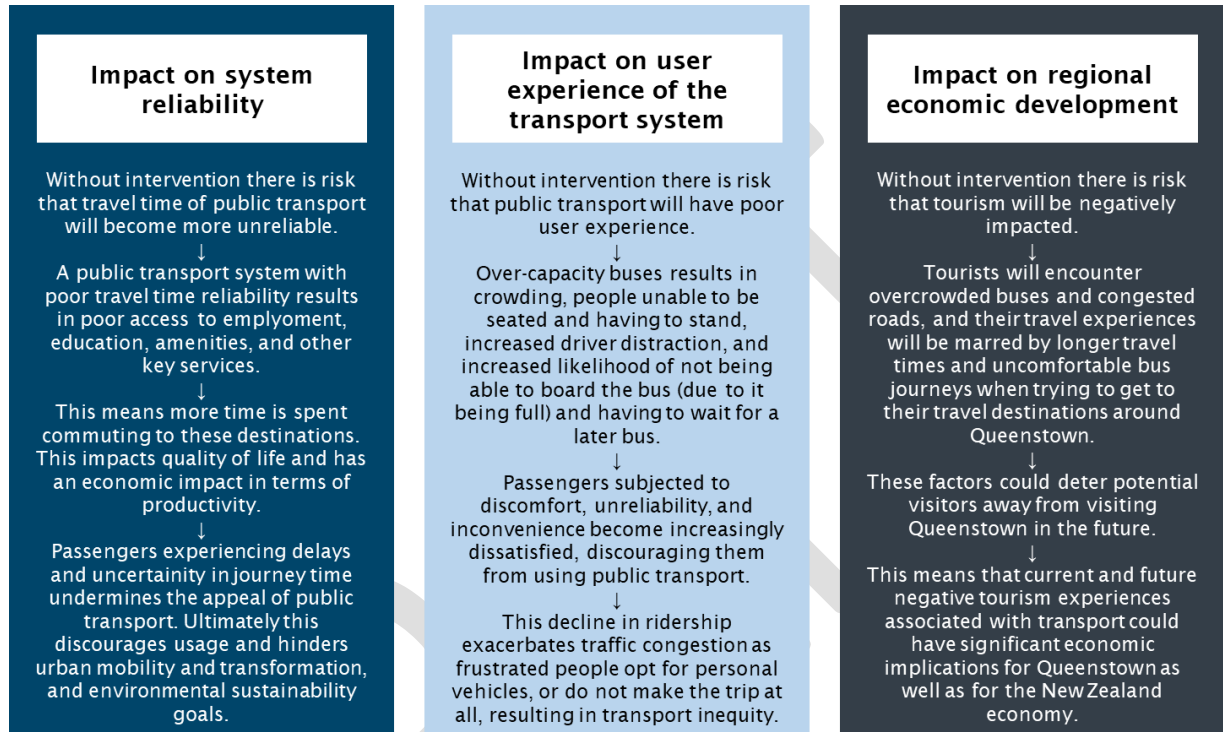


Figure 11. Consequences of Problem Statement One, QPTBC

Implications

The main implication of not addressing Problem Statement One is that public transport will become unreliable and will not reach the mode share targets required to maintain a functioning transport system. Consequently, the economic, environmental, social and health effects of the problem will be exacerbated with the expected population growth in Queenstown. This will make it increasingly difficult for the District to achieve:

- Their carbon targets,
- The goals of Ināia tonu nei: a low emissions future for Aotearoa, and
- The vision of the Queenstown Lakes Spatial Plan.

3.2 Problem Two

Problem Statement Two relates to the attractiveness (both real and perceived) of public transport in the Whakatipu Basin. Project Partners confirmed Problem Statement Two as:

Current Queenstown PT service does not provide an attractive alternative (reliability, directness, accessibility) to private car travel, leading to low PT usage in Queenstown (60%).

The evidence base for the causes and consequences of Problem Statement Two are presented below.

Cause 1: *Poor spatial coverage of existing routes*

Spatial coverage and connectivity are key factors in making public transport attractive and encouraging mode shift. In Queenstown, however, the current public transport system has limited spatial coverage and connectivity, resulting in an increased preference for driving over public transport with residents and visitors reporting the current network does not fulfil their needs as outlined below:

- Figure 12 shows the locations accessible currently via a 20-minute journey on public transport from either Stanley Street or Frankton Bus Hub without transferring. This shows the following locations are not accessible in 20 minutes: Quail Rise, the western end of Kelvin Heights, the southern end of Jacks Point and the route beyond Lake Hayes towards Arrowtown.
- Residents have noted in the 2022 Quality of Life survey that the public transport routes are not aligned with their needs. For example, routes in Jacks Point, Remarkables Park, and Lake Hayes are circuitous and indirect, resulting in increased travel time.
- Mapping the existing network spatial coverage against the projected growth areas within the District reveals that the current challenges will intensify. The current network will not be sufficiently equipped to accommodate the increasing demand stemming from evolving land use, emerging development zones, and the anticipated population growth in the years ahead.
- In addition, many of Queenstown's key tourist destinations (for example The Playground, AJ Hackett Bungy, The Coronet, Remarkable Ski Area, and many more) cannot be reached via existing public transport routes. Visitors (and employees) must either drive directly or use third party transport.
- Public transport provision has not kept pace with rapid development of new commercial and retail centres. This has led to a situation where 'Hawthorne Drive has bus stops but no buses, and the Frankton-Ladies Mile Highway has buses but no bus stops' (Queenstown Business Case).



Figure 12. 20-minute PT Catchment (one seat ride) from a Bus Hub¹⁶

Cause 2: Travel Time Penalties

In Queenstown journeys made by private vehicle are typically faster than those made by public transport. **Error! Reference source not found.** presents a comparison between journey times for trips made by private vehicle compared to trips made by public transport to the Queenstown Town Centre at peak hour. Notable, for all of the five routes, travelling by private vehicle is shown to be faster; in some cases public transport is estimated to take twice as long.

Table 2. Travel times of cars versus bus

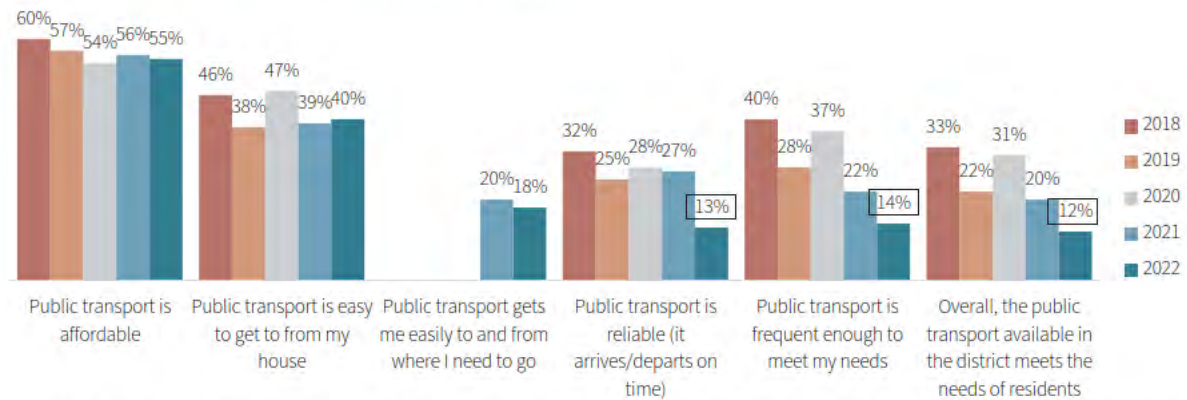
ROUTE	DRIVE TIME (GOOGLE MAPS)	BUS JOURNEY TIME (TIMETABLES)
Frankton to Queenstown	9-14 minutes	15 minutes
Kelvin Heights to Queenstown	16-22 minutes	40 minutes
Jacks Point to Queenstown	16-22 minutes	45 minutes
Lake Hayes to Queenstown	16-22 minutes	30 minutes
Arrowtown to Queenstown	22-30 minutes	40 minutes

It is important to note that the times presented in **Error! Reference source not found.** do not include the time for users of public transport to access the bus stop and wait for the service to arrive. Public transport users are further penalised when they are required to transfer between services, with some transfer times at Frankton Hub being as long as ten minutes. This further shows the travel time penalties associated with taking public transport.

