

8.7. Dunedin PT Investment Proposal

Prepared for: Council

Report No. OPS2402

Activity: Community - Long Term Planning and Annual Plan Report
Transport - Public Passenger Transport

Author: Jack Cowie, Transport Planner

Endorsed by: Richard Saunders, Chief Executive

Date: 21 Feb 2024

PURPOSE

- [1] This report seeks that Council rescind its decisions of 13 December 2023 relating to the Dunedin Public Transport Consultation Topic for the Long-Term Plan (LTP). It provides new information about Dunedin Public Transport that it is now proposed to be included as a consultation topic in the LTP.

EXECUTIVE SUMMARY

- [2] At its meeting of 13 December 2023 Council considered four investment proposals for the Dunedin Bus Network to be consulted on in the LTP. The proposals were based on the implementation of the preferred option bus service frequencies from the Dunedin Fares and Frequencies Business Case (FFBC), with various fares.
- [3] Subsequent to Council's decision ORC has been advised that the likelihood of receiving endorsement of the FFBC is very low in the current funding environment. Without endorsement, the Dunedin PT investment proposals cannot be included in the National Land Transport Programme (NLTP) for funding in years 2024 to 2027.
- [4] Retaining the flat \$2.00 Adult Bee Card approved by Council, staff to have identified new investment options for the Dunedin Bus Network, focusing on a staging of frequency and service span enhancements that can be delivered most efficiently.
- [5] Staff recommend that Council approves three higher priority interventions, to be included for consultation in the Long Term Plan.
- [6] While being lower cost packages, each option can be seen as a step in the full investment package of the FFBC previously endorsed by Council.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Rescinds** Resolution CM23-259, from its meeting held on 13 December 2023; as follows
 - 1) ...
 - 2) Approves for the purposes of consultation in the Draft Long Term Plan the following option: Option D (staff recommendation) – the Fares & Frequencies Business Case – Preferred Option of increased service frequencies and operating hours, and \$2.00 Adult Bee Card fare (other fare products retaining present relativities) and being a \$461.74M Dunedin PT investment programme over 10 years; with a total impact on Targeted Rate of \$214.677M;

- 3) *Notes that the decision on the preferred funding model was made as part of a separate paper and that the preferred model will be applied to Public Transport costs for the purpose of consultation.*
- 3) **Approves** for the purposes of consultation in the Draft Long Term Plan one or more of the following options:
- Status Quo Services – comprising fleet decarbonisation but no significant change of service frequency or service spans, and being a \$276.24M Dunedin PT investment programme over 10 years;*
- Or;*
- Option B – Package 1, (staff recommendation) New timetables with longer service spans, and being a \$283.44M Dunedin PT investment programme over 10 years;*
- Or;*
- Option C – Package 2, (staff recommendation) – Enhanced frequency on Routes 5/6 Pine Hill – Calton Hill, Calton Hill – Pine Hill and 10/11 Opoho - Shiel Hill, Shiel Hill - Opoho), and being a 285.24M Dunedin PT investment programme over 10 years; (staff recommendation from Year 2)*
- Or;*
- Option D - Package 2A (Extension to Package 2) – being a \$291.24M Dunedin PT investment programme over 10 years; (staff recommendation from Year 5)*
- Or;*
- Option E - Package 3, All-day frequent service for Mosgiel, and being a \$278.74M Dunedin PT investment programme over 10 years; (not recommended by staff)*
- 4) **Notes** that the decision on the preferred funding model was made as part of a separate paper and that the preferred model will be applied to Public Transport costs for the purpose of consultation.

