

STAFF REPORT

TO: Mayor and Councillors

FROM: Peter Thomson, Engineering Manager

REFERENCE:

DATE: 10 June 2009

SUBJECT: PASSENGER TRANSPORT

1 PURPOSE

The purpose of this report is to provide information regarding the changes to the Passenger Transport funding currently within the Draft Ten Year Plan. The discussion in this report considers the funding of public transport in Years 3 with an increase in Year 4 and beyond. Another funding model is now proposed which is discussed in this report.

2 BACKGROUND

The requirements of the transport disadvantaged needs to be considered and ensure that Council provides for all sectors of its community. The draft Ten Year Plan considers public transport and provides significant funding for improvement to the services in conjunction with Nelson City Council. Nelson City Council currently has funding for improvements to public transport in Year 4 of its Draft Ten Year Plan. Tasman District Council has shown funding starting in Year 3.

The Ten Year Plan shows \$413,880 in Year 3 with an increase to \$620,820 in Year 4 and beyond. These figures represent a significant investment in public transport. Nelson City Council was also looking at a significant investment in public transport.

Tasman District Council and Nelson City Council have been discussing alternatives to the original proposals regarding the improvement of services between the two areas. This cooperation has allowed for a better outcome for all parties, and should allow an earlier start to public passenger transport services between Richmond and Nelson. The final details have yet to be finalised, however it is expected that Nelson City Council will act as the lead agency for applications to NZTA for a subsidised public passenger transport system, and Tasman District Council will make an appropriate local share contribution to the costs of the service.

3 COMMENT

The key stakeholders are currently investigating how best to provide an improvement to bus services for the area with most of the focus initially between Richmond and Nelson. As noted above there is now a proposal to start a passenger transport service before year 3 or 4, largely by starting the service at a more modest "entry" level and minimising capital fleet costs. It is expected that Nelson City Council and Tasman District Council will jointly

develop new public passenger transport arrangements between Richmond and Nelson in 2009/2010 through a tender for passenger transport services. Initially this public service will be based on a limited improvement to the current private service. The new service contract would be 50% funded by NZTA subsidy.

There is a need to better understand the provision of bus services before Council commits significant capital funds or additional operating funds to a large extensive and fully integrated public transport service. A cost effective and affordable entry level service will allow both Councils to develop a better understanding of our public transport system needs, and how any upgrade to the existing level of service can be introduced to meet patron's expectations and at the same time be affordable for the wider community.

To achieve these necessary goals with Nelson City Council, our Council will need to fund \$60,000 (local share) in Year 1. It is expected this figure will increase to \$120,000 (local share) for Year 2, and each year beyond to Year 10. By Year 3 both Tasman District Council and Nelson City Council will have good commercial information to determine the necessary requirements to provide a cost efficient and convenient service to the public transport users including the transport disadvantaged. The total cost of any services from Year 3 is expected to be significantly less than those currently listed in Tasman District Council's Draft Ten Year Plan.

4 RECOMMENDATION

4.1 THAT this report is received by Council

4.2 THAT Council approves the funding of \$60,000 in Year 1 for the introduction of public passenger transport services between Richmond and Nelson based on joint funding with Nelson City Council and an operations subsidy from the New Zealand Transport Agency.

4.3 THAT Council approves funding of \$120,000 per annum from Years 2 through to 10 in the Ten Year Plan for the ongoing provision of public passenger transport services.

Peter Thomson
Engineering Manager