¹⁶ Created with Google Earth as base map source

Overall, this means that the relative attractiveness of public transport is decreased. This was reflected in the Quality of Life Survey presented in Figure 13 where from 2018 – 2022, residents increasingly disagree that public transport was affordable, reliable, and frequent enough for their needs.

AGREE/ STRONGLY AGREE 2018–2022



Q. Thinking about the public transport in the district, how strongly do you agree or disagree with the following statements? Base size n=1000
The square box on the chart indicates this year's result is a statistically significant change from last year's result.

Figure 13. Survey results for indicators of public transport from 2018 – 2022¹⁷

Cause 3: Infrequent Services

Queenstown's bus and ferry system suffers from infrequent services, especially during off-peak hours, and lacks coverage in the early morning and late evening. These timetables fail to adequately meet the community's needs and do not provide an attractive level of service in Queenstown.

- The bus routes operate on intervals ranging from 30 to 60 minutes, except for Route 1 which runs every 15 minutes. Most services commence at 6:00 am and cease at 10:00 pm, with only Route 1 extending to midnight.
- Individuals with varied schedules and multiple destinations struggle to rely on infrequent public transport and it hinders commuters' ability to plan their journeys efficiently. This has worsened in recent years due to service cancellations meaning people have been stranded and waiting for a long time for the next service to arrive.
- The lack of services before 6:00 am and after 10:00 pm presents a significant barrier to many people, exacerbated by Queenstown's tourism-driven economy with diverse working hours.

Overall, the inability of public transport to meet the diverse travel needs of Queenstown's residents and visitors leads to a negative overall perception of the system. This is pushing people toward more reliable transportation options. People then have an unwillingness to return to public transport without significant service improvements being made.¹⁸

¹⁷ [Quality of Life 2022 Survey Report, Queenstown Lakes District Council \(2022\)](#)

¹⁸ [Mayor Lewers launches full attack on ORC as bus service fails, Crux 2023](#)

Cause 4: Poor Bus Stop Facilities

Residents have observed that the growth of tourists has placed pressure on current infrastructure and that infrastructure is insufficient to meet people's needs, for example, the lack of bus stops especially close to accommodation (Quality of Life 2022 Survey Report).¹⁹ Research shows that bus stops with the appropriate facilities are important in terms of improving a rider's experience and ridership.²⁰

The quality of existing public transport facilities in Queenstown is limited and is consistent with public transport facilities provided historically across New Zealand, for example:

- Bus stops often lack signage, shelters, seating, and timetables/real time information.
- Pedestrian access to bus stops is often via routes that are without the appropriate infrastructure such as kerb cutdowns, tactile pavers, and safe crossing points (particularly on high speed and high volume roads).

Appendix C provides more detail about five specific bus stop locations reviewed as a desktop study. Improved facilities can be used to reduce disincentives or barriers for any potential new bus users. This is especially pertinent for users who are vulnerable or unfamiliar with public transport. A programme of works is underway by QLDC to provide shelters, lighting, bins, and ski racks but there is currently a lack of consistency across the network.



Figure 14. Example of typical bus stop - 672 Peninsula Rd, Kelvin Heights

¹⁹ [Quality of Life 2022 Survey Report, Queenstown Lakes District Council \(2022\)](#)

²⁰ [Why Bus Stops Matter, Transit Center \(2018\)](#)

Consequences

To enable the growth anticipated for Queenstown Lakes, it is critical that public transport mode share increases. However, the consequences of a public transport service that is considered unattractive will result in continued car dependency and emissions, social and transport inequity, and impacts on tourism as shown in Figure 15.



Figure 15. Consequences of Problem Statement Two, QPTBC

Implications

The main implications of not addressing Problem Statement Two are the barriers to public transport uptake in Queenstown Lakes will remain, and residents and visitors will continue to rely on single occupancy vehicles for daily travel. This will increase the accessibility-related challenges that the District is facing and people will miss out on economic and social opportunities as a result. This will make it increasingly difficult for the District to achieve:









- An attractive public transport network that meets the needs of the community,
- The goals of Ināia tonu nei: a low emissions future for Aotearoa, and
- The vision of the Queenstown Lakes Spatial Plan.

4 STRATEGIC ALIGNMENT

Investment in Queenstown’s public transport services aligns strongly with national, regional, and local policies, strategies, and plans as shown in Table 3.

Table 3. Alignment of QPTBC with Key Strategies, Policies, and Plans

DOCUMENT	ALIGNMENT
NATIONAL	
<p>Te Tauāki Kaupapa Here a te Kāwanatanga mō ngā waka whenua Government Policy Statement on Land Transport 2021</p>	<p>The QPTBC aligns with the Government Policy Statement (on Land Transport) 2021 by supporting the GPS strategic priorities of:</p> <ul style="list-style-type: none"> <i>Better Travel Options</i> – the focus of the project is to provide enhanced viable and attractive public transport choices for people in the Whakatipu Basin. <i>Climate Change</i> – through providing transport choice this enables mode shift from private vehicle trips to zero-, or lower-, emission public transport trips which will reduce emissions and VKT.
<p>Te Tauāki Kaupapa Here a te Kāwanatanga mō ngā waka whenua Government Policy Statement on Land Transport 2024 (draft)</p>	<p>The QPTBC aligns with the draft Government Policy Statement (on Land Transport) 2024 by supporting the GPS strategic priorities of:</p> <ul style="list-style-type: none"> <i>Reducing emissions</i> – investment in the public transport network is crucial to transitioning Queenstown to a lower carbon transport system that provides affordable, accessible, and low-emission choices. <i>Sustainable urban and regional development</i> – a reliable and frequent public transport network is key to managing road congestion and supporting housing and urban growth in the Whakatipu Basin.
<p>The Living Standards Framework 2021</p>	<p>The Treasury Living Standards Framework enables consideration of policy impacts on the dimensions of wellbeing in a systematic and evidenced way. The QPTBC aligns with this framework through enabling an efficient and equitable public transport system in Queenstown.</p> <p>In turn this will contribute to individual and collective wellbeing through enabling communities to have safe access and reliable connections to key services, employment and amenities.</p>
<p>Ināia tonu nei: a low emissions future for Aotearoa (2021)</p>	<p>The QPTBC supports the Climate Change Commission’s advice to reduce emissions and transition to a low-emissions Aotearoa. It does this by helping people reduce their need to travel by single occupancy vehicle through improving peoples’ access to active modes and public transport and encouraging these low emissions transport options over private vehicle use in Queenstown.</p>
<p>Te hau mārohi ki anamata Aotearoa New Zealand’s first emissions reduction plan (2022)</p>	<p>The emissions reduction plan is a commitment to a low-emissions, climate-resilient economy with a transition to net zero emissions by 2050 that is equitable for everyone. Key actions for the transport sector that the QPTBC supports are: reducing reliance on cars; and supporting people to use public transport and active modes with the intent of reducing carbon emissions.</p>
<p>Toitū Te Taiao Our Sustainability Action Plan (2020)</p>	<p>This plan is shaped by the Avoid – Shift – Improve model: avoid/reduce reliance on private motor vehicles through integrated land use and transport planning; shift the travel of people and freight to low-emission modes, public transport, active and/or shared transport modes; and improve the energy efficiency of the vehicle fleet. The QPTBC aligns with the public transport elements of this plan.</p>