BACKGROUND

- [7] At its meeting of 13 December 2023 Council considered four investment proposals for the Dunedin Bus Network to be consulted on in the LTP.
- [8] Other than for the “status quo” option, the proposals were all based on the implementation of the preferred option bus service frequencies from the Dunedin Fares and Frequencies Business Case (FFBC), with various fares.
- [9] The FFBC proposed a significant investment to enhance service level improvements, including the following key features:
- Enhancing two additional routes to a 15-minute all-day frequency (being Routes 5/6 Pine Hill – Calton Hill, Calton Hill – Pine Hill; and 10/11 Opoho - Shiel Hill, Shiel Hill - Opoho)

- Targeting travel-to-work mode-share by increasing peak frequencies to 15-minutes, and off-peak to 30-minute, across the network, excluding a small number of targeted routes
 - Increasing service spans across the network to better accommodate the travel of shift workers (in particular, to support the New Dunedin Hospital (NDH))
- [10] The report to Council on 13 December 2023 noted that funding sources for Years 1-3 of the LTP included targeted rates, fare revenue, along with NZ Transport Agency, Waka Kotahi (NZTA) Funding Assistance (FAR) being 51% of the total costs.
- [11] Subsequent to Council's decision recent discussions with NZTA have identified that, due to the significant pressure on the National Land Transport Fund (NLTF), the likelihood of receiving endorsement of the FFBC is very low in the current funding environment. Without endorsement, the Dunedin PT investment proposals cannot be included in the National Land Transport Programme (NLTP) for funding in years 2024 to 2027.
- [12] The tight timing of the LTP with the release of the new Draft Government Policy Statement on Land Transport (GPS), due early March, has prompted staff to identify new investment options for the Dunedin Bus Network. While being lower cost packages, each option can be seen as a step in the full investment package of the FFBC previously endorsed by Council.

DISCUSSION

- [13] Dunedin's current bus services have a number of inconsistencies. For instance, while much of the network runs on 30-minute or hourly schedules, some routes operate with services running at 20 or 40-minute frequencies. On some routes the service headways of evening services change to a random frequency, eg 90 minute.
- [14] Services on some routes with otherwise the same frequencies, start and/or finish significantly earlier than others. This means that on Sundays, for example, some routes have their last trips as early as 5pm, while others run as late as 8pm. The service span variation does not necessarily correlate to the current popularity of the route.
- [15] The FFBC proposes a broad-brush and early 'rationalisation' of these features with an almost wholesale enhancement of the network. While the FFBC demonstrates that, with the right fare structure, these changes will deliver PT mode-share across Dunedin that would lower the city's carbon emissions, provide transport choice, and deliver wider economic benefits, it requires significant investment. Without an equitable funding of that investment it is not practicable fully to implement the FFBC fares and frequencies from the outset of the LTP.
- [16] Addressing issues of consistency such as those set out above is known to support ridership. "Clock-face" timetabling is deemed to be legible and easier for the public to commit to memory. This is an important feature at least until higher levels of frequencies can be delivered (15 minutes or less) when services become "turn up and go". Standardised service spans and regular headways further help to make the network memorable which will make it seem more reliable for some travellers.
- [17] Based on these fundamental principles, which also underlie the FFBC, staff have identified four new targeted investment packages. These packages offer highly affordable Dunedin PT investment options which support the growth in patronage that we are seeing as people are choosing to take PT. They also derive from the FFBC as steps to further grow mode share. The four packages are set out below.