Waka Kotahi Keeping Cities Moving (2019)	 HIGH	<p>Keeping Cities Moving is a plan to improve travel choice and reduce car dependency in six high growth urban centres, one of which is Queenstown. Keeping Cities Moving and the QPTBC share the same goal to transition away from car-centric infrastructure and develop public transport in Queenstown through public transport investment.</p>
To Tātou Mahere mō te pūnaha waka whenua Arataki (V2)	 HIGH	<p>The QPTBC aligns with the Arataki 30-year focus in Ōtākou / Otago to encourage increased use of public transport to support urban development and thriving communities in Queenstown (and Dunedin). Arataki lists the most important issues to be resolved in the next decade in Ōtākou / Otago, with the first listed important issue being:</p> <ul style="list-style-type: none"> • <i>Begin to reduce vehicle kilometres travelled, focusing on Tāhuna Queenstown and Ōtepoti Dunedin, in a way that's equitable and improves people's quality of life.</i> <p>The QPTBC is a key strategic response to this issue.</p>
REGIONAL		
Otago/Southland Regional Public Transport Plan (2021 - 2023)	 HIGH	<p>The QPTBC aligns with the vision and the four objectives of the RTP in terms of providing an inclusive, accessible and attractive and integrated public transport system in Queenstown that promotes mode choice, reduces congestion and carbon emissions through mode shift, is affordable and adapted to future land use and traffic demand.</p>
Otago Southland Regional Land Transport Plan (2021 - 2023)	 MEDIUM	<p>The QPTBC supports the RLTP Strategic Objective 3 (Connectivity and Choice), Objective 4 (Environmental Sustainability) and Objective 5 (Future Focused). Creating genuine mode choice (which the QPTBC seeks to deliver) is listed as one of the 10-year priorities in the RLTP with specific reference to investment in multi-modal transport options.</p>
LOCAL		
Better Ways to Go (2022)	 HIGH	<p>Better Ways to Go is the mode shift plan for the Queenstown Lakes District. The QPTBC aligns with Better Ways to Go by investing in Public Transport to accommodate for growth and increasing mode share of active travel and public transport.</p>
Queenstown Town Centre Masterplan (2017) & Frankton Masterplan (2020)	 MEDIUM	<p>The QPTBC is aligned with these Masterplans, seeking to present public transport services that will improve the overall experience, liveability and meet future demand.</p>
Grow Well Whaiora Spatial Plan (2021)	 MEDIUM	<p>The Queenstown Lakes Spatial Plan documents the vision and framework to align decision-making for the Queenstown Lakes District. The QPTBC uses the Spatial Plan as the basis for growth projections underpinning the business case, and supports the overall vision of the Spatial Plan.</p>
Queenstown Lakes District Climate and Biodiversity 2022 - 2025	 MEDIUM	<p>The plan outlines the District's response to Climate Change. Transport is considered a key challenge with the plan listing ten actions that together seek to achieve a transport system that is low-emission and better connected. The QPTBC aligns with the public transport elements of this plan.</p>

5 BENEFITS AND INVESTMENT OBJECTIVES

Benefits of Investment

The benefits of successfully investing to address the problems were identified and agreed by Project Partners as part of the ILM workshop in October 2022. The workshop participants identified and agreed to the following benefits and associated weightings:

- Improved public transport mode choice (40 percent).
- Improved access to economic and social destinations (40 percent).
- Reduced emissions from land transport (20 percent).

The above benefits were re-confirmed again at a subsequent workshop on 16th May 2023.

Investment Objectives

From the Problem Statements, evidence gathered, and identified Benefits of Investment, three Investment Objectives were developed and agreed with Project Partners. The Investment Objectives developed for the Queenstown Public Transport Business Case are shown in Figure 16.

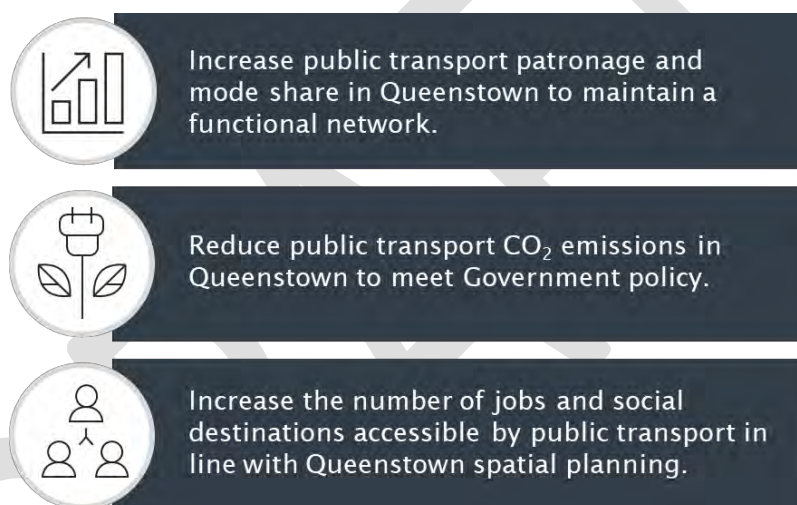


Figure 16. Investment Objectives, QPTBC

The Investment Objectives outlined above will be used throughout the options assessment phase (the Economic Case) as a basis for assessing how proposed solutions or options align with the desired outcomes of the QPTBC.

Critical Success Factors

Critical Success Factors for this business case were also agreed with W2G partners. The Critical Success Factors are:

- Capacity (to accommodate targeted mode share)
- Implementability (is the infrastructure required within the scope of this business case)
- Consentability (for infrastructure required)
- Emissions (ability to meet zero tailpipe emission requirement for public transport vehicles)
- Readiness (is there sufficient technological and support within required timescales)

These Critical Success Factors will also guide the assessment of options through the Economic Case.

Key Performance Indicators

Table 4 maps the alignment of the potential benefits to Key Performance Indicators (KPIs) and the Waka Kotahi Land Transport Benefits Framework. Further details for each KPI, in terms of the measurement method, baseline and expected results will be further detailed for the Preferred Option in the Management Case.

[Note: The draft outcomes and KPIs presented below will be validated as part of Part B]

Table 4. Draft Outcomes and Key Performance Indicators Mapping

BENEFITS	INVESTMENT OBJECTIVE	LAND TRANSPORT BENEFITS FRAMEWORK		KPIs / MEASURES	TARGET
Improved public transport mode choice	Increase public transport patronage and mode share in Queenstown to maintain a functional network	8.1: Impact on GHG emissions	8.1.2: Mode Shift from Single Occupancy Private vehicles	KPI 1: Increased mode share/mode shift from single occupancy private vehicles	Increase mode share by 2053: <ul style="list-style-type: none"> - Southern Corridor: 50%; - Eastern Corridor: 35%; - Western Corridor: 48%
		5.1: Impact on system reliability	5.1.1: Punctuality – Public Transport	KPI 2: More reliable journey times for public transport	Percentage of scheduled service trips between 59 seconds before and four minutes 59 seconds after the scheduled departure time of selected point, improves by xx% by 2053
Reduced emissions from land transport	Reduce public transport CO ₂ emissions in Queenstown to meet Government policy	8.1: Impact on GHG emissions	8.1.1: CO ₂ emission	KPI 1: CO ₂ emissions	Reduce public transport CO ₂ emissions by 100% by 2053
			8.1.3 Light vehicle use impacts	KPI 2: VKT reduction	Reduce VKT by xx% by 2053. (measure to be set, corresponding decrease in VKT by meeting mode share targets below)
Improved access to economic and social destinations	Increase the number of jobs and social destinations accessible by public transport in line with Queenstown spatial planning	10.3: Impact on access to opportunities	10.3.1: Access to key social destinations	KPI 1: Jobs accessible within 20 minute trip on public transport	Jobs accessible within 20 minute trip on public transport increases by 20% by 2053
				KPI 2: Destinations accessible within 30 minute trip on public transport	Destinations accessible within 30 minute trip on public transport increases by 20% by 2053.

6 UNCERTAINTIES LOG

[Note: The list of issues and constraints below will be validated as part B and part C of the business case are completed.]

The role of the Uncertainty Log is to identify areas of uncertainty that exist in the context of the QPTBC that may be within the sphere of influence of the Business Case. The Uncertainty Log includes the assumptions made that might influence the understanding of the Problem Statements and which may affect the effectiveness and feasibility of the alternatives and options developed (refer to the Economic Case).

The initial project risks and uncertainties identified through the development of the Strategic Case are outlined in Table 5. These will be further explored through the Business Case and the Uncertainty Log will be progressively updated through the project.

Table 5. Uncertainty Log - QPTBC

FACTOR	COMMENTS
Scale of growth is higher than anticipated	This may result in key road links being at capacity sooner than expected, increase in the number of private vehicles used, increased pressure on public transport demand and impact mode share targets. Mitigation: Include sensitivity testing for growth assumptions to confirm the Preferred Option is deemed to offer the best overall value and economic advantage compared to the alternatives.
Constrained road space	There is limited road space for which to cater for private vehicles and road-based public transport (buses). Infrastructure improvements such as bus lanes, bus priority, road widening or an off-line public transport system are beyond the scope of this business case. Mitigation: Apply Waka Kotahi Early Appraisal Sifting Tool in the Economic Case to assess the alternatives and options and remove any that are out of scope or fatally flawed.
Legislation and policies developing or changing simultaneously/ faster than the development in the QPTBC	Change in policies may cause changes in transport investment. This may impact the strategic direction of this project. Mitigation: Demonstrate a strong case for investment. Monitor changes.
Price escalation due to inflation	Inflation may impact costs set out in the Financial Case. Mitigation: Cost estimate to be undertaken by a QS with appropriate contingencies applied based on current and anticipated market behaviours (trends) to account for cost escalation.
Influence and interactions with other related projects and developments	Policy / legislation development outside of the QPTBC may impact business case outcomes (for example MoT Congestion Charging). Mitigation: Demonstrate a strong case for investment. Monitor changes.
Unable to acquire land and/or resource consents	Queenstown's topography is challenging with less opportunities to acquire suitable flat land e.g., SH6 next to Lake Wakatipu. Mitigation: Early conversations with landowners and maintain frequent and transparent communication. Complete pre-application meeting(s) to understand the likely consent requirements / constraints.

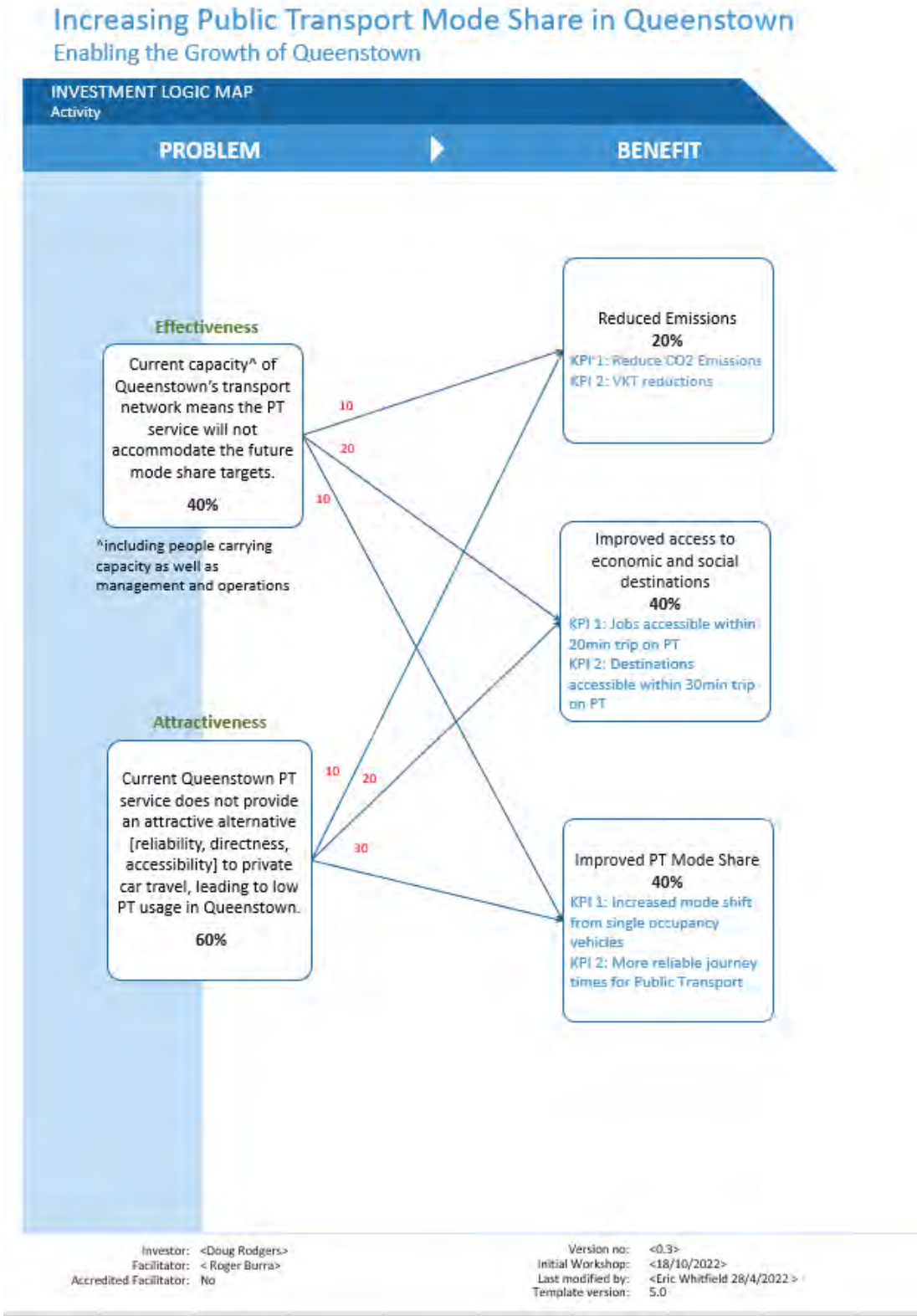
Programme partners not aligned with overall business case goals	<p>ORC, QLDC and Waka Kotahi have investment / business case interests in this business case and are coordinated through the W2G partnership.</p> <p>Mitigation: Oversight of this partnership is provided by the W2G Partnership Governance Group which acts to provide confidence in well-aligned delivery of the W2G programme.</p>
Disagreement from community during consultation	<p>This could result in potential impacts to programme and reputation or organised opposition to emerging Preferred Option.</p> <p>Mitigation: Regular and targeted consultation with key parties to understand concerns.</p>
Demand may be different than forecast i.e MoE school patronage; NZUP	<p>Assumptions have been made regarding the NZUP Package in the modelling methodology. Modelling does not specifically cover school bus patronage. These factors could influence model outputs and may change the requirements of the transport response.</p> <p>Mitigation: Include sensitivity testing for patronage to confirm the Preferred Option is deemed to offer the best overall value and economic advantage compared to the alternatives.</p>
Travel and waiting time reliability	<p>Impacts the level of confidence that customers have in the reliability of Queenstown public transport network which impacts public transport uptake.</p> <p>Mitigation: Include sensitivity testing for public transport uptake to confirm the Preferred Option is deemed to offer the best overall value and economic advantage compared to the alternatives.</p>

7 THE CASE FOR CHANGE

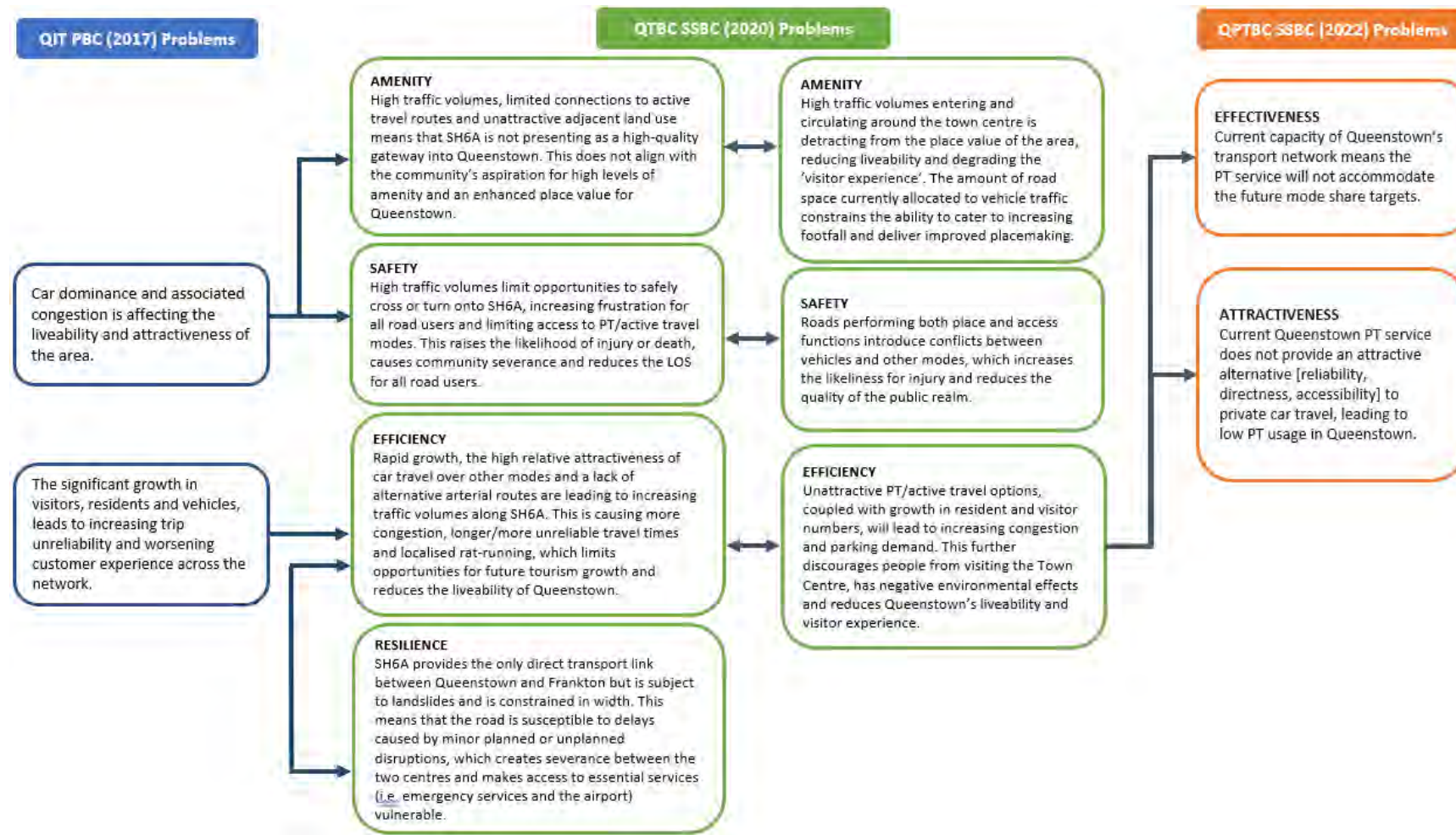
- In the face of population growth that will double in the next thirty years, tourism growth, worsening traffic congestion, and pressing environmental concerns, the need for significant investment in public transport has never been more critical in Queenstown.
- Queenstown currently stands at a crossroads, where a congested network needs rapid intervention through a mode shift to non-car modes. Investing in robust public transport services is a pivotal step towards supporting a sustainable, efficient, and more accessible Queenstown that will thrive in the future and bring economic benefits to the region and Aotearoa New Zealand.
- There is also a risk of not acting – which may cause Queenstown to stagnate resulting in negative economic and reputational outcomes for the area and the rest of New Zealand. Visitor feedback already indicates that traffic congestion is the single biggest negative in an otherwise very highly regarded visitor destination with the consequent risk of Queenstown being bypassed by visitors.
- Significant investment has been committed to infrastructure improvements in the Whakatipu Basin. This provides the opportunity to review public transport services and ancillary infrastructure in line with the committed infrastructure improvements to make the best use of this investment.
- This Strategic Case demonstrates a clear case for change.