- [18] **Package 1: New timetables with Longer Service hours** – Subject to further specification, it is estimated that the above service levels can be delivered for \$800,000 per year, starting from Year 2 (2025-26).
- [19] **Package 2: Enhanced frequency on Routes 5/6 and 10/11** - This package would increase the frequencies of Routes 5/6 and 10/11 (Pine Hill – Calton Hill, Calton Hill – Pine Hill; and 10/11 Opoho - Shiel Hill, Shiel Hill – Opoho) to every 15 minutes at peak, every 30 minutes off-peak, remaining at every 60 minutes on weekends
- [20] As recognised in the FFBC, Routes 5/6 and 10/11 have the greatest deficiencies between current service levels and targets in the Regional Public Transport Plan (RPTP). The services currently operate every 20 minutes at peak, every 40 minutes inter-peak, and every 60 minutes on evenings and weekends. The target frequencies in the RPTP for these routes are every 15 minutes at peak and every 30 minutes off-peak, including weekends. As the FFBC has suggested, the services would be required to run every 15 minutes to attract significantly higher numbers of new passengers. However, the proposed Package 2 changes would be a first stage that have potential additional network benefits.
- [21] The 15- 30- and 60-minute frequencies on these routes offer some efficiencies and could help address some known operational issues. For example, on Route 10, four buses operate at peak, requiring 80 minutes for a round trip. This compares with other routes of similar length which have 90 minutes or more allowed for a round trip; with three buses operating every 30 minutes. The 20-minute frequencies are difficult to slot with other routes at the Bus Hub, constraining our ability to align timetables of routes on similar corridors.
- [22] A contract variation would be required which may have some complexity due to the need to bring in new buses. The cost is estimated at \$1,000,000 per year, subject to further study. It is proposed that the investment starts in Year 2 (2025/26,) however it is acknowledged that implementation challenges may delay this until Year 3 (2026/27).
- [23] **Package 2A (extension to Package 2)** - This extends Package 2 to implement full FFBC service levels on Routes 5/6 and 10/11. That is, services running every 15 minutes all day (6am-7pm) on weekdays. Services would also be enhanced to half-hourly on evenings and weekends to be consistent with other frequent routes. As the peak vehicle requirement is unchanged from Package 2, Package 2A is unlikely to require additional vehicles. A contract variation would be required but is not likely to involve much additional complexity on top of Package 2.
- [24] The cost is an estimated as \$1,000,000 per annum (additional to Package 2) and is recommended to be implemented in Year 5 (2028/29)
- [25] **Package 3: All-day frequent service for Mosgiel** - This package extends the 15-minute peak service on Route 77 to run all day (6am-7pm) on weekdays. Services to Mosgiel are well-patronised and have seen significant growth already. An all-day frequent service might support further patronage growth. However, despite the focus of the FFBC on trips to the city centre from the south, this package is less supported by the FFBC and current RPTP, as the desired service levels (15-minute peak plus express services, 30-minute off-peak) are already in place. The key advantages of this Package are it wouldn't

require additional buses, and the changes could be implemented as part of the Unit 5 contract currently being tendered.

- [26] The cost of Package 3 is estimated as \$500,000 per year. The package is not recommended by staff due to its weaker alignment with FFBC and the RPTP, but if it were implemented, it could be in Year 4 (2027/28). This timing is chosen due to the need for further study.
- [27] This report identifies discrete packages that, as steps toward full implementation of the FFBC in due course, will ensure that buses become an attractive choice of travel to work or education in future. Estimated to be 8% of these future trips, Dunedin's bus network would achieve significant reductions in carbon emissions from the light vehicle fleet.
- [28] However, it should be noted that without endorsement of FFBC the benefits of investment will be delayed, and a host of programme efficiencies will be lost. This will affect operations as service level improvements are made in a piecemeal way, ie by Route, by route over time, contract variation.
- [29] In addition to the delivery of the FFBC to the extent that funding allows, there is a wider program of service planning required that is still to be scoped and undertaken, which would determine and justify a wider set of service improvement options for future funding processes.

OPTIONS

- [30] With the four options outlined above there are now five options for the Dunedin Network proposed for consideration in the Long-Term Plan:
- [31] Option A - Status quo
- No change to the existing levels of services in terms of operating hours or frequency improvements. Under this option the decarbonisation of the fleet will continue by contract, with an expectation that the network will be fully zero-emission by 2035.
- [32] Option B – Package 1, Optimised timetables, more consistent service spans. This option sees:
- Target 6:00am to 11:30pm service span across the network, beginning with later services on Fridays and Saturdays. Weekdays: Full frequency services running from approximately 6:00am to 7:00pm with additional peak trips on some routes. Half-frequency services continuing until 11:00pm (11:30pm on Fridays)
 - Saturdays, half-frequency services from approximately 7:30am to 11:30pm
 - Sundays, half-frequency services from approximately 8:00am to 8:00pm
 - \$800,000 per year, year 2 (2025/26)
- [33] Option C – Package 2, Enhanced frequency on Routes 5/6 and 10/11 (Pine Hill – Calton Hill, Calton Hill – Pine Hill; and 10/11 Opoho - Shiel Hill, Shiel Hill – Opoho). This option sees:
- 15 minutes at peak, 30 minutes off-peak,
 - Remaining at every 60 minutes on weekends
 - \$1,000,000 per year, proposed from Year 2 (2025/26), subject to resourcing
- [34] Option D – Package 2A, Extension to Package 2 - Further enhanced frequency on Routes 5/6 and 10/11 (Pine Hill – Calton Hill, Calton Hill – Pine Hill; and 10/11 Opoho - Shiel Hill, Shiel Hill – Opoho) which sees:
- 15-minute all day (6am-7pm) frequencies on weekdays.
 - 30-minute on evenings and weekends.
 - \$1,000,000 per annum (additional to Package 2), from year 5 (2028/29)
- [35] Option E – Package 3, All-day frequent service for Mosgiel - This package sees:

- 15-minute peak service on Route 77 to run all day (6am-7pm) weekdays
 - \$500,000 per year, from Year 4 (2027/28)
- [36] There has been limited time to provide a detailed justification for these packages and their prioritisation. The packages take direction from the FFBC for primary justification, and it is noted that final prioritisation of the packages should incorporate public feedback. Acknowledging these provisos, a preliminary assessment follows the ordering of the packages based on the following reasons:
- [37] Package 1 has highest priority based on;
- Affordability;
 - easy to implement through variations;
 - consistency with the business case; and
 - Provides wide benefits across Dunedin.
- [38] The level of spending for Package 1 can be scaled relatively continuously. At low cost, this could be largely an equalisation of service hours to resolve anomalies. However, while some areas see service hour enhancements some areas will experience a reduction in service frequencies to compensate. At a higher cost, we could deliver improvements across most of the network. Public engagement and subsequent decision-making could focus on evaluating the level of investment in this package, rather than a binary yes/no.
- [39] Package 2 is given the second priority. This package addresses some of the largest service/timetable anomalies in the current Dunedin network which would allow us to resolve operational issues and improve reliability. It provides a step towards FFBC frequencies and implements RPTP target frequency. However, the prioritisation is lower due to this package being challenging to implement and its reduced geographical impact. It requires new buses, and therefore interacts with electrification questions and has a lead time.
- [40] Package 2A is given third priority. This package provides for FFBC frequencies and extends Dunedin's all-day frequent network significantly. It can only be implemented as an add-on to package 2, so is necessarily lower priority.
- [41] Package 3 is lowest priority. Although not recommended by staff due to weaker alignment with FFBC and RPTP, is included as an alternative due to its ease of implementation through the new Unit 5 contract. Additionally, due to the delayed start of the new Mosgiel Express services it is considered that Package 3 may have been under-studied in the FFBC.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [42] The Regional Public Transport Plan 2021-31 (RPTP) outlines ORC's aspiration to increase the share of people travelling by public transport, rather than in single occupant vehicles (SOVs). This reduces emissions of greenhouse gases, other particulates, noise and can contribute to reduced congestion, making cities more liveable.
- [43] To achieve this mode shift, we undertake to work collaboratively with territorial authorities and communities, partner agencies, stakeholders and customers to grow the modal share of public transport.

[44] While being consistent with this policy direction in the RPTP, the outcome of fares and frequencies business case are at other points inconsistent with the RPTP service level and these will need to be reviewed, as the RPTP is required to be reviewed, on the basis of the investment programme that Council endorses in the RLTP/LTP.