APPENDICES

Appendix A: Investment Logic Map



Evolution of statements



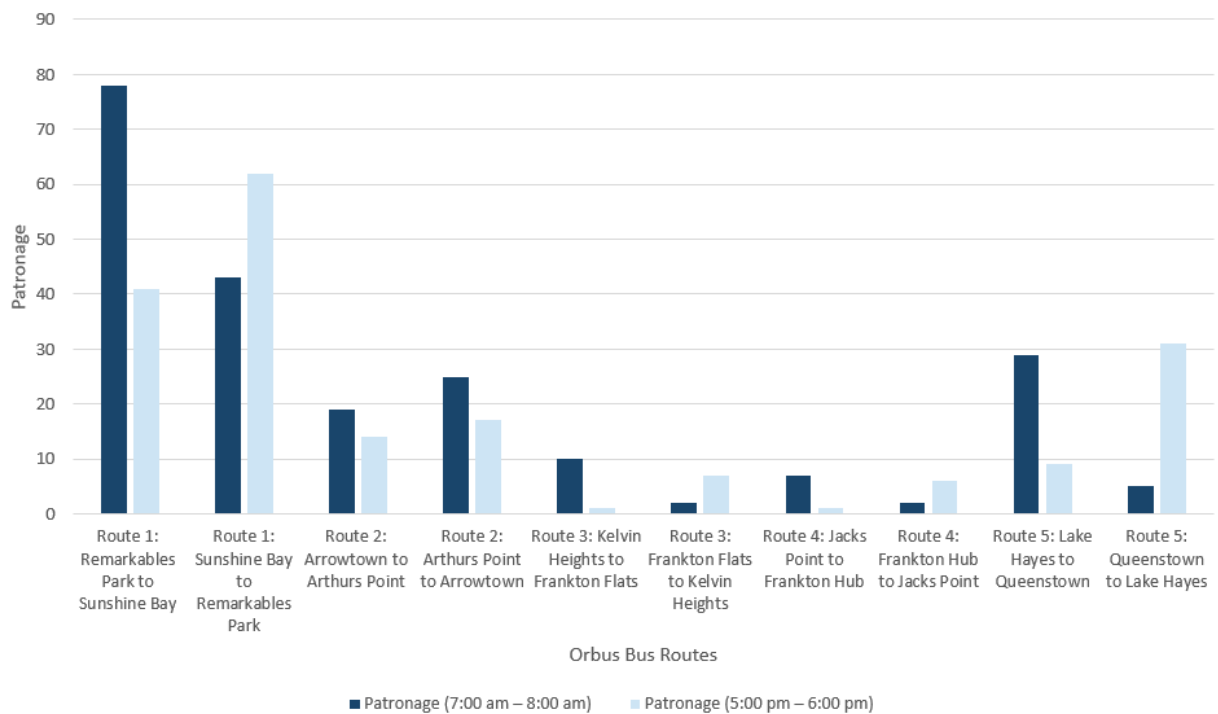
Evolution of problem statements from previous business case stages to the current QPTBC SSBC (2022)

Appendix C: Bus Patronage Data

Orbus Bus Route Patronage Data²¹

Orbus Bus Route		Patronage (7:00 am – 8:00 am)	Patronage (5:00 pm – 6:00 pm)
Route 1	Remarkables Park to Sunshine Bay	78	41
	Sunshine Bay to Remarkables Park	43	62
Route 2	Arrowtown to Arthurs Point	19	14
	Arthurs Point to Arrowtown	25	17
Route 3	Kelvin Heights to Frankton Flats	10	1
	Frankton Flats to Kelvin Heights	2	7
Route 4	Jacks Point to Frankton Hub	7	1
	Frankton Hub to Jacks Point	2	6
Route 5	Lake Hayes to Queenstown	29	9
	Queenstown to Lake Hayes	5	31

Patronage Data for Current Bus Routes during AM Peak and PM Peak - Term 4



Patronage data for current bus network during morning peak (7am - 8am) and afternoon peak (5pm - 6pm) in Term 4 2021 (Source: Otago Regional Council)

²¹ For more information, see Advisory Paper 3 – Service Patterns
 OTAGO REGIONAL COUNCIL



Appendix D: Bus Shelter Study

To explore the pain-point further, five bus stop locations were chosen for a sample desktop study.



Map showing the 5 bus stops selected for the mini study. (Base Map Source: QLDC Operative and Proposed District Plan Map Viewer)

Results of the Bus Stop Desktop Study

Bus Stop Location	Facilities Present	Facilities Missing
1. Arthurs Point Road – near Morning Star Terrace 	<ul style="list-style-type: none"> • Bus stop signage • 2x shelter • Bus timetable • Near a streetlight 	<ul style="list-style-type: none"> • No seats present • Mid-block crossing near bus stop • No real-time information timetable • No dedicated bus stop lighting
2. SH6A / Morries Lane 	<ul style="list-style-type: none"> • Bus stop signage • Near a streetlight 	<ul style="list-style-type: none"> • No static/ real-time bus timetables • No seating • No shelter • No nearby pedestrian crossing facilities • No dedicated bus stop lighting

3. Remarkable Shops



- Pedestrian zebra crossings on both ends of the bus stop
- Static bus timetable
- Lighting present
- No bus seats
- No bus shelters
- No bus stop sign
- No real-time bus timetable

4. 672 Peninsula Rd – Kelvin Heights



- Bus stop signage
- Static bus timetable
- No bus seats
- No bus shelters
- No safe pedestrian crossing
- No lighting
- No real-time bus timetable

5. Arrowtown Lakes Hayes Road



- No bus stop signage
- No bus shelters
- No seating
- No static/real-time bus timetable
- No nearby safe pedestrian crossing facilities
- No lighting

DRAFT

8.4. Dunedin Fares and Frequency Business Case

Prepared for: Public and Active Transport Comm

Report No. PPT2303

Activity: Public Transport

Author: Lorraine Cheyne, Transport Manager

Endorsed by: Pim Borren, Interim General Manager Transport

Date: 9 November 2023

PURPOSE

- [1] This paper is to present the Fares and Frequency Business Case (FFBC) which outlines the preferred package of Fares and Frequency to promote increased patronage on the Dunedin network, and reduce the impacts of transport (light vehicle fleet emissions) on the environment. The business case provides the basis of building the Dunedin network component of the Transport programme for consultation and subsequent investment in the Long-Term Plan.