Financial Considerations

[45] Below are the financial implications of the proposals: (See Attachment 1 for large version)

a. Note that these are pre-inflation figures

Option A – Status Quo

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	TOTAL SPEND
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,339,524	26,594,458	27,456,462	27,100,607	26,456,599	26,456,599	26,451,760	26,431,715	26,431,715	26,431,715	26,431,715	266,353,345
TOTAL OPEX	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,367,634	(11,717,616)	(11,961,004)	(11,576,589)	(11,153,245)	(11,027,138)	(10,896,194)	(10,798,689)	(10,721,230)	(10,643,771)	(10,566,311)	(111,061,788)
Grants	(10,341,602)	2,057,982	(12,399,584)	(12,705,498)	(12,620,148)	(12,260,965)	(12,129,712)	(11,998,458)	(11,917,837)	(11,837,216)	(11,756,595)	(11,675,974)	(121,301,987)
Fares	(3,800,000)	65,090	(3,865,090)	(4,194,704)	(4,335,958)	(4,793,317)	(5,050,676)	(5,308,036)	(5,466,116)	(5,624,197)	(5,782,277)	(5,940,358)	(50,560,729)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(1,190,196)	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	7,994,616
TOTAL FUNDING	(23,182,318)	4,461,618	(27,643,936)	(28,505,941)	(28,260,085)	(27,506,077)	(27,506,077)	(27,501,238)	(27,481,193)	(27,481,193)	(27,481,193)	(27,481,193)	(276,848,127)

Option B – Package 1

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	TOTAL SPEND
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,489,524	26,744,458	28,406,462	28,160,607	27,406,599	27,406,599	27,401,760	27,381,715	27,381,715	27,381,715	27,381,715	275,053,345
TOTAL OPEX	23,182,318	4,611,618	27,793,936	29,455,941	29,210,085	28,456,077	28,456,077	28,451,238	28,431,193	28,431,193	28,431,193	28,431,193	285,548,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,611,618	27,793,936	29,455,941	29,210,085	28,456,077	28,456,077	28,451,238	28,431,193	28,431,193	28,431,193	28,431,193	285,548,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,441,134	(11,791,116)	(12,426,504)	(12,042,089)	(11,618,745)	(11,492,638)	(11,361,694)	(11,264,189)	(11,186,730)	(11,109,271)	(11,031,811)	(115,324,788)
Grants	(10,341,602)	2,134,482	(12,476,084)	(13,189,998)	(13,104,648)	(12,745,465)	(12,614,212)	(12,482,958)	(12,402,337)	(12,321,716)	(12,241,095)	(12,160,474)	(125,738,987)
Fares	(3,800,000)	65,090	(3,865,090)	(4,194,704)	(4,335,958)	(4,793,317)	(5,050,676)	(5,308,036)	(5,466,116)	(5,624,197)	(5,782,277)	(5,940,358)	(50,560,729)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(1,190,196)	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	7,994,616
TOTAL FUNDING	(23,182,318)	4,611,618	(27,793,936)	(29,455,941)	(29,210,085)	(28,456,077)	(28,456,077)	(28,451,238)	(28,431,193)	(28,431,193)	(28,431,193)	(28,431,193)	(285,548,127)

Option C – Package 2

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	TOTAL SPEND
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,489,524	26,744,458	28,606,462	28,360,607	27,606,599	27,606,599	27,601,760	27,581,715	27,581,715	27,581,715	27,581,715	276,853,345
TOTAL OPEX	23,182,318	4,611,618	27,793,936	29,655,941	29,410,085	28,656,077	28,656,077	28,651,238	28,631,193	28,631,193	28,631,193	28,631,193	287,348,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,611,618	27,793,936	29,655,941	29,410,085	28,656,077	28,656,077	28,651,238	28,631,193	28,631,193	28,631,193	28,631,193	287,348,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,441,134	(11,791,116)	(12,524,504)	(12,140,089)	(11,716,745)	(11,590,638)	(11,459,694)	(11,362,189)	(11,284,730)	(11,207,271)	(11,129,811)	(116,206,788)
Grants	(10,341,602)	2,134,482	(12,476,084)	(13,291,998)	(13,206,648)	(12,847,465)	(12,716,212)	(12,584,958)	(12,504,337)	(12,423,716)	(12,343,095)	(12,262,474)	(126,656,987)
Fares	(3,800,000)	65,090	(3,865,090)	(4,194,704)	(4,335,958)	(4,793,317)	(5,050,676)	(5,308,036)	(5,466,116)	(5,624,197)	(5,782,277)	(5,940,358)	(50,560,729)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(1,190,196)	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	7,994,616
TOTAL FUNDING	(23,182,318)	4,611,618	(27,793,936)	(29,655,941)	(29,410,085)	(28,656,077)	(28,656,077)	(28,651,238)	(28,631,193)	(28,631,193)	(28,631,193)	(28,631,193)	(287,348,127)

Option D – Package 2A

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	TOTAL SPEND
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,489,524	26,744,458	27,606,462	27,360,607	26,606,599	26,606,599	26,601,760	26,581,715	26,581,715	26,581,715	26,581,715	281,853,345
TOTAL OPEX	23,182,318	4,611,618	27,793,936	28,655,941	28,410,085	27,656,077	27,656,077	27,651,238	27,631,193	27,631,193	27,631,193	27,631,193	292,348,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,611,618	27,793,936	28,655,941	28,410,085	27,656,077	27,656,077	27,651,238	27,631,193	27,631,193	27,631,193	27,631,193	292,348,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,441,134	(11,791,116)	(12,034,504)	(11,650,089)	(11,226,745)	(11,100,638)	(10,969,694)	(10,872,189)	(10,794,730)	(10,717,271)	(10,639,811)	(118,656,788)
Grants	(10,341,602)	2,134,482	(12,476,084)	(12,781,998)	(12,696,648)	(13,357,465)	(13,226,212)	(13,094,958)	(13,014,337)	(12,933,716)	(12,853,095)	(12,772,474)	(129,206,987)
Fares	(3												

	23/24 AP	Inc/(Dec)	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	TOTAL SPEND
			24/25 LTP	25/26 LTP	26/27 LTP	27/28 LTP	28/29 LTP	29/30 LTP	30/31 LTP	31/32 LTP	32/33 LTP	33/34 LTP	
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,489,524	26,744,458	27,606,462	27,360,607	27,106,599	27,106,599	27,101,760	27,081,715	27,081,715	27,081,715	27,081,715	271,353,345
TOTAL OPEX	23,182,318	4,611,618	27,793,936	28,655,941	28,410,085	28,156,077	28,156,077	28,151,238	28,131,193	28,131,193	28,131,193	28,131,193	281,848,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,611,618	27,793,936	28,655,941	28,410,085	28,156,077	28,156,077	28,151,238	28,131,193	28,131,193	28,131,193	28,131,193	281,848,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,441,134	(11,791,116)	(12,034,504)	(11,650,089)	(11,471,745)	(11,345,638)	(11,214,694)	(11,117,189)	(11,039,730)	(10,962,271)	(10,884,811)	(113,511,788)
Grants	(10,341,602)	2,134,482	(12,476,084)	(12,781,998)	(12,696,648)	(12,592,465)	(12,461,212)	(12,329,958)	(12,249,337)	(12,168,716)	(12,088,095)	(12,007,474)	(123,851,987)
Fares	(3,800,000)	65,090	(3,865,090)	(4,194,704)	(4,535,958)	(4,793,317)	(5,050,676)	(5,308,036)	(5,466,116)	(5,624,197)	(5,782,277)	(5,940,358)	(50,560,729)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(1,190,196)	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	7,994,616
TOTAL FUNDING	(23,182,318)	4,611,618	(27,793,936)	(28,655,941)	(28,410,085)	(28,156,077)	(28,156,077)	(28,151,238)	(28,131,193)	(28,131,193)	(28,131,193)	(28,131,193)	(281,848,127)