EXECUTIVE SUMMARY

- [2] The Fares and Frequencies Business Case (FFBC) follows the Shaping Future Dunedin Transport Programme Business Case (SFDT), which was developed to improve how people move into, out of, and around central Dunedin. The SFDT aims to improve the transport network to enable integration of the new hospital with the city; stimulate economic growth and regeneration; provide for safe and accessible people friendly streets and improve city liveability.
- [3] The FFBC was informed by nearly 1800 responses to an on-line survey.
- [4] The FFBC identifies a package of bus fares and service frequencies that will aim to increase the public transport (PT) mode share for journeys to work and education from 3.4% in 2018 to 6.8% in 2030; and to 8.3% in 2034-35.
- [5] The package of fare and frequencies that could be demonstrated to achieve the desired mode shift comprises:
- Primary services – 15-minute daytime frequency to be extended to weekends, as to provide a service for health, retail, and hospitality sectors.
 - Secondary services – 15-minute peak frequency weekdays and 30 minutes at all other times.
 - Targeted services – retained at current service levels.
 - A 50c fare.
- [6] The preferred option comprises a \$403.52 million investment over the life of the Long Term Plan. This compares to \$207.61 million over the “Do Minimum” cost for the same period, being a funding increase requirement of \$195.91 million over the decade.
- [7] Through the proposed investment, total PT boardings are projected to increase from the current 2.8 million to 6.0 million trips per annum. Additionally, it is estimated that there will be an additional 42t CO₂e per year of light vehicle emissions savings.

RECOMMENDATION

That the Committee:

- 1) **Notes** this report.
- 2) **Recommends that Council Endorses** the *Shaping Future Dunedin Transport Fares and Frequencies Single Stage Business Case*, October 2023 preferred option 16(b) 50c fares, as the basis for staff to prepare the Dunedin Public Transport network improvements investment programme for the Regional Land Transport Plan 2024-2034.
- 3) **Notes** that subject to decisions of Council the preferred option will be included in formal consultation alongside other options as part of the upcoming Long Term plan process.
- 4) **Notes** that the final business case will be presented to the next Public and Active Transport Committee meeting for approval.

BACKGROUND

- [8] The Fares and Frequency Single Stage Business Case was developed in collaboration with ORC's Connecting Dunedin partners, Dunedin City Council (DCC) and Waka Kotahi NZ Transport Agency (Waka Kotahi). It comprises the PT component to the SFDT Programme. Started in mid-2022, the FFBC identifies an improvement programme to increase use of public transport in Dunedin for journeys to work and education.

Figure 1: **Shaping Future Dunedin Transport Partner Preferred Programme**



- [9] The SFDT demonstrated that investment in public transport was needed to achieve the programme outcomes relating to multi-modal access and liveability. Travel disruption during construction and operation is considered an opportunity for encouraging people to change mode, through the provision of a more attractive PT offering. The SFDT identified that a target of 8% public transport mode share for the journey to work was feasible by 2030.
- [10] Based on experience in Dunedin and elsewhere in the country, it was identified that the quickest way to achieve this growth would be by a combination of changes to frequencies and fares.
- [11] For instance, there have been substantial improvements to public transport in Dunedin since 2015; such as more direct routes, improved frequency, clockface timetabling, and a new Bus Hub. In 2020, ORC replaced the city's five-zone fare structure with a trial of a \$2 flat fare. Patronage increased from these initiatives and, most notably, there was a jump in PT patronage during a period of free fares in 2020 at the time of the launch of the Bee Card.

- [12] The FFBC responded to the key problem statement:
- *Public transport is not attractive enough compared to other travel options, particularly in growth areas, leading to low utilisation and mode share.*
- [13] Investigation of both the cause and effect of the problem found:
- Higher frequency services are more attractive to customers. Improved frequencies in the peak times and during the day are identified as the top ranked improvement that would encourage survey participants to use the bus more often. Currently, only six out of 23 bus routes have frequencies above 30 minutes.
 - Differing frequencies during peak and off peak, and between weekdays and weekends, make it difficult for customers to plan trips and adds complexity.
 - Low frequencies on some routes make transfers time consuming, which can lead to long wait times for customers, particularly if some services are cancelled.
 - Current service spans do not meet the needs of hospital shift workers or many in the retail and hospitality sector, where availability and frequency of early morning and late evening services on all days of the week is important.
 - 72% of survey respondents are happy with current bus fares, 27% said they should be cheaper. Free fares were ranked top of options that would encourage survey respondents to travel more by bus.
 - 75% of survey respondents said they could use the bus, or use it more, if improvements were made, which showed strong latent demand.
 - Patronage is growing slowly at an annual average rate of 3.9% per year (2016/17 – 2022/23), although Dunedin has outperformed most other cities in the COVID and post-COVID period.
 - 40% of Dunedin residents have used the public transport system in the last year, which places Dunedin third behind Wellington and Auckland, and ahead of Christchurch, Tauranga, and Hamilton.
- [14] As previously reported to Council, the business case analysis was heavily informed by the feedback received from the public. For two weeks in November 2022 a survey was hosted on ORC's 'Your Say' website for the community to give feedback on their travel modes for work/education, bus service spans, frequencies, and fare structure, as well as what would encourage them and their family to use the bus more. The survey was promoted via media releases, newspaper articles, social media, ORC online channels, and bus posters. A total of 1,795 survey responses were received.
- [15] The evidence showed that, as identified in the SFDT PBC, frequencies are a barrier to public transport use, with improvements likely to lead to growth in mode share, as would be expected from international research into the response to public transport service changes. It also showed that cheaper fares are likely to lead to growth in mode share.
- [16] The evidence also supported service span improvements, to make public transport more appealing to health, hospitality, and retail sectors, which are significant in central Dunedin.

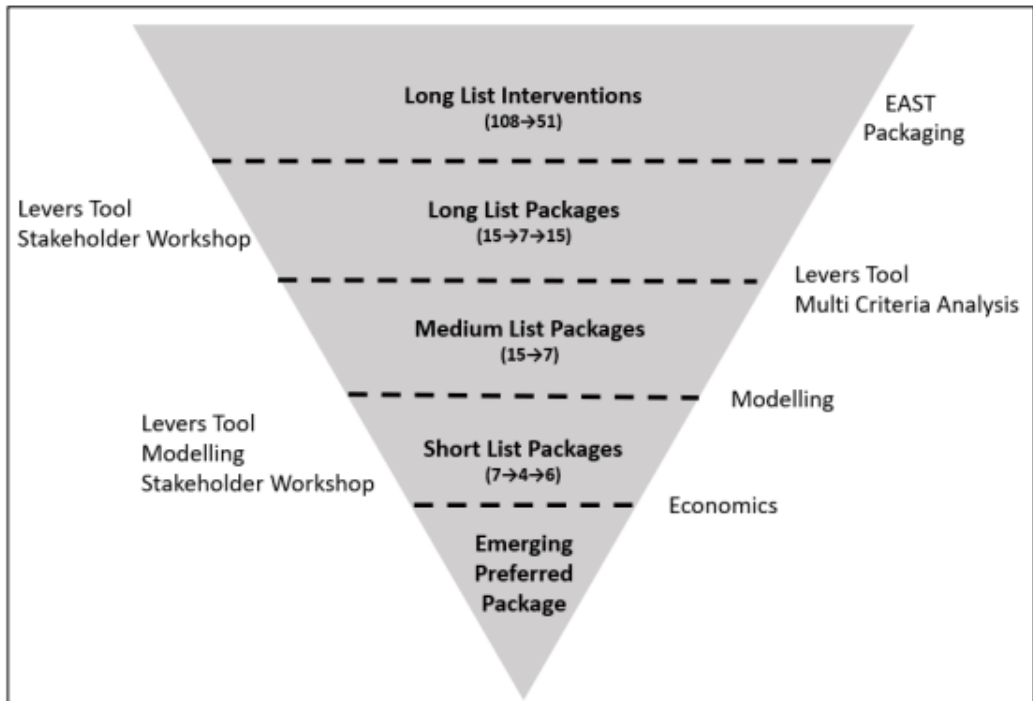
DISCUSSION

- [17] The process taken by the SSBC for identifying a preferred package of improvements began with the identification of long list fare and service (frequency, span, and express) interventions, through packaging and package filtering, to identification of the preferred option. A modified version of Waka Kotahi's Early Assessment Sifting Tool (EAST) reduced the initial long list of 108 discrete intervention options to 51, which were then

organised together to create sub-packages or groupings of interventions that applied to the whole network.