Staff Recommendation – Packages 1, 2, 2A

	23/24 AP	Inc/(Dec)	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	TOTAL SPEND
			24/25 LTP	25/26 LTP	26/27 LTP	27/28 LTP	28/29 LTP	29/30 LTP	30/31 LTP	31/32 LTP	32/33 LTP	33/34 LTP	
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,489,524	26,744,458	28,406,462	28,160,607	29,406,599	29,406,599	29,401,760	29,381,715	29,381,715	29,381,715	29,381,715	289,053,345
TOTAL OPEX	23,182,318	4,611,618	27,793,936	29,455,941	29,210,085	30,456,077	30,456,077	30,451,238	30,431,193	30,431,193	30,431,193	30,431,193	299,548,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,611,618	27,793,936	29,455,941	29,210,085	30,456,077	30,456,077	30,451,238	30,431,193	30,431,193	30,431,193	30,431,193	299,548,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,441,134	(11,791,116)	(12,426,504)	(12,042,089)	(12,598,745)	(12,472,638)	(12,341,694)	(12,244,189)	(12,166,730)	(12,089,271)	(12,011,811)	(122,184,788)
Grants	(10,341,602)	2,134,482	(12,476,084)	(13,189,998)	(13,104,648)	(13,765,465)	(13,634,212)	(13,502,958)	(13,422,337)	(13,341,716)	(13,261,095)	(13,180,474)	(132,878,987)
Fares	(3,800,000)	65,090	(3,865,090)	(4,194,704)	(4,535,958)	(4,793,317)	(5,050,676)	(5,308,036)	(5,466,116)	(5,624,197)	(5,782,277)	(5,940,358)	(50,560,729)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(1,190,196)	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	799,462	7,994,616
TOTAL FUNDING	(23,182,318)	4,611,618	(27,793,936)	(29,455,941)	(29,210,085)	(30,456,077)	(30,456,077)	(30,451,238)	(30,431,193)	(30,431,193)	(30,431,193)	(30,431,193)	(299,548,127)

[46] Funding sources for Years 1-3 of the LTP include targeted rates, fare revenue, and Waka Kotahi Funding Assistance, which in accordance with the draft GPS will be 51% of the total costs.

Significance and Engagement Considerations

[47] The investment programmes for public transport in Dunedin other than the Status Quo are deemed to be significant with reference to the Local Government Act 2002, and Council's own significance policy as they significantly alter the intended level of service provision. It is therefore proposed to consult on these changes as part of Council's draft Long-Term Plan.

[48] To understand the community's needs/wants for bus services, a public feedback survey was as part of the Fares & Frequencies Business Case between 10 November and 24 November 2022. This provided the opportunity 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. At the time of the survey all public transport fares were half-price with Government subsidisation.

Legislative and Risk Considerations

[49] The procurement of all public transport services is required to be in accordance with the Land Transport Management Act 2003 and conform to the Sustainable Public Transport Framework.

[50] The key risk is the ability of NZTA to continue to provide grant funding in Years 2024 – 2027. This risk is increased should ORC seek to significantly increase the overall costs of services. This is mitigated by the interventions' low-cost nature.

[51] Another risk is public appetite for an increase in Targeted Rate to fund all or part of the cost of these services.

[52] The risk of any option, being a delay and/or scaling back on the proposed frequencies and service span of the FFBC, is that the contribution that Public Transport will make to

emission reduction targets in DCC's Zero Carbon Plan 2030, and any future Climate Strategy adopted by ORC, will be diminished.

- [53] ORC must continue to work with our Connecting Dunedin partners to advocate for the completion of the Shaping Future Dunedin Programme. Specifically, this includes DCC reviewing its parking management policy to address the supply and cost of parking in the central city.

Climate Change Considerations

- [54] All the public transport investment programme options provide for the electrification of the bus fleet. However, to support the carbon emissions reduction targets DCC recently adopted its Zero Carbon 2023 Plan of at least 42% below 2018/19 levels, requires, as is noted in the Plan, "*significant changes in the way the city is organised and the way people get around*" and for 18% of all trips to be on PT. The proposed packages would be unlikely to achieve the required mode-shift.

Communications Considerations

- [55] All service changes will need to be accompanied by communications at the appropriate time.

NEXT STEPS

- [56] Should Council approve an option for consultation staff will work to include the material in the draft Long Term Plan consultation document.

ATTACHMENTS

1. Funding section summary (2) [**8.7.1** - 3 pages]