- [18] The grouping process created 22 sub-packages which were further combined into an initial long list of 15 packages made up of fare and service improvement combinations. Seven packages were taken to a stakeholder workshop following initial performance assessment, with the workshop adding eight additional packages.

Figure 2: **Fares and Frequencies Option Development and Assessment**



- [19] The final long list of 15 packages is shown in Table 1, with the Do Minimum representing current fare and service levels, including funded improvements to Mosgiel services that were implemented in 2023.

Package	Fares		Frequency	
	Fare Adult Bee Card	Primary	Secondary	Targeted
Do Minimum	\$2.00	Varies by route		
1	\$1.50	15min	15min	60min
2	\$2.50	15min		60min
3	\$1.00 Under 18 travel free	15min	30min (15min during peak)	60min
4	City Zone: Free 1 zone: \$1.00 2 zones: \$1.50 3 zones: \$2.00	15min	30min (15min during peak)	60min
5	\$1.00	15min	30min (15min during peak)	60min
6	\$1.50	15min	30min (15min during peak)	60min
7	\$2.00 Cap \$12.00 per week	15min	30min (15min during peak)	60min
8	Free	15min	15min	60min
9	Free	15min	30min (15min during peak)	60min
10	\$2.00 Cap \$12.00 per week	15min	15min	60min
11	Inner Zone: Free 1 zone: \$1.00 2 zones: \$1.50 3 zones: \$2.00	15min	30min (15min during peak)	60min
12	1 zone: \$2.00 2 zones: \$4.00 3 zones: \$10.00	15min	30min (15min during peak)	60min
13	1 zone: \$2.00 2 zones: \$4.00 3 zones: \$10.00	15min (30min on weekday evenings and weekends)	30min (15min during peak)	120min
14	\$1.00	15min (30min on weekday evenings and weekends)	30min (15min during peak)	120min
15	Free	15min (30min on weekday evenings and weekends)	30min (15min during peak)	120min

Table 1: Fare and Frequency Packages Long List Options

- [20] The free fare packages (8 and 9) scored highly by Multi-Criteria Assessment (MCA), ranking top and close second. Packages 1, 3, 5, 10 and 15, also scored well. Following sensitivity testing, Package 9 was identified as the recommended programme, ranking top or second across all tests.
- [21] Packages 3 and 4 also performed well across many of the tests.
- [22] Packages 1, 8, 9 and 10 were estimated to exceed the 8% target, with Package 15 coming very close.
- [23] The free fare packages of 8, 9 and 15 were found to represent greater value for money than others – achieving the same mode share as more expensive packages but for less additional net cost per annum.
- [24] The assessment of the packages was considered by the Connecting Dunedin partner representatives where it was identified that the free-fare packages were unlikely to be feasible, as they would not be supported by Waka Kotahi. However, they were retained in the medium list for further testing.

- [25] The medium list included a spread of packages:
- *High-cost packages* that exceeded 8% mode share and performed well in MCA: packages 8 and 10.
 - *Moderate cost packages* that achieved close to 8% mode share, with a range of MCA rankings: packages 3, 4, 5 and 9 (packages 3 and 5 were similar with the same frequency and \$1 flat fare, but Package 3 included free under 18 travel)
 - *Lower cost packages* that fell short of 8% mode share, with a range of MCA rankings: packages 13 and 15.
- [26] The medium list packages were assessed against a range of metrics including the Dunedin CUBE Transport Model outputs. A summary of the results and decisions are provided below.

Table 2: Fare and Frequency Packages Medium List Performance

Consideration	3 / 5	4	8	9	10	13	15
Additional net cost (\$m) pa	21.6	21.4	39.8	23.2	35.5	18.1	20.2
Indicative mode share 2030 (Levers Tool)	7.3%	7.1%	10.3%	8.2%	8.4%	5.3%	7.8%
Indicative mode share 2028 (Cube Model)	7.0%	7.2%	10.4%	9.9%	5.9%	4.6%	9.8%
Passengers (Cube Model)	27k	31k	51k	46k	22k	15k	46k
VKT (Cube Model)	3.14m	3.14m	3.06m	3.08m	3.16m	3.19m	3.08m
MCA Rank	=3	9	2	1	=3	15	=3
Decision	Short List	Short List	Exclude High cost but only slightly better than P9	Short List	Exclude: High cost but only slightly better than P9	Exclude: Low cost but poor performing for all metrics	Short List

- [27] From the medium list, four options were shortlisted, being Packages 4, 5, 9 and 15. Package 3 (free travel for under 18s) was replaced with Package 5, which had the same service frequencies but a \$1 flat fare.
- [28] At this time, the “Do Minimum” was updated with the introduction of Community Connect. The change in the Do Minimum resulted in an update to marginal net cost over Do Minimum as well as expected mode share.
- [29] A high-level economic assessment was completed for the shortlisted options using the updated figures, from which Package 15 was identified as the most realistic step change for Dunedin, offering a significant improvement over current frequency.
- [30] There were concerns that the 15-minute frequency all day, every day from 6.30am-11.30pm for primary routes under Packages 4, 5 and 9 would not be well utilised and would lead to congestion within the hub and city approach roads.
- [31] There were also concerns about introducing the 60-minute frequencies on targeted services. The current timetables represent tailored services agreed with those communities and it was considered that changes to those routes would better be looked at separately from this business case.

- [32] Further refinement resulted in a new hybrid Package 16 being added to the short list. This allowed testing of a slightly amended version of the Package 15 service. Package 16 builds on Package 15 with the following changes:
- Primary services – 15-minute daytime frequency to be extended to weekends, as this will provide a service for health, retail, and hospitality sectors.
 - Targeted services – Do Minimum (retain current service levels).
 - **Package 16a** included a \$1.00 fare and **Package 16b** included a 50c fare.
- [33] A flat fare had performed best in all the assessments, and these fares were selected after testing five different flat fare options (\$2, \$1, 50c, 20c, free) in the Levers Tool. These fares were able to achieve the 8% mode share target whilst still retaining a level of farebox revenue.
- [34] The final short list of six packages was modelled using the CUBE model. The outputs were used to determine indicative single year economic benefits, incremental benefit BCRs, and overall BCR's, for the emerging short list and shortlisted options. The following table shows the outcome of this assessment, with the options ordered by cost.

Table 4: Evaluation of Short List Options & Hybrid Package 16

Package	Indicative Annual Net Cost over Do Minimum (\$m)	Indicative Annual Benefits over Do Minimum (\$m)	Indicative Incremental benefit cost ratio (BCR)	Indicative BCR (over Do Minimum)
P16a (\$1)	\$16.2	\$35.5	2.2 (3 rd best)	2.2
P16b (50c)	\$17.7	\$55.3	13.2 (2nd best)	3.1 (3rd best)
P5 (\$1)	\$18.7	\$35.6	-19.7	1.9
P4 (zonal/free)	\$18.8	\$41.6	-12.5	2.2
P15 (free)	\$19.8	\$79.0	11.3 (best)	4.0 (best)
P9 (free)	\$22.9	\$79.8	0.3	3.5 (2 nd best)

- [35] Package 15 was found to be the best performing option from an economic perspective. However, as a free fare package it was not feasible. Package 16b became the next best performing option in terms of incremental analysis, strong overall BCR, and as the best performing of the paid fare options.
- [36] The analysis identifies Package 16b as the preferred option. It has the second lowest cost, provides good return on investment, and achieves the mode share target by 2034-35. Connecting Dunedin partner representatives have subsequently confirmed it as the preferred option.
- [37] Package 16b has been assessed to have a base BCR of 2.5, providing \$889 million in economic benefits compared to \$355 million in economic costs over a 40-year evaluation period, and associated net present value of \$534 million. The benefits come from four main categories:
- Emissions, time savings (car passengers and public transport passengers).
 - Health benefits.
 - Tax benefits/increased labour supply.

- [38] Costs reflect the increased operating cost of service improvements over the Do Minimum, as well as minor improvements to bus stop and layover infrastructure to reliably enable the additional frequencies.
- [39] Sensitivity analysis confirms a BCR range of 1.0 to 6.8, with the extremes representing the 'most pessimistic' and 'most optimistic' scenarios. This range indicates that Package 16 can be expected to provide a positive economic return under all likely scenarios.
- [40] The BCR of 2.5, a very high GPS Strategic Alignment, and a high Scheduling Alignment, gives Package 5 a recommended National Land Transport Programme (NLTP) investment priority of 2 (out of 12).
- [41] The development of the network in accordance with the preferred option Package 16b, would see the following services:

Table 5: Features of the Preferred Fare and Frequency Option (Package 16b)

Type of Service	Frequency	Times	Span
Primary Services	15-minute headway	7am – 7pm (seven days)	6am – 11.30
	30-minute headway	Other times	
Secondary Services	15-minute headway	Weekday peak	
	30-minute headway	All other times	
Targeted Services	Current service levels		

- Proposed Primary Service Routes include: 5 Pine Hill - City - Calton Hill; 6 Calton Hill - City - Pine Hill; 8 St Clair - City – Normanby, Normanby - City - St Clair; 10 Opoho - City - Shiel Hill; 11 Shiel Hill - City – Opoho; 63 Balaclava - City - Logan Park, Logan Park - City – Balaclava.
 - Proposed Secondary Services Routes include: 3 Ross Creek - City - Ocean Grove; Ocean Grove - City - Ross Creek; 14 Port Chalmers – City - Port Chalmers; 15 Ridge Runner Northbound, Ridge Runner Southbound; 18 Portobello (Harington Point) – City - Portobello (Harington Point); 19 Waverley - City – Belleknoves. Belleknoves - City – Waverley; 33 Corstorphine - Caversham - City – Wakari, Wakari - City - Caversham – Corstorphine; 37 Concord - City – University; 38 University - City – Concord; 44 St Kilda - City - Halfway Bush, Halfway Bush - City – St Kilda; 50 St Clair Park - City – Helensburgh, Helensburgh - City - St Clair Park; 55 St Kilda - City – Brockville, Brockville - City - St Kilda; 61 City – Kenmure, Kenmure – City; 70 Brighton - Abbotsford and Green Island, Green Island - Abbotsford and Brighton; 77 Mosgiel, Fairfield, Green Island – City, City – Green Island, Fairfield, Mosgiel.
 - Targeted Services Routes include Route 1 Palmerston –City, 80 Mosgiel East circuit.
- [42] The Business Case is predicated on the adult Bee Card fare being 50 cents from September 2024, with other fare products retaining present relativities to the adult Bee Card fare. However, since the business case was completed, Waka Kotahi has announced that it will not be releasing the NLTP until September 2024. This delay for confirmation, or otherwise, of the availability of co-funding will need to be factored into the timing of the fare changes.
- [43] The recommended adult Bee Card flat fare of 50 cents is lower than the current flat fare of \$2. However, the low fares contribute strongly to mode shift and are essential to enable the Connecting Dunedin partner representatives to achieve the 8% public

transport mode share that has been committed to through the adoption of the SFDT PBC.

- [44] The business case indicates that if fares were to remain at the current level, there would need to be significantly higher investment in frequencies to achieve the same 8% mode share, and it is unlikely that this would be fundable, or implementable by 2030, as significant preparation would be required both by bus operators in terms of investment in supporting infrastructure.
- [45] ORC will be the project sponsor responsible for the success and delivery of the project and will provide political oversight and achievement of the benefits and outcomes identified in the business case. ORC will also be a delivery partner alongside bus operators responsible for delivering services.

OPTIONS

- [46] Option 1: Recommended option. The Committee approves the Shaping Future Dunedin Fares and Frequency Single Stage Business Case for inclusion in the draft RLTP.

Advantages

- The case for increased public transport services can be included in the Regional Land Transport Plan
- The Committee will support the option which the business case indicates will best achieve the desired outcomes shared by the Connecting Dunedin Partners (noting that free fares have been excluded for funding purposes).
- This business case has been informed through significant public consultation.

Disadvantages

- Significant investment will be required to deliver the preferred public transport model and consultation with the Dunedin community on this topic is yet to occur.

- [47] Option 2: The Committee does not approve the Shaping Future Dunedin Fares and Frequency Single Stage Business Case.

Advantages

- There are no perceived advantages with this option as Otago Regional Council must include an option in the RLTP if it is to confirm co-funding for future public transport services.

Disadvantages

- There will be no preferred option supported by a business case for inclusion in the RLTP.
- Significant community input into the process will not be reflected in the decision around a preferred option.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [48] The Shaping Future Dunedin Transport Programme Business Case provides the strategic framework for this Fares and Frequency Single Stage Business Case.

- [49] Implementation of the fare regime and some service frequencies as proposed in the Business Case requires a review of the Regional Public Transport Plan (RPTP), which in turn, is due to be reviewed.
- [50] The investment proposal will be procured in alignment with the ORC's Transport Activity Procurement Strategy 2021 (Procurement Strategy), which is currently being updated, and the ORC Procurement and Contract Management Policy May 2022.
- [51] Council is currently preparing a business case for the Queenstown (Whakatipu Basin) network. That Business Case is not investigating fares. Consideration will need to be given to the equity of applying a 50-cent fare in Dunedin if a different fare is to apply elsewhere in the Region.

Financial Considerations

- [52] The 50th percentile cost and revenue estimates of the preferred Fare and Frequency option, Package 16b, are shown below, by NLTP period.

\$m	2024-27	2027-30	2030-33	2034-35	Total
Fare revenue	(\$2.61)	(\$3.54)	(\$4.06)	(\$1.45)	(\$11.65)
Fare substitute	(\$4.98)	(\$4.98)	(\$4.98)	(\$1.66)	(\$16.61)
Gross operating cost	\$94.86	\$135.52	\$148.07	\$51.34	\$429.78
Capital cost	\$2.00	\$0.00	\$0.00	\$0.00	\$2.00
Total cost to funders	\$89.27	\$127.00	\$139.02	\$48.24	\$403.52

- [53] The \$403.52 million cost compares to a Do Minimum cost of \$207.61 million over the same period, with a corresponding funding increase requirement of \$195.91 million over the decade.
- [54] It is assumed that the improvements will be funded through passenger fares, increased local rates, and NLTF allocation at the standard 51% funding assistance rate.
- [55] It is noted that any future investment in public transport services is still to be consulted on and approved as part of the upcoming ORC LTP process.

Significance and Engagement

- [56] The FFBC is significant in terms of both Council's Significance Policy and the Significance Policy in the Regional Land Transport Plan.
- [57] An ORC Councillor briefing was held on 23 August 2023 to articulate the service level improvements and associated costs. Councillors noted the potential for significant additional funding, and noted this would be consulted on through the Long Term Plan consultation in early 2024, which will confirm rates funding.

Legislative and Risk Considerations

- [58] A risk assessment was completed as part of the business case, with the following risks having a high residual threat or opportunity rating:
- There is a risk that policy levers change, resulting in lower or higher uptake of public transport. Ongoing communication with policy makers is required to understand potential changes, as well as flexibility to adapt services to respond to changes.
 - There is a risk that inadequate public communications cause confusion and result in mode-shift away from public transport. An effective public communication strategy will be developed to mitigate this risk.

- A change in direction or priorities for transport, including changes to the Government Policy Statement on Land Transport (GPS) may affect funding available for public transport as a result of the 2023 General Election.

Climate Change Considerations

[59] Light vehicle carbon emission savings (Dunedin CUBE Transport Model) under the preferred package have been assessed as providing carbon emissions saving from the light vehicle fleet (Dunedin CUBE Transport Model) as follows:

	2028	2038
Do Minimum	129t CO2e	125t CO2e
Package 16b	171t CO2e	155t CO2e

[60] Carbon emissions from light vehicle fleet Light vehicle carbon emission saving (Dunedin CUBE Transport Model)

Communications Considerations

- [61] The outcomes of the business case will be consulted on through both the RLTP and LTP in early 2024. Communication material to support these consultations will be prepared to ensure there is clear understanding about proposed levels of service, costs and options.
- [62] While the two consultation processes are separate every effort will be made to ensure a clear and consistent public transport story for Dunedin.

NEXT STEPS

- [63] Subject to the Committee and Council approving the business case staff will seek Waka Kotahi endorsement of the business case.
- [64] Confirm the communications approach to present the vision for the network to the community.
- [65] Consult on proposed Fare and Frequency changes through LTP and RLTP.

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>2.1 Security for Dunedin Public Transport</i>	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 – Section 7(2)(b)(ii)	Section 48(1)(a); Section 7(2)(b)(ii)

